

SCRep. 1-12 Labor & Public Employment on H.B. No. 994

The purpose of this measure is to ensure uniformity and fairness in the covered loss deductible provision of the insurance code by excluding benefits paid or incurred under the workers' compensation law in automobile accident cases from the covered loss deductible requirements.

The Hawaii Association for Justice testified in support of this bill. A concerned individual testified in opposition to this measure. The Department of Commerce and Consumer Affairs provided comments.

The purpose of the covered loss deductible provision of Hawaii's insurance code is to set reasonable standards for litigation of legitimate claims and to discourage frivolous lawsuits in automobile accident cases by deducting the amount of medical expenses from injury awards. This prevents a claimant who already received a recovery for medical expenses from an automobile insurer under personal injury protection medical coverage provisions of an automobile insurance policy from receiving an additional windfall in recovery for medical expenses in injury awards.

Your Committee finds that in automobile accidents involving an individual covered under workers' compensation insurance, the workers' compensation policy and not the personal injury protection medical coverage of an automobile insurance policy pays for medical expenses incurred as a result of the accident. Furthermore, under Hawaii's workers' compensation law, the accident victim must repay the workers' compensation insurer for medical, wage loss, and permanent disability payments paid for by the workers' compensation insurer if a judgment, settlement, or award is given to the victim, with payment being deducted from the judgment, settlement, or award.

Your Committee also finds that under current law, the personal injury protection medical coverage of an automobile insurance policy is allowed to deduct the amount of medical expenses from a judgment, settlement, or injury award.

The current workers' compensation reimbursement requirements unfairly require an automobile accident victim who is injured while working to pay twice for the cost of medical services: once under the covered loss deductible provision and a second time under the workers' compensation law. This measure addresses this inequity.

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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 994, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Aquino, M. Lee, Okamura and Saiki.

SCRep. 2-12 Labor & Public Employment on H.B. No. 1356

The purpose of this measure is to provide greater privacy protections for State and county employees while preserving the intent of the Uniform Information Practices Act to promote the public's access to certain types of information by amending the name and compensation disclosure requirement for State and county employees.

The Senator from the 25th Senatorial District, Honolulu Police Department, and Hawaii Government Employees Association testified in support of this measure. Common Cause Hawaii and several concerned individuals testified in opposition to this measure. The Office of Information Practices submitted comments.

Under the Uniform Information Practices Act, information involving public employees such as, among other things, the employee's name, salary, business phone number, job title, business address, and education and training background are required to be made available for public inspection and duplication. With the proliferation of identity theft and the increased ease of dissemination of information, especially on the Internet, questions have been raised as to the degree to which public employees should be afforded privacy and whether access to employee information should be more restricted.

While your Committee acknowledges the importance of open government and the disclosure of certain types of information for public inspection, it also recognizes the need to balance open government with a limited right to privacy. Your Committee also finds that in cases where a public employee is a victim of domestic abuse or domestic violence, release of information containing the employee's business address or business phone number could have severe consequences for the employee.

Accordingly, your Committee has amended this bill by:

- (1) Specifying that information concerning an employee's education and training background, previous work experience, date of first and last employment, and service computation date shall be restricted from public access;
- (2) Stipulating that business phone numbers and business addresses of domestic abuse or domestic violence victims shall not be released; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1356, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Aquino, M. Lee, Okamura and Saiki.

SCRep. 3-12 Labor & Public Employment on H.B. No. 1452

The purpose of this measure is to assist victims of human trafficking by, among other things:

- (1) Requiring the Office of Community Services of the Department of Labor and Industrial Relations to coordinate with, and assist, law enforcement agencies, the county prosecutors' offices, the attorney general's office, and the Department of Human Services to provide social services for survivors of human trafficking;
- (2) Allowing the Office of Community Services to enter into contracts with non-government organizations for providing services to pre-certified victims of human trafficking;
- (3) Establishing the types of social services that may be included in the provision of services to victims of human trafficking;
- (4) Providing a process for the confirmation of an individual as a survivor of human trafficking;
- (5) Requiring the State, the local law enforcement agency, or district attorney's office to assist a human trafficking survivor with respect to immigration if requested by the human trafficking victim or an individual representing that victim; and
- (6) Appropriating an unspecified amount of funds for the provision of social services to human trafficking survivors.

The Pacific Alliance to Stop Slavery and several concerned individuals testified in support of this measure. The Department of Human Services and IMUAlliance supported the intent of this measure. The Office of Community Services of the Department of Labor and Industrial Relations provided comments.

Victims of human trafficking are commonly linked by poverty and a lack of opportunity and are often seeking to escape their impoverished life with the hope of finding opportunity and a brighter future in the United States, including Hawaii. Human traffickers frequently promise unsuspecting victims an opportunity to travel, at no immediate expense, for employment and housing. When they reach their destination, these victims are often forced to work in various types of jobs that range from the sex trade to virtual slave labor. By the time these individuals are rescued, if ever, their physical, mental, and psychological state have been shattered with many becoming ill and some even losing their lives. This measure attempts to assist these victims.

While your Committee understands that the issue of human trafficking is complex and raises many technical questions regarding the provision of social services and other types of assistance to survivors of human trafficking, this measure deserves further discussion and consideration. It is your Committee's hope that the technical aspects of this measure will be more fully explored by your Committee on Judiciary.

Your Committee has amended this measure by:

- (1) Requiring that a law enforcement agency or a district attorney's office notify the Office of Community Services and the Division of Criminal Justice Services that a human trafficking survivor may be eligible for social services not more than 30 days after a first encounter with a person who reasonably appears to be such a survivor;
- (2) Changing its effective date to July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1452, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Aquino, M. Lee, Okamura and Saiki.

SCRep. 4-12 Labor & Public Employment on H.B. No. 1691

The purpose of this measure is to assist Hawaii's workers by:

- (1) Increasing the minimum wage from \$7.25 to \$8.14 per hour beginning January 1, 2013; and
- (2) Recalculating the minimum wage on July 1 of each year, beginning with 2013, by dividing the federal poverty level for a family of two persons in Hawaii by 2,080.

The Department of Labor and Industrial Relations, Hawaii Government Employees Association, and Chair of the Labor Caucus of the Democratic Party of Hawaii testified in support of this measure. The Chamber of Commerce of Hawaii, Hawaii Bar Owners Association, Retail Merchants of Hawaii, National Federation of Independent Business, Hawaii Restaurant Association, and a concerned individual testified in opposition to this measure.

The minimum wage was initially established to provide a wage floor for employees, thus ensuring the economic well-being and security of the average worker. However, increased inflation and cost of living have eroded workers' purchasing power making it difficult for individuals to meet ever-increasing financial demands.

The minimum wage was last increased in 2007 to the current amount of \$7.25 per hour. However, according to the Department of Labor and Industrial Relations, when adjusted for inflation, today's minimum wage of \$7.25 per hour was worth only \$6.41 per hour in 2011, and will be worth \$6.18 per hour for this current year. Your Committee notes that 18 states or jurisdictions including the western states of California, Washington, Oregon, Arizona, and Alaska have a higher minimum wage than Hawaii, and that the minimum wage in these 18 states ranges from \$7.40 per hour in Michigan and Rhode Island to \$9.04 per hour in Washington.

Hawaii's cost of living expenses have historically and consistently ranked high among all states. This measure is intended to provide a modicum of relief to Hawaii's workers from this high cost of living. Your Committee also believes that higher wages earned by the minimum wage worker will likely be spent by that worker and will therefore contribute to the economic recovery of the State.

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. 1691 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 5-12 Finance on H.B. No. 2002

The purpose of this measure is to appropriate funds for the legislative branch of state government. Specifically, this bill:

- (1) Appropriates \$7,377,244 to the Senate;
- (2) Appropriates \$10,481,787 to the House of Representatives;
- (3) Authorizes \$145 per day for travel allowance while traveling abroad on official business;
- (4) Appropriates \$2,663,849 to the Office of the Auditor for operating expenses;
- (5) Appropriates \$2,550,828 for deposit into the Audit Revolving Fund;
- (6) Authorizes \$6,000,000 from the Audit Revolving Fund to the Office of the Auditor to conduct or complete its audit functions;
- (7) Appropriates \$3,033,970 to the Legislative Reference Bureau;
- (8) Appropriates \$1,017,875 to the Office of the Ombudsman;
- (9) Appropriates \$849,531 to the State Ethics Commission; and
- (10) Appropriates \$87,500 each to the Senate and the House of Representatives for the production and distribution of television broadcasts of legislative proceedings.

The Office of the Ombudsman, the Office of the Auditor, and the Hawaii State Ethics Commission testified in support of this bill. The Legislative Reference Bureau and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Reducing the appropriation to the Legislative Reference Bureau to \$2,983,970; and
- (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. 2002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 6-12 Housing on H.B. No. 1706

The purpose of this measure is to require owners of residential condominium units who reside on a different island than the unit or out-of-state to provide the managing agent or resident manager of the condominium property with contact information of a rental agent located in the State who is responsible for the management of the unit.

Whalers Realty Management; Hawaii First, Inc.; Certified Hawaii; South Kohala Management Corp.; Captain Cook Real Estate and Captain Cook Resorts; Prosser Realty; and two individuals testified in support of this bill. Hawaii Association of REALTORS, Exclusive Getaways, and numerous individuals testified in support of the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706 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, Har, Kawakami, Pine and Thielen.

SCRep. 7-12 Hawaiian Affairs on H.B. No. 1986

The purpose of this measure is to further the education of third and fourth grade students in the Hawaiian Language Immersion Program by requiring the Department of Education to:

- (1) Eliminate Hawaiian translations used on reading, math, science, and other assessment tests for students in those grade levels; and
- (2) Develop parallel reading, math, science, and other assessment tests in the original Hawaiian language for students in those grade levels.

The Office of Hawaiian Affairs, Aha Kauleo Kaiapuni Hawaii: Hawaiian Language Immersion Advisory Council, Association of Hawaiian Civic Clubs, Na Leo Kakoo Executive Board, Ke Kula O Nawahiokalaniopuu Iki Laboratory Public Charter School, Kuakini Hawaiian Civic Club of Kona, Hawaii Bilingual/Hawaii Olelo Palua, Ke Kula Kaiapuni Hawaii O Kahuku Academy, and numerous individuals supported this measure. The Department of Education offered comments.

Your Committee notes that while the Department of Education provided written testimony on the measure, there were concerns raised by your Committee and testifiers regarding the absence of a Department of Education representative to answer questions at the hearing. Your Committee urges the Department of Education to send a representative for upcoming hearings on the measure. In addition, your Committee finds that extending assessment tests in the Hawaiian language to fifth and sixth grade students merits further discussion.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1986 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Jordan.

SCRep. 8-12 Hawaiian Affairs on H.B. No. 1984

The purpose of this measure is to designate the month of February as "Olelo Hawaii Month" to celebrate and encourage the use of Hawaiian language.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club of Kona, Hawaii Bilingual/Hawaii Olelo Palua, and numerous individuals 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 is in accord with the intent and purpose of H.B. No. 1984 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jordan.

SCRep. 9-12 Labor & Public Employment on H.B. No. 1744

The purpose of this measure is to clarify the time periods of the salary increase moratorium and other cuts for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011. Among other things, this measure:

- (1) Changes the date of the cessation of the five percent salary reduction for legislators, justices, judges, and certain Executive Branch positions to June 30, 2013;
- (2) Removes language providing for the automatic restoration of salaries for justices, judges, and certain Executive Branch positions on January 1, 2014;
- (3) Removes language specifying that additional salary recommendations, if any, made by the Commission on Salaries for justices, judges, and certain Executive Branch positions that are not disapproved by the Legislature will take effect on, or after, January 1, 2014;
- (4) Removes language providing for the automatic restoration of legislative salaries scheduled to take effect on January 1, 2014; and
- (5) Removes language restoring the levels of vacation and sick leave for legislators, justices, judges, and certain Executive Branch positions.

The Department of Human Resources Development and Judiciary testified in support of this measure.

In 2009, amid a growing economic crisis, the Legislature elected to exercise its authority under article XVI, section 3.5 of the Hawaii State Constitution to reduce the salaries of salaried officers of the State by instituting a five percent salary cut and establishing a moratorium on the automatic salary increases recommended by the Commission on Salaries. Act 85, Session Laws of Hawaii 2009 (Act 85), reduced the salary levels of state legislators, justices, judges, and certain Executive Branch positions, by five percent. At the time that Act 85 was passed, the Legislature believed that the economy would rebound soon, and therefore, the salary cuts were scheduled to sunset on June 30, 2011.

Unfortunately, the economy did not recover as quickly or strongly as expected, and given the economic and fiscal condition of the State, the Legislature believed that a prudent course of action should be taken. Thus, Act 57, Session Laws of Hawaii 2011 (Act 57), was enacted to extend the salary cuts through December 31, 2013.

However, beginning with the Regular Legislative Session of 2007, the Commission on Salaries has been constitutionally authorized to submit salary recommendations for the Governor, Lieutenant Governor, department heads and deputies, administrative director of the State, members of the Legislature, and justices and judges of state courts every six years. The Commission's next salary recommendation will be considered during the Regular Session of 2013. If not disapproved by the Legislature, the salaries contained in this recommendation may possibly be in conflict with Act 57. Amending

the dates contained in Act 57 eliminates this possible conflict between the date Act 57 is scheduled to be repealed and the next recommendation of the Commission on Salaries.

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. 1744 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 10-12 Labor & Public Employment on H.B. No. 1698

The purpose of this measure is to improve government efficiency by removing the Department of Human Resources Development's requirement to submit annual reports on the expenditures of qualified community rehabilitation programs to the Legislature.

The Department of Human Resources Development testified in support of this measure.

Act 213, Session Laws of Hawaii 2008, modified a statutory exemption from civil service that was made applicable to the counties of Maui, Hawaii, and Kauai and established a higher monetary threshold for certain contract services with qualified community rehabilitation programs. Act 213 also required the Department of Human Resources Development to submit annual reports to the Legislature regarding the expenditures of these programs and their related activities. However, the Department of Human Resources Development only administers the human resources program for the State. County personnel directors are the chief administrators of their respective county human resource programs. Thus, information about county expenditures for their qualified community rehabilitation programs is not available to the Department of Human Resources Development. As Hawaii law does not permit the Executive Branch of the State to contract with qualified community rehabilitation programs, and information from the counties is not available, the Department of Human Resources Development never has any information to report to the Legislature. This measure addresses this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1698 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 11-12 Judiciary on H.B. No. 1754

The purpose of this measure is to permit, in lieu of the operation of polling places, the mailing of absentee ballots to all registered voters in certain small population pockets covered by their own unique ballot type.

The Office of Elections, Elections Division of the Office of the County Clerk of Kauai County, Office of the County Clerk of Maui County, Office of the City Clerk of the City and County of Honolulu, League of Women Voters, and Americans for Democratic Action supported this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 7, 2059, to facilitate further discussion of the matter; and
- (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. 1754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1754, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 12-12 Judiciary on H.B. No. 1927

The purpose of this measure is to ensure both transparency and efficiency in the elections process by changing certain deadlines for the campaign spending reports of candidate committees. Specifically, this measure changes the deadline for the first preliminary report for a primary election, and deletes the requirement that the January supplemental report be filed only after an election year.

The Campaign Spending Commission and Common Cause Hawaii 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. 1927 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 13-12 Transportation on H.B. No. 14

The purpose of this measure is to:

- (1) Require district courts to delete any driver licensing violation that a driver is found not to have committed from the driver's court record; and
- (2) Prohibit the district court from disclosing, other than to a law enforcement agency or the licensee, a disposition in which the licensee was found to have committed a traffic infraction if that disposition precedes the request for disclosure by a certain amount of years.

A concerned individual testified in support of this measure. The Department of Transportation testified in support of this measure with amendments. The Judiciary provided comments.

Under current law, a certified traffic abstract is required to show all alleged moving violations, no matter their disposition, and any convictions resulting therefrom. According to the Judiciary, alleged moving violations include traffic infractions and traffic crimes, as well as administrative driver's license revocation cases. As the law contains no time limitations for maintaining this information, the Judiciary retains and continues to report all such information in the Judiciary's active database. Your Committee has been informed that this has caused problems for individuals whose traffic infraction cases have been dismissed. This measure attempts to address this issue.

However, your Committee notes the concerns raised by the Department of Transportation that the amendments contained in this measure may not conform to federal law regarding commercial drivers. Your Committee also recognizes the concerns raised by the Judiciary as to the need to amend statutory language regarding the furnishing of operating records by the Traffic Violations Bureau. Accordingly, your Committee has amended this measure by:

- (1) Including an additional exclusion from the limitation on disclosure requirement for drivers convicted of operating a commercial motor vehicle without a commercial driver's license when one was required; and
- (2) Amending statutory language regarding the furnishing of traffic abstracts by the Traffic Violations Bureau to specify that only convictions or civil judgments for moving violations and administrative driver's license revocations be released on a certified traffic abstract.

Your Committee has also amended this measure by:

- (1) Changing its effective date to October 1, 2012, to provide the Judiciary with additional time to upgrade its computer systems; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Finally, your Committee notes that technical and legal questions remain as to the exact placement of the provisions for the expunging of abstract records in statute and respectfully requests your Committee on Judiciary to investigate this matter further.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 14, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 14-12 Transportation on H.B. No. 1669

The purpose of this measure is to remove, in certain instances, motor vehicles from Hawaii's public roadways by allowing the courts to require:

- (1) The immobilization of a motor vehicle owned by an individual convicted of driving without a license or driving with a canceled, suspended, or revoked license if the person has two or more prior convictions for the same offense in the preceding five-year period for a period not to exceed 180 days;
- (2) The immobilization of a motor vehicle owned by an individual whose license has been suspended, denied, or otherwise restricted, non-renewed, non-reinstated, non-restored, revoked, or terminated due to noncompliance with an order of paternity or child support for a period not to exceed 180 days; and
- (3) The registered owner of the vehicle ordered to be immobilized to surrender the number plates issued to the vehicle.

This measure also provides for the removal of the wheel immobilization device and return of the vehicle's number plates after the court-ordered immobilization period is completed.

Mothers Against Drunk Driving HAWAII testified in support of the intent of this measure. The Honolulu Police Department testified in opposition to this measure. The Department of Customer Services of the City and County of Honolulu provided comments.

Hawaii is faced with an ever increasing problem of individuals operating motor vehicles without a valid driver's license, or with a canceled, suspended, or revoked driver's license on Hawaii's roadways. This presents a hazard to all motorists. Estimates from the Honolulu Police Department approximate the number of citations issued each year for driving with a suspended, canceled, or revoked license, or driving without a valid license to be 5,000 to 6,000 annually on Oahu alone. This measure attempts to address this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1669 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 15-12 Transportation on H.B. No. 1688

The purpose of this measure is to protect the health, safety, and welfare of motorists in Hawaii by increasing the minimum insurance requirement for bodily injury liability coverage.

The Hawaii Association for Justice and a concerned individual testified in support of this measure. The Property Casualty Insurers Association of America, State Farm Insurance Companies, USAA, and a concerned individual testified in opposition to this measure. The Department of Commerce and Consumer Affairs and Hawaii Insurers provided comments.

Bodily injury liability coverage was instituted to provide benefits to individuals who were injured or killed by careless drivers in traffic accidents. Presently, the minimum insurance requirement for bodily injury is \$10,000 for bodily injury or death involving one person and \$20,000 for bodily injury or death involving two or more persons. The low minimum coverage was established because of skyrocketing premiums in the 1990s that had driven the cost of automobile insurance to levels that the general public could not afford. By keeping insurance costs low, it was believed that fewer drivers would opt for driving uninsured. Unfortunately, the minimum coverage amounts have been considered by some to be inadequate.

However, changing times have brought changes to the automobile insurance industry and the cost of automobile insurance has dropped to historic lows becoming extremely affordable. Increasing the minimum insurance requirement for bodily injury will allow for the provision of more adequate benefits to individuals injured or killed in traffic accidents while having a minimal effect on the increase in insurance premiums.

Nevertheless, your Committee does note the concerns raised by the insurance industry that establishing the minimum insurance requirement for bodily injury at too high of an amount may raise insurance premiums to a level that may affect those individuals who can barely make payments on their basic motor vehicle insurance premiums. Higher premiums may force those individuals to join the pool of uninsured drivers. Your Committee has amended this measure by reducing the amount of the increase in the minimum insurance requirement for bodily injury liability to:

- (1) \$50,000 for bodily injury or death involving one person; and
- (2) \$100,000 for bodily injury or death involving two or more persons.

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. 1688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1688, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 16-12 Transportation on H.B. No. 1743

The purpose of this measure is to increase the gross vehicle weight rating of vehicles that a category 3 licensee may operate to 18,000 pounds.

The Department of Customer Services of the City and County of Honolulu provided comments on this measure.

Currently, a standard driver's license, known as a category 3 license, allows individuals to operate passenger cars of any gross vehicle weight rating; buses designed to transport 15 or fewer occupants; and trucks and vans having a gross vehicle weight rating of 15,000 pounds or less. However, manufacturers are producing newer trucks and vans that have increased gross vehicle weight ratings. According to the Department of Customer Services of the City and County of Honolulu, some of these trucks and vans range in weight from 15,000 to 16,500 pounds. Without the statutory amendments contained in this measure, individuals currently holding a category 3 license could not legally operate these vehicles without upgrading their license.

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. 1743 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 17-12 Transportation on H.B. No. 1749

The purpose of this measure is to transmit to each county a percentage of all fines and forfeitures collected for uncontested traffic infractions committed in that county which are in excess of amounts required by the State to pay the administrative cost of the Traffic Violations Bureau, with certain exceptions.

The Hawaii State Association of Counties and Treasurer of the Hawaii State Association of Counties testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure. The Mayor of the City and County of Honolulu and the Judiciary provided comments.

Currently, the counties bear most of the responsibility for enforcing the Statewide Traffic Code. However, a majority of the fines and forfeitures collected for violations of the Statewide Traffic Code are paid into the general fund of the State, in part to assist the State with administrative costs for the Traffic Violations Bureau. As uncontested traffic violations do not need to resort to the State courts, administrative costs for these violations appear to be minimal. Inasmuch as the counties provide police protection and traffic enforcement, allowing the counties to maintain a percentage of uncontested traffic fines and forfeitures seems reasonable.

While your Committee recognizes the concerns raised by the Department of Budget and Finance that transferring some of these funds may have an impact on funding the administrative costs of the Traffic Violations Bureau, your Committee notes that the percentage of funds transferred in this measure is based on fines and forfeitures collected that are in excess of the funds necessary for the administrative costs of the Traffic Violations Bureau.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2013, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1749, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 18-12 Energy & Environmental Protection on H.B. No. 1726

The purpose of this measure is to extend the repeal date of the energy systems development special fund to June 30, 2015, to match the repeal date of the environmental response, energy, and food security tax, which is its primary source of funding.

The Department of Business, Economic Development, and Tourism, the Public Utilities Commission, and the University of Hawaii System testified in support of this measure. The Blue Planet Foundation and Enterprise Honolulu testified in support of this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1726 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 and Ito.

SCRep. 19-12 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1679

The purpose of this measure is to protect the rights of Hawaii's workers by providing workers with greater wage related information and expanding criminal and civil penalties to enhance the enforcement of prohibitions on wage theft. Specifically, this measure, among other things:

- (1) Provides for public notice of employer violations of law addressing wage, hour, and other compensation;
- (2) Increases an employer's record keeping requirements for an employee's pay record;
- (3) Requires employers to provide employees with specific wage and employer information at the time of hiring and in employees' pay records; and
- (4) Increases the penalties for an employer's noncompliance with wage requirements and the Department of Labor and Industrial Relations' enforcement functions.

ILWU Local 142 testified in support of this measure. The Department of Labor and Industrial Relations provided comments.

Under current Hawaii law, an employer is required to provide basic pay information to employees on an individual's pay statement. Employers are also required to maintain pay records. At times, however, information about wages and other forms of compensation are not clearly explained on an employee's pay statement which can lead to confusion on the part of an employee when the employee tries to determine the accuracy of the pay statement. Requiring employers to provide employees with specific wage and employer information in a clear manner would address this issue.

Your Committees recognize the concerns raised by the Department of Labor and Industrial Relations regarding the cost and implementation aspects of the notification requirements and extensive revision and expansion of civil and criminal penalties contained in this measure. Accordingly, your Committees have amended this measure by deleting language:

- (1) Providing for public notice of employer violations of law addressing wage, hour, and other compensation;
- (2) Requiring employers to provide employees with specific wage and employer information at the time of hiring; and
- (3) Increasing penalty provisions for an employer's noncompliance with wage requirements and the Department of Labor and Industrial Relations' enforcement functions.

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 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. 1679, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1679, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hashem, Nishimoto and Marumoto.

SCRep. 20-12 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1680

The purpose of this measure is to ensure that everyone has an opportunity to seek employment by prohibiting an employer or employment agency from publishing a job advertisement that states or suggests that an applicant for the job must be currently employed.

The Hawaii State AFL-CIO, Hawaii Government Employees Association, Pride At Work Hawaii, and ILWU Local 142 testified in support of this measure. The Hawaii Civil Rights Commission and Department of Human Resources of the City and County of Honolulu provided comments.

Hawaii, as well as the rest of the nation, has been facing what has been termed the "Great Recession" for the past several years. During this time, unemployment rates have remained at historically high levels. Millions of Americans across the country continue to look for employment but are unable to find jobs. In Hawaii alone, in December 2011, there were 41,900 unemployed workers according to statistics from the Department of Labor and Industrial Relations. Unfortunately, an emerging practice has begun across the country where increasing numbers of employers and employment services are running employment advertisements stating that applicants must currently be employed to apply for the position. This practice has the potential of affecting millions of Americans who are currently unemployed, including those who have been unemployed for more than a year. Barring this practice would provide greater opportunities for employment to those who want to be employed.

However, your Committees recognize the concerns raised on the effect the advertisement prohibition may have on internal recruiting opportunities or promotions. Your Committees also note that simply prohibiting an employer or employment agency from publishing a job advertisement that states or suggests that an applicant for the job must be currently employed does not go far enough in protecting the unemployed from a possibly discriminatory practice. Finally, your Committees find that prohibiting an employer or employment agency from publishing a job advertisement that merely suggests that an applicant for the job must be currently employed is too ambiguous. Accordingly, your Committees have amended this measure by:

- (1) Inserting language that prohibits an employer or employment agency from denying employment to an individual solely because the individual was unemployed;
- (2) Clarifying that prohibition against publishing a job advertisement that states that an applicant for the job must be currently employed does not apply to internal recruiting efforts to fill a vacancy; and
- (3) Deleting language that prohibits an employer or employment agency from publishing a job advertisement that suggests that an applicant for the job must be currently employed.

Your Committees have also amended this bill by:

- (1) Changing its effective date to January 31, 2017, 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 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. 1680, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1680, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hashem, Nishimoto and Marumoto.

SCRep. 21-12 Economic Revitalization & Business on H.B. No. 1925

The purpose of this measure is to permit liquor manufacturers to sell for consumption additional liquor products manufactured from fruits or other products grown in the State.

The Hawaii Liquor Wholesalers Association opposed this measure. The Honolulu Liquor Commission provided comments.

Your Committee finds that this measure will increase business opportunities for local liquor manufacturers by creating for them a new market for direct-to-consumer sales.

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. 1925 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 22-12 Water, Land, & Ocean Resources on H.B. No. 1730

The purpose of this measure is to prohibit members of the Land Use Commission from voting on action taken by the Commission if there is a conflict of interest.

The Chamber of Commerce of Hawaii testified in opposition to this measure. The Hawaii State Ethics Commission and a concerned individual commented on this measure.

Your Committee has amended this measure by deleting from the definition of "material personal involvement" reference to commissioners who own or are directors, officers, or managers of an association that owns beneficially or of record five per cent or more of the outstanding equity interests or outstanding shares of the entity that controls the parcel of land that is subject to a land use commission proceeding. This deletion is necessary to avoid inconsistencies with the State Ethics Code.

Technical, nonsubstantive amendments 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 H.B. No. 1730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1730, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 23-12 Water, Land, & Ocean Resources on H.B. No. 1944

The purpose of this measure is to appropriate funds to the Department of Land and Natural Resources to assist the Hawaii Association of Conservation Districts with staffing and operating costs.

The PUNA Soil and Water Conservation District, the Hawaii Farm Bureau, the Hawaii Association of Conservation Districts, and an individual testified in support of this measure. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by specifying an appropriation figure of \$1 for staffing and operating costs of the Hawaii Association of Conservation Districts. 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1944, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 24-12 Water, Land, & Ocean Resources on H.B. No. 1880

The purpose of this measure is to make permanent the prohibition of private fees for a future transfer of real property by eliminating the repeal date of Act 169, Session Laws of Hawaii 2010.

The Hawaii Association of REALTORS 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. 1880 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 25-12 Economic Revitalization & Business on H.B. No. 2178

The purpose of this measure is to make permanent Hawaii Public Procurement Code exemptions relating to certain sole source vendors and to small purchases.

The Department of Budget and Fiscal Services of the City and County of Honolulu offered testimony in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to promote 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. 2178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2178, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashem.

SCRep. 26-12 Economic Revitalization & Business on H.B. No. 2265

The purpose of this measure is to amend the State Procurement Code by making permanent the amendments made to section 103D-305, Hawaii Revised Statutes, by Act 175, Session Laws of Hawaii 2009, and deleting the requirement that procurements of \$25,000 to less than \$100,000 be conducted through an electronic system.

The City and County of Honolulu testified in support of this measure. The State Procurement Office testified in opposition to this measure.

To promote further discussion, your Committee has amended this measure by changing its effective date to July 1, 2112; provided that the effective date of section 2 of the measure shall be June 30, 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. 2265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashem.

SCRep. 27-12 Economic Revitalization & Business on H.B. No. 2311

The purpose of this measure is to preserve public health, welfare, and safety by authorizing the county liquor commissions and liquor control adjudication boards of specified counties to revoke or suspend liquor licenses for a sustained and continuing pattern of noise, disturbance, misconduct, or disorder.

The Liquor Commission of the City and County of Honolulu provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the 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. 2311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2311, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 28-12 Labor & Public Employment on H.B. No. 1764

The purpose of this measure is to increase the number of individuals eligible for appointive offices in state and county government by allowing for the residency requirement for appointment to be waived when the appointive officer is required to have highly specialized or scientific knowledge and training.

The Department of Human Resources of the City and County of Honolulu testified in support of this bill.

Current law requires applicants for appointive positions in state or county government to reside in the State for at least one year immediately preceding their appointment to government positions. While this requirement was initiated to ensure that individuals applying for government positions would remain in Hawaii, your Committee finds that it has also limited the number of potentially qualified applicants for highly skilled or specialized positions. This is especially true where the position requires highly specialized or scientific knowledge and training such as that of Chief Medical Examiner for the City and County of Honolulu. According to the Department of Human Resources of the City and County of Honolulu, due to the level of expertise required to fill this position, it has been practically impossible to find qualified applicants who have established and meet the one year residency requirement. Expanding the pool of future government employees for these specialized and highly skilled positions by allowing for the waiver of the one year residency requirement will assist in this matter.

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. 1764 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Okamura and Takumi.

SCRep. 29-12 Labor & Public Employment on H.B. No. 1847

The purpose of this measure is to protect the rights of public employees by clarifying that when an appointing authority, prior to release or discharge of an employee, is considering the feasibility of transferring or demoting the employee to another position for which the employee qualifies, the transfer or demotion considered shall be to another position within the appointing authority's jurisdiction.

The Hawaii Government Employees Association testified in support of this measure. The Department of Human Resources Development and Department of Human Resources of the City and County of Honolulu opposed this measure.

Currently, Hawaii law provides seven criteria that an employer is obligated to meet when a civil service employee fails to meet performance requirements prior to releasing that employee from the position or discharging the employee from service. One of the criteria is that the employer consider the feasibility of transferring or demoting that employee to another position for which the employee qualifies. However, your Committee has been informed that since the scope of the job search is not statutorily defined, each state department and county jurisdiction or department has its own interpretation as to what the scope of the job search is intended to encompass, leading to inconsistencies in application.

However, your Committee does note the concerns that the requirement that the transfer or demotion considered be to another position within the appointing authority's jurisdiction may be overly broad and not feasible. Accordingly, your Committee has amended this measure by narrowing the scope of the transfer or demotion being considered to the appointing authority's department. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1847, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 30-12 Labor & Public Employment on H.B. No. 1858

The purpose of this measure is to improve the effectiveness and efficiency of government by requiring the Director of Human Resources Development to annually report workforce demographic information to the Legislature.

The Department of Human Resources Development testified in support of this measure.

The public employee workforce encompasses a large and diverse group of individuals with varying educational, skill, and experience levels and varying degrees of employment, ranging from the recently hired to those employees ready to retire. Your Committee believes that the gathering, review, and analysis of relevant data by the Department of Human Resources Development on the demographics of Executive Branch employees on an annual basis will provide the State with helpful data to make informed policy and operational decisions.

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. 1858 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 31-12 Judiciary on H.B. No. 1756

The purpose of this measure is to increase the transparency of the electoral system by amending the campaign spending law to, among other things:

- (1) Define the term "matching payment period";
- (2) Make "housekeeping" revisions that neither enlarge nor curtail the duties of the Campaign Spending Commission;
- (3) Amend the filing requirements for candidate committee reports by changing the deadline for the first preliminary report for a primary election, and requiring that the January supplemental report be filed annually;
- (4) Ensure greater clarity and specificity by requiring noncandidate committees to include in their reports:
 - (A) Contributions made and 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, and whether the expenditure supports or opposes the candidate;
- (5) Establish the deadline for the filing of the voluntary expenditure limits affidavit; and
- (6) Specify the voluntary expenditure limits for the office of prosecuting attorney.

The Campaign Spending Commission and the League of Women Voters of Hawaii testified in support of this bill. Common Cause Hawaii offered comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision specifying voluntary expenditure limits for the office of prosecuting attorney;
- (2) Changing its effective date to January 7, 2019, 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. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1756, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 32-12 Housing on H.B. No. 1885

The purpose of this measure is to improve the conditions of public housing in the State by requiring mandatory drug testing as a condition of obtaining or continuing occupancy in federal and state low-income housing units; provided that mandatory drug testing requirements shall not apply to dependent children of a tenant or applicant of federal or state low-income housing, if the child is under the age of 18.

The Mestizo Association and two individuals supported this measure. Another individual testified in support of the intent of this measure. The Hawaii Public Housing Authority, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, Imua Alliance, the Hawaii State Commission on the Status of Women, and an individual opposed this measure.

Your Committee notes that the waiting list for public housing is extensive, and the State has absorbed more than \$800,000 in unpaid rent from government-subsidized public housing residents. It is your Committee's intent that this measure serve as a means to enhance safety in public housing projects and strengthen accountability from tenants and applicants who are selected for public housing.

Upon consideration, your Committee has amended this measure by:

- (1) Specifying that the mandatory drug testing program applies to applicants who are selected for federal or state low-income housing, rather than to all applicants;
- (2) Specifying that drug testing of tenants of federal or state low-income housing shall be at random and shall be conducted on no more than 50 percent of the tenants in a housing project per year; and
- (3) Excluding the following individuals from mandatory drug testing as a condition of obtaining, or continuing occupancy in, federal and state low-income housing:
 - (A) Any tenant or applicant who is 55 years of age or older;
 - (B) Any tenant or applicant who is handicapped; and
 - (C) Any dependent of a tenant or applicant, if the dependent is under the age of 15.

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

Signed by all members of the Committee except Representatives Carroll, Har, Kawakami, Pine and Thielen.

SCRep. 33-12 Housing on H.B. No. 2069

The purpose of this measure is to make changes to the Condominium Property Regimes law under Chapters 514A and 514B, Hawaii Revised Statutes by:

- (1) Prohibiting a condominium board of directors, when leasing common elements of the condominium, from setting the rent at an amount below fair market rent value; and
- (2) Requiring all direct costs attributable to condominium hotel operations to be charged only to unit owners whose units are included in condominium hotel operations.

An individual supported the measure. Aston Hotels & Resorts, LLC opposed the measure. Two individuals commented on the measure.

Your Committee has amended this measure by specifying that the prohibition regarding setting the rent of common elements within an apartment at an amount below fair market rent value applies only to leases to individuals or entities who are not apartment owners. Technical, nonsubstantive amendments were also made for 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. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, H.D. 1, and be referred to the Committee on Tourism.

Signed by all members of the Committee except Representatives Carroll, Har, Kawakami, Pine and Thielen.

SCRep. 34-12 Judiciary on H.B. No. 101

The purpose of this measure is to encourage the use of alternative modes of transportation, particularly bicycles, by:

- (1) Amending the definition of "bicycle" to include bicycles with an electric motor; and
- (2) Establishing specifications for bicycles that may be transported on buses used in the public transportation system.

A concerned individual supported this measure. The Department of Transportation and Department of Customer Services of the City & County of Honolulu supported this bill with amendments. The Honolulu Police Department opposed this measure.

Your Committee has amended this measure by:

- (1) Leaving the phrase "propelled solely by human power" in the definition of "bicycle";
- (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. 101, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 101, H.D. 2.

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

SCRep. 35-12 Energy & Environmental Protection on H.B. No. 425

The purpose of this bill is to effectuate its title.

H.B. No. 425 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. 425, as amended herein, and recommends that it be recommended 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. 425, H.D. 1.

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

SCRep. 36-12 Transportation on H.B. No. 1696

The purpose of this measure is to preserve Hawaii's natural environment and curb the illegal dumping of motor vehicle tires by establishing a motor vehicle tire deposit system. Specifically, this measure:

- (1) Requires a deposit of \$25 be charged for each new motor vehicle tire purchased that is not exchanged with a used motor vehicle tire;
- (2) Requires the deposit to be returned to a customer when the customer delivers the used motor vehicle tire to the tire retailer within 30 days of the date of sale of the new tire; and
- (3) Provides for signage and advertising requirements regarding the motor vehicle tire deposit.

The Department of Health supported the intent of this measure. The Hawaii Automobile Dealers Association opposed this measure.

Currently, State law requires tire retailers to take back old tires when new tires are purchased and dispose of those tires. Nevertheless, illegal dumping of old motor vehicle tires continues to be a problem across the State. While your Committee recognizes that reputable motor vehicle tire dealers are not responsible for the present problem of illegal dumping, this matter deserves further discussion.

Your Committee has amended this measure by changing the deposit amount from \$25 per tire to \$5 per tire.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1696, H.D. 1, and be referred to the Committees on Energy & Environmental Protection and Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 37-12 Transportation on H.B. No. 2484

The purpose of this measure is to continue to incentivize the use of electric vehicles and make the existing laws pertaining to electric vehicles more readily accessible to the general public by generally codifying the incentives for registration, licensing, parking, and the operation of electric vehicles which were established under Act 290, Session Laws of Hawaii 1997.

The Department of Business, Economic Development, and Tourism and Blue Planet Foundation testified in support of this measure. The Department of Transportation, Department of Customer Services of the City and County of Honolulu, and Better Place, Inc., testified in support of the intent of this measure. A concerned individual testified in opposition to this measure.

Hawaii relies primarily on the consumption of imported oil to satisfy its energy needs. Much of this imported oil is used for the production of gasoline to fuel internal combustion engines. With over one million registered motor vehicles on Hawaii's roadways, the consumption of gasoline can be enormous.

One possible mechanism to reduce the consumption of petroleum products is to promote the use of newer technologies in everyday life. In 1997, the Legislature recognized that the emergence of alternatives to fossil-fueled vehicles had the potential to significantly reduce Hawaii's dependency on petroleum-based products and enacted legislation to incentivize the use of electric vehicles. The Legislature intended that Act to increase the use of electric vehicles in Hawaii by providing incentives for the registration, licensing, parking, and operation of electric vehicles. However, as this law was never statutorily codified, the general public could not readily and easily access it. This measure addresses this issue.

Your Committee has been informed that the registration of electric vehicles and issuance of electric vehicle license plates has been occurring since 1997, without the need for administrative rules and that requiring rules to be developed would unnecessarily delay continuation of the current registration and license plate process for electric vehicles.

As such, your Committee has amended this measure by permitting rather than requiring the Department of Transportation to adopt administrative rules for the registration of, and issuance of special license plates for, electric vehicles.

Your Committee has also made technical, nonsubstantive amendments for the purposes of 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. 2484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2484, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee.

SCRep. 38-12 Transportation on H.B. No. 2485

The purpose of this measure is to assist Hawaii in addressing its energy needs and promote the increased use of electric vehicles by simplifying and clarifying current requirements for electric vehicle parking. Among other things, this measure:

- (1) Clarifies the parking space requirements for electric vehicle parking in parking lots with over 100 parking spaces; and
- (2) Delays, for one year, the implementation of warnings given to non-electric vehicles parked in stalls reserved for electric vehicles.

The Department of Business, Economic Development, and Tourism supported this measure. Outrigger Hotels Hawaii and Better Place, Inc. supported the intent of this measure. Blue Planet Foundation supported this measure with amendments.

Hawaii relies primarily on the consumption of imported oil to satisfy its energy needs. Much of this imported oil is used for the production of gasoline to fuel internal combustion engines. With over one million registered motor vehicles on Hawaii's roadways, the consumption of gasoline can be enormous.

One possible mechanism to reduce the consumption of petroleum products is to promote the use of newer technologies in everyday life. Providing parking incentives such as reserved parking for electric vehicles in parking structures or parking facilities is one way to try to foster the rapid development of electric vehicle use in Hawaii. However, according to the Department of Business, Economic Development, and Tourism, Hawaii's current electric vehicle parking law has caused confusion among the public. This measure addresses this issue.

However, your Committee has been informed that requiring electric vehicle stalls to be located near the entrance of a parking structure may be difficult since the stall must also be equipped with an electrical charger and electrical connections in the area may not be readily accessible. Your Committee has also been informed that many facilities use valet parking with valet stalls often being located near the entrances of parking structures. Since valet stalls are not accessible to the general public, placing electric vehicle stalls in those locations would also be difficult.

Your Committee has amended this bill by:

- (1) Allowing parking lot owners the flexibility of locating the electric vehicle parking stall anywhere in the parking structure or lot; and
- (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. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2485, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee.

SCRep. 39-12 Transportation on H.B. No. 2154

The purpose of this measure is to assist the Department of Transportation in the effective and efficient operation of its airport facilities by providing a provisional exception to the special management area use permit for development at airport facilities when the development is necessary to comply with Federal Aviation Administration regulations.

The Department of Transportation and The Chamber of Commerce of Hawaii testified in support of this measure. The Office of Planning of the Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. The Sierra Club-Hawaii Chapter testified in opposition to this measure.

The special management area permitting system is part of Hawaii's coastal zone management law which was enacted to protect, preserve, and where possible, restore the natural resources of the coastal zone of Hawaii. However, the special management area permitting process can be time consuming and may delay projects from going to construction. This is of particular importance when the Department of Transportation is attempting to address issues to remain in compliance with Federal Aviation Administration regulations. Exempting airport projects that are necessary to comply with Federal Aviation Administration regulations from the special management area permitting process will help the Department of Transportation in completing these projects more quickly.

However, your Committee notes that, according to the Office of Planning of the Department of Business, Economic Development, and Tourism, rather than amending the coastal zone management law, it would be more appropriate to amend statutory provisions relating to airport structures and improvements. Your Committee has also been informed that the Office of Planning of the Department of Business, Economic Development, and Tourism is currently working on an alternative permitting process for state projects that is consistent with the coastal zone management program and will present its findings to the Legislature prior to the Regular Session of 2013.

Your Committee has amended this bill by:

- (1) Deleting its contents and replacing it with language that amends statutory provisions relating to airport structures and improvements to allow for the exemption from special management area minor or use permits when the development is necessary to comply with Federal Aviation Administration regulations;
- (2) Inserting a repeal date of June 30, 2013, to reflect the position of the Office of Planning of the Department of Business, Economic Development, and Tourism that a new permitting process for state projects that is consistent with the coastal zone management program will be ready to be enacted by that date; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2154, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

Signed by all members of the Committee.

SCRep. 40-12 Water, Land, & Ocean Resources on H.B. No. 2590

The purpose of this measure is to strengthen enforcement of penalties resulting from aquatic resource violations by:

- (1) Authorizing the Board of Land and Natural Resources to impose natural resource-related community service in lieu of or in addition to monetary fines; and
- (2) Providing a process by which violators with outstanding fines or community service requirements may have their driver's license privileges suspended or revoked after a thirty-day notification period and a reasonable opportunity to be heard.

The Department of Land and Natural Resources, the Environmental Caucus of the Democratic Party of Hawaii, Malama Pupukeya-Waimea, the Open Tourism Coalition, The Nature Conservancy, Hui Hoomalu i ka Aina, Fish and Coral Think Tank, Malama Maunalua, Conservation Council for Hawaii, and several individuals supported this measure. For the Fishes and the Snorkel Bob Foundation opposed 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 41-12 Water, Land, & Ocean Resources on H.B. No. 2480

The purpose of this measure is to permit the Hawaii Community Development Authority's Kalaeloa Community Development District ex-officio members to be represented by a designated representative with voting powers on the Hawaii Community Development Authority.

The Hawaii Community Development Authority and the Department of Planning and Permitting of the City and County of Honolulu 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. 2480 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 and Carroll.

SCRep. 42-12 Water, Land, & Ocean Resources on H.B. No. 2587

The purpose of this measure is to amend the definition of "sailing school vessel" to include compliance with 46 Code of Federal Regulations 169, among existing requirements for size, ownership, and use.

The Department of Land and Natural Resources and the Ocean Tourism Coalition testified in support of this measure. One individual testified in support of the intent 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. 2587 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 and Carroll.

SCRep. 43-12 Consumer Protection & Commerce/Judiciary on H.B. No. 2018

The purpose of this measure is to address consumer protections in mortgage foreclosures by:

- (1) Repealing the provision automatically making all violations of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice, in favor of determinations made on a case-by-case basis;
- (2) Specifying a mortgagor's right to claim that a violation of the mortgage foreclosure law constitutes an unfair or deceptive act or practice;
- (3) Providing that a mortgagee's failure to demonstrate the rights of a holder in due course is prima facie evidence of an unfair or deceptive act or practice;
- (4) Establishing a time limit for filing actions to void title transfers of foreclosed property, while preserving the right to file an action seeking monetary damages for an illegal transfer of title; and
- (5) Following the expiration of the mortgage foreclosure dispute resolution program on September 30, 2014, specifying certain foreclosure violations as unfair or deceptive acts or practices, and limiting the types of violations that may void a title transfer of foreclosed property.

A concerned individual testified in support of this measure. The Hawaii Bankers Association, Hawaii Credit Union League, Hawaii Financial Services Association, Legal Aid Society of Hawaii, and a concerned individual opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committees find that this measure primarily relates to two provisions established by Act 48, Session Laws of Hawaii 2011, a mortgage foreclosure reform measure enacted to improve the way mortgage foreclosures are conducted in Hawaii. These provisions are section 667-60, Hawaii Revised Statutes, which deems any foreclosing mortgagee who violates the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, to have committed an unfair or deceptive act or practice under section 480-2, Hawaii Revised Statutes; and Part V of Chapter 667, Hawaii Revised Statutes, which establishes a mortgage foreclosure dispute resolution program for mortgagors occupying, as a primary residence, real property subject to nonjudicial foreclosure.

Following the enactment of Act 48, lenders bypassed the dispute resolution program by instead pursuing foreclosures in court. As a result, the rate of judicial foreclosures has risen dramatically while the dispute resolution program remains dormant.

The principal reason lenders have cited for their refusal to use the dispute resolution program is the risk of incurring significant penalties under section 667-60, Hawaii Revised Statutes, for any violation of the mortgage foreclosure law. Unfair or deceptive acts or practices under section 480-2, Hawaii Revised Statutes, are subject to the imposition of fines for every day that a violation is found pursuant to section 480-3.1; voiding of the contract or agreement pursuant to section 480-12; and treble damages and reasonable attorneys' fees and costs for the claimant in a civil suit brought under section 480-13. Lenders are concerned that minor violations, such as missed deadlines or using the wrong font sizes on printed materials, will be used to completely invalidate a borrower's mortgage debt obligations.

During the interim following the 2011 legislative session, the Mortgage Foreclosure Task Force established by Act 162, Session Laws of Hawaii 2010, reached a consensus on amendments to section 667-60, Hawaii Revised Statutes, to specify certain types of mortgage foreclosure violations as unfair or deceptive acts or practices. These amendments were incorporated into this measure as provisions taking effect on October 1, 2014, following the expiration of the dispute resolution program.

However, with regard to the current treatment of mortgage foreclosure violations as unfair or deceptive acts or practices while the dispute resolution program remains in effect, your Committees find that a complete suspension of this provision to address lender concerns appears warranted if it would clear the way for dispute resolution to be used. In doing so, the hope is that by removing what lenders claim to be the chief obstacle to using the dispute resolution program, as well as the modified nonjudicial foreclosure process under Act 48, more homeowners facing foreclosure can be helped. Moreover, this may relieve any strain on the courts resulting from the recent increase in judicial foreclosure filings following the enactment of Act 48.

Accordingly, your Committees have amended this measure by:

- (1) Repealing entirely the provision in the mortgage foreclosure law relating to unfair or deceptive acts or practices that would have remained in effect until the expiration of the mortgage foreclosure dispute resolution program on September 30, 2014;
- (2) Delaying until October 1, 2014, the provision in this bill establishing a time limit for filing actions to void title transfers of foreclosed property, to coincide with the effective date of provisions that:
 - (A) Specify certain foreclosure violations as unfair or deceptive acts or practices; and
 - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
- (3) Eliminating provisions that:

- (A) Specify a mortgagor's right to claim that a violation of the mortgage foreclosure law constitutes an unfair or deceptive act or practice;
- (B) Provide that a mortgagee's failure to demonstrate the rights of a holder in due course is prima facie evidence of an unfair or deceptive act or practice; and
- (C) Specify the right to file an action seeking monetary damages for an illegal title transfer of foreclosed property; and
- (4) Making technical, nonsubstantive amendments for the purpose of 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. 2018, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2018, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 44-12 Consumer Protection & Commerce/Judiciary on H.B. No. 2019

The purpose of this measure is to strengthen protections for mortgage consumers by prohibiting deficiency judgments to recover the remaining balance on mortgage loans for certain residential property sold in a foreclosure action or short sale, if:

- (1) The mortgagor has continuously occupied the property as a principal residence from the time the loan interest was secured, excluding reasonable periods of absence;
- (2) The mortgagor used the proceeds of the mortgage to purchase the property; and
- (3) The mortgage has not been refinanced.

The Legal Aid Society of Hawaii and two concerned individuals testified in support of this measure. The Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Credit Union League opposed this measure. The Department of Commerce and Consumer Affairs' Division of Financial Institutions and Office of Consumer Protection, and the Hawaii Association of REALTORS provided comments.

Your Committees find that the current economic climate has caused widespread unemployment among homeowners and reduced property values. Moreover, several types of home loans issued in the last decade, during a housing bubble, are based upon adjustable rate mortgages that will soon shift upwards, making it more difficult for struggling homeowners to stay current on their loans.

This measure seeks to limit deficiency judgments in short sales and foreclosures to prevent loan holders from obtaining a double recovery when they purchase the foreclosed property with a low bid, obtain a judgment for the deficiency, then sell the property to a third-party buyer at a higher price on the open market.

Furthermore, limiting deficiency judgments will assist homeowners' financial recovery and decrease bankruptcy filings by homeowners seeking to discharge these debts, along with the negative effects associated with bankruptcy. This measure will also reduce abusive debt collection practices by third parties who purchase at deep discounts the rights to collect deficiencies.

Your Committees respectfully request the Committee on Finance to consider the testimony on this measure suggesting amendments to:

- (1) Cover refinanced mortgage loans;
- (2) Eliminate or limit the uninterrupted occupancy requirement, or conform this requirement with the definition of "owner-occupant" in sections 667-21 and 667-72, Hawaii Revised Statutes (requiring occupancy as a primary residence for a continuous period of at least two hundred days immediately preceding the date on which the foreclosure notice was served); and
- (3) Apply this measure to situations in which the homeowner relinquishes the property deed in lieu of foreclosure.

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. 2019 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 Coffman.

SCRep. 45-12 Health on H.B. No. 1723

The purpose of this measure is to help maintain affordable healthcare for Hawaii's active, reserved, and retired members of the military and their families by making permanent the general excise tax exemption for certain amounts received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third party health care providers.

The Department of Taxation; TriWest Healthcare Alliance Inc.; Military Officers Association of America, Hawaii Chapter; and Hawaii Medical Service Association supported this measure. The 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. 1723 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 Jordan and Wooley.

SCRep. 46-12 Health on H.B. No. 2072

The purpose of this measure is to permit the Department of Health to share public health statistics records with state agencies upon authorization of a person with a direct and tangible interest in the record.

The Consumer, Family, & Youth Alliance testified in support of this measure. The Office of Hawaiian Affairs submitted comments. The Department of Health and the Department of Human Services opposed this measure.

Your Committee finds that this measure will facilitate inter-agency verification processes, thereby increasing the efficiency of government operations.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2072, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 47-12 Health on H.B. No. 1957

The purpose of this measure is to clarify that persons and entities, governed by the federal Health Insurance Portability and Accountability Act of 1996, who use or disclose individually identifiable health information consistent with Health Insurance Portability and Accountability Act regulations, shall be deemed to be in compliance with Hawaii's privacy laws and rules.

The Office of the Governor; Hawaii Medical Service Association; Hawaii Health Information Corporation; American Physical Therapy Association, Hawaii Chapter; Hawaii Disability Rights Center; Healthcare Association of Hawaii; Hawaii Health Information Exchange; Consumer, Family, & Youth Alliance; and an individual testified in support of this measure. The Department of Health and Department of Commerce and Consumer Affairs commented on the measure.

Your Committee has amended this measure by deleting the provision that states that any notification of breach of unsecured protected health information provided in accordance with Health Insurance Portability and Accountability Act of 1996 regulations regarding notification of breach of unsecured protected health information under 45 Code of Federal Regulations, Part 164, Subpart D, is deemed compliant with all state laws and rules governing notice of breach of protected health information. 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. 1957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1957, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 48-12 Health on H.B. No. 1708

The purpose of this measure is to allow licensed physicians, psychiatrists, and psychologists to examine patients by telemedicine, subject to certain conditions.

The Department of Health; Hawaii Medical Association; Consumer, Family, & Youth Alliance; and an individual testified in support of this measure. Hawaii Medical Service Association, Hawaii Psychiatric Medical Association, Hawaii Association of Professional Nurses, and two individuals submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the personal examination required to extend or continue a period of emergency hospitalization shall be conducted by a licensed physician or psychiatrist, but not a licensed psychologist;
- (2) Clarifying that with respect to initiation of proceedings for involuntary hospitalization, a petition may be accompanied by a certificate of a licensed physician or psychologist who has personally examined the person within 48 hours, rather than two days, before submission of the petition;
- (3) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purpose of 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. 1708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1708, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 49-12 Health on H.B. No. 2114

The purpose of this measure is to clarify provisions relating to the Hawaii Health Insurance Exchange under chapter 435H, Hawaii Revised Statutes, by:

- (1) Requiring statewide representation on the Hawaii Health Insurance Exchange Board;
- (2) Removing insurers from membership on the Hawaii Health Insurance Exchange Board;
- (3) Clarifying that provider representation on the Hawaii Health Insurance Exchange Board is not limited to dental providers;
- (4) Defining "consumer" for purposes of the Hawaii Health Insurance Exchange; and
- (5) Requiring the Hawaii Health Insurance Exchange to offer a basic health plan.

Hawaii Primary Care Association, Waikiki Health Center, and an individual testified in support of the measure. Hawaii Medical Service Association, Kaiser Permanente, and Hawaii Dental Service opposed this measure. The Office of the Governor, Department of Labor and Industrial Relations, Hawaii Health Connector, Ohana Health Plan, and American Cancer Society commented on the measure.

Your Committee has amended this measure by:

- (1) Retaining insurers as part of the Hawaii Health Insurance Exchange Board;
- (2) Specifying that four consumers and three providers shall serve on the Hawaii Health Insurance Exchange Board;
- (3) Deleting the requirement that the Hawaii Health Insurance Exchange offer a basic health plan;
- (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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2114, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 50-12 Health on H.B. No. 1967

The purpose of this measure is to improve the resolution process for medical disputes by amending the medical claim conciliation law to emphasize the conciliatory nature of the process.

The Hawaii Association for Justice, Hawaii Medical Association, and several concerned individuals supported 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1967, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 51-12 Health on H.B. No. 2273

The purpose of this measure is to ensure that public and private high school students, school personnel, and parents are provided with consistent and up-to-date information on concussions and the management of symptoms and injuries relating to a concussion.

Specifically, this measure requires:

- (1) The Department of Education and the Hawaii High School Athletic Association to develop a concussion educational program for students and student athletes who are 14 to 18 years old that includes educational guidelines;
- (2) That an educational program be developed for every public and private school that is a Hawaii High School Athletic Association member on how to develop a school's concussion awareness plan; and
- (3) The Department of Education to submit a report to the Legislature no later than 20 days prior to the Regular Session of 2013 on the development and implementation of the concussion educational program.

The Department of Education, Hawaii Medical Service Association, Hawaii Medical Association, National Football League, Hawaii Athletic Trainers Association, Brain Injury Association of Hawaii, and two individuals supported this measure.

Your Committee recognizes that concussion occurs in all sports and affects all ages. However, due to the resources and staff that exist primarily at the high school level to oversee a concussion educational program at this time, it is your Committee's intent that the concussion educational program contained in this bill be considered a first step to eventually broaden the program to include students of all ages. Your Committee encourages the ongoing partnership of the public and private sectors and various organizations to further head injury prevention and treatment and build concussion awareness statewide.

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. 2273 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Wooley.

SCRep. 52-12 Economic Revitalization & Business on H.B. No. 1840

The purpose of this measure is to establish a task force to study the feasibility of establishing a state-owned bank in Hawaii.

The Hawaii Alliance for Community Based Economic Development, IMUAlliance, and four individuals supported this measure. The Hawaii Bankers Association and Hawaii Credit Union League opposed this measure. The Division of Financial Institutions of the Department of Commerce and Consumer Affairs, and an individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Requiring the task force to review and evaluate the findings of the proposed state-owned bank in Massachusetts as well as the state-owned bank of North Dakota;
- (2) Replacing the member from the Hawaii State Association of the Counties with the Chair of the Board of Agriculture or the Chair's designee;
- (3) Providing that no task force member shall be made subject to Chapter 84, Hawaii Revised Statutes, solely because of that member's participation in the task force;
- (4) Changing the effective date to July 1, 2112, to facilitate further discussion of the matter; and
- (5) 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. 1840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1840, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 53-12 Economic Revitalization & Business on H.B. No. 1671

The purpose of this measure is to make changes to the procurement process by imposing time limits on rendering administrative and judicial review decisions, limiting protests to be heard by a hearings officer to those protests that amount to a minimum percentage of the contract value, and to require the posting of a protest bond which will be forfeited if the protesting party does not prevail.

Additionally, this measure requires the State Procurement Office to keep statistics on protested solicitations and awards.

The Chamber of Commerce of Hawaii and the General Contractors of Hawaii testified in support of this measure. The State Procurement Office testified in support of this measure with amendments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1671, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 54-12 Labor & Public Employment on H.B. No. 1765

The purpose of this measure is to protect Hawaii's people by allowing criminal history record checks to be conducted by:

- (1) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations; and

- (2) The counties on prospective employees:
- (A) Who will work with vulnerable adults or senior citizens in community based programs;
 - (B) For fire department positions which involve contact with children or dependent adults;
 - (C) For emergency medical services positions which involve contact with children or dependent adults; and
 - (D) For emergency management positions and community volunteers whose responsibilities involve planning and executing Homeland Security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable and disabled citizens during emergencies or crises.

The State Fire Council, Department of Human Resources of the City and County of Honolulu, Honolulu Fire Department, Department of Emergency Management of the City and County of Honolulu, Department of Fire and Public Safety of the County of Maui, and Liquor Commission of the City and County of Honolulu testified in support of this measure. The Hawaii Civil Rights Commission testified in opposition to this measure.

Under current law, certain agencies at both the state and county levels, as well as private entities are allowed to conduct state and national criminal history record checks on specific types of personnel for the purposes of determining suitability or fitness, for among other things, employment. However, counties are currently only allowed to conduct these types of checks on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services. Changing missions and duties of various county departments have resulted in employees within those departments coming into contact, and dealing with, children in situations other than recreation or child care programs and services, and vulnerable adults. In addition, with the elimination of residency requirements, as well as the recent economic downturn, applications for civil service positions, including positions in these departments, have increased. This presents a dilemma for these departments because they have no legal means to verify whether or not applicants for these positions possess the qualities to deal with children and vulnerable adults. This measure attempts to correct this problem.

However, your Committee notes the concerns raised by the Hawaii Civil Rights Commission that providing counties with the express authority to conduct criminal history record checks on certain employees and prospective employees may result in an overly broad exception to the statutory limitations and requirements imposed on employer inquiries into and consideration of records of conviction. Your Committee also finds that limiting the criminal history record check to ten years into an employee's past is insufficient. Accordingly, your Committee has amended this measure by:

- (1) Applying the post-job offer and conviction look-back period restrictions only to employees and prospective employees of county liquor commissions involved in liquor control investigations, liquor administration, and law enforcement; and
- (2) Allowing criminal history record checks to be conducted 15 years into an employee's past.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1765, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 55-12 Transportation on H.B. No. 2459

The purpose of this measure is to define what constitutes "similar circumstances" of a prior occurrence that are required to show that an affected joint tortfeasor had reasonable prior notice to allow recovery of noneconomic damages for tort actions arising out of motor vehicle accidents that relate to the maintenance and design of highways, and to prohibit recovery where there was no reasonable notice.

The Department of the Attorney General testified in support of this measure. The Hawaii Association for Justice testified in opposition to the measure.

Your Committee finds that there has long been confusion regarding what "similar circumstances" of a prior occurrence means for establishing joint and several liability for government tortfeasors in actions arising from motor vehicle accidents relating to maintenance and design of highways.

This uncertainty has often led to inequitable decisions rendered against the State. Therefore, your Committee finds it appropriate to clarify that the notice requirement of a "prior occurrence of similar circumstances" is met only when the prior occurrence is at the same location and involves the same highway-related device or condition and when the condition at the roadway is substantially similar to that at the time of the relevant accident.

Your Committee notes the concerns raised by the Hawaii Association for Justice, however, these questions are legal in nature. Your Committee respectfully requests that your Committee on Judiciary consider these issues when the measure is before it.

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. 2459 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 56-12 Transportation on H.B. No. 2608

The purpose of this measure is to promote highway safety by:

- (1) Requiring the Director of the State Department of Transportation to establish and appoint the members of a statewide driver's license reciprocity committee to evaluate the written knowledge and practical examination program of a foreign country whenever a foreign country makes a request for driver's license reciprocity;
- (2) Establishing a process to ensure the standards of the foreign countries' driver's license testing is equivalent to Hawaii's driver's license testing; and
- (3) Providing for the notification to the Legislature of the findings and recommendations of the statewide driver's license reciprocity committee.

The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in support of this measure.

Although individuals with a foreign driver's license may currently operate a motor vehicle on Hawaii's roadways, the license they are using is merely a permit to operate a motor vehicle and not a full-fledged license under Hawaii law. However, Hawaii law currently allows reciprocity for certain licenses issued by foreign countries that meet specific requirements. Unfortunately, ensuring that a foreign country's driver's license testing standards are equivalent to Hawaii's driver's license testing standards is difficult and must be done on a case by case basis when reciprocity is requested. Establishing a process to properly evaluate a foreign country's request for driver's license reciprocity will ensure that drivers from these countries meet Hawaii's driver licensing standards and therefore maintain safety on our roadways.

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. 2608 and recommends that it pass Second Reading and be referred to the Committee on International Affairs.

Signed by all members of the Committee.

SCRep. 57-12 Transportation on H.B. No. 2322

The purpose of this measure is to:

- (1) Repeal the ten percent ethanol by volume requirement for gasoline sold in Hawaii for use in motor vehicles; and
- (2) Require the Hawaii State Energy Office to submit reports on local ethanol production including whether the amount of ethanol produced in the State is sufficient to ensure that gasoline sold in the State for use in motor vehicles contains ten percent ethanol by volume and whether the ten percent ethanol requirement for gasoline sold in the State should be reenacted.

No testimony was received on this measure.

The intent of Hawaii's requirement that gasoline for internal combustion engines sold in the State contain at least ten percent ethanol was to reduce statewide gasoline consumption, to establish industrial plants to produce ethanol locally, and to achieve independence from foreign oil. However, since enacting the ethanol content requirement in 2006, the expected benefits have yet to be realized. To the contrary, the economic feasibility of producing ethanol in Hawaii and whether or not establishing ethanol contents in gasoline have reduced Hawaii's dependence on foreign oil have been brought into question. Also, questions and concerns have been raised regarding whether the use of ethanol-treated gasoline in marine engines and small gasoline engines have resulted in expensive repairs for individuals who own boats and watercraft. Additionally, on the global level, the production of fuel crops has replaced the production of food crops in the agricultural industry, thus causing the price of staple foods to increase.

While the goal of reducing Hawaii's dependence on fossil fuel is laudable, your Committee finds that studying the economic feasibility of the requirement that gasoline sold in the State contain ten percent ethanol 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. 2322 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee.

SCRep. 58-12 Judiciary on H.B. No. 127

The purpose of this measure is to ensure that survivors of sexual assault are provided the accepted standard of care when receiving emergency medical care at Hawaii's hospitals for sexual assaults, including:

- (1) Medically and factually accurate and unbiased written and oral information about emergency contraception;
- (2) Information about the option to receive emergency contraception;
- (3) Emergency contraception upon request, when medically indicated; and
- (4) Care by staff who are adequately trained with regard to emergency contraception information and accessibility, and sexual assault treatment options.

This measure also requires the Department of Health to establish policies and procedures to monitor compliance, and authorizes the Department of Health to set, charge, and collect fines and administrative fees and costs for noncompliance.

The Hawaii State Commission on the Status of Women, Department of the Prosecuting Attorney of the City and County of Honolulu, Equality Hawaii, American Civil Liberties Union, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Women Lawyers, Planned Parenthood of Hawaii, Sex Abuse Treatment Center, Honolulu Pride, Community Alliance on Prisons, Hawaii State Democratic Women's Caucus, Hawaii State Coalition Against Domestic Violence, Gay Lesbian Bisexual and Transgender Caucus, Democratic Party of Hawaii, the Chair of the Hawaii State Commission on the Status of Women, a member of the Hawaii State Commission on the Status of Women, a member of the League of Women Voters, and a multitude of concerned individuals testified in support of this measure. The Department of Health testified in support of the intent of this measure.

St. Francis Healthcare System of Hawaii, Hawaii Catholic Conference, Hawaii Family Forum, Aloha Life Advocates, Pro-Family Hawaii, and numerous concerned individuals testified in opposition to this measure. The Healthcare Association of Hawaii and an individual provided comments.

Your Committee has amended this measure by:

- (1) Including mobile medical vans in the definition of "provider";
- (2) Deleting language delineating specific service requirements for providers;
- (3) Changing the date on which sanctions may first be issued to July 1, 2013;
- (4) Changing the effective date to July 1, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 127, 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. 127, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla and Carroll.
(Representatives Souki and Fontaine voted no.)

SCRep. 59-12 Consumer Protection & Commerce on H.B. No. 1868

The purpose of this measure is to grant telecommunications carriers greater flexibility by specifying that basic exchange services are the only type of retail intrastate services for which a telecommunications carrier would need to obtain the approval of the Public Utilities Commission before the carrier can charge a rate higher than the one filed in the carrier's tariff for that service.

Hawaiian Telcom supported this measure. The Division of Consumer Advocacy opposed this measure. The Public Utilities Commission submitted comments.

Your Committee has amended this measure by adding definitions for "basic exchange service", "dial tone", "single-line", and "touch-tone dialing". Technical, nonsubstantive amendments were also made for purposes of consistency and clarity.

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. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1868, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Cabanilla and Luke.

SCRep. 60-12 Higher Education on H.B. No. 1997

The purpose of this bill is to effectuate its title.

H.B. No. 1997 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 Higher Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1997, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1997, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Chang, Okamura, Takumi and Ching.

SCRep. 61-12 Transportation/Economic Revitalization & Business on H.B. No. 2380

The purpose of this measure is to assist businesses on Molokai and Lanai, as well as the residents of those islands, by establishing a working group to examine economically feasible options to reduce the time necessary to ship goods from Molokai and Lanai to Oahu, including revising restrictions on shipping, the feasibility of establishing a state barge company or other means of interisland shipping, the reduction of shipping taxes, and the creation of tax incentives.

The Iliahi Foundation and a concerned individual testified in support of this measure. The Department of Business, Economic Development, and Tourism, Molokai Chamber of Commerce, and Hawaii Farm Bureau Federation testified in support of the intent of this measure. The Department of Transportation, Young Brothers, Limited, Business Depot, Inc., Molokai Island Foundation, and ILWU Local 142 provided comments.

Providing barge service to meet the needs of the people and businesses of Molokai and Lanai is challenging. Additionally, low cargo volume often results in increased costs for the shipping companies, which in turn makes necessary rate subsidization by other profitable routes and lines of service. Establishing a working group to review and address the costs of shipping goods to Oahu from Molokai and Lanai and the reasons for these costs is the first step in addressing this issue.

Your Committees have amended this bill by:

- (1) Requiring the working group to consider the feasibility of alternative forms of transportation for reducing shipping time and costs rather than specifying barge and ferry service;
- (2) Adding a representative of the Department of Taxation to the working group as the working group is also required to consider the creation of tax incentives and tax reductions to reduce shipping costs;
- (3) Removing the representative from the City and County of Honolulu from the working group;
- (4) Adding a representative from the island of Molokai to the working group;
- (5) Inserting language exempting certain members of the working group from the ethics requirements under Chapter 84, Hawaii Revised Statutes;
- (6) Changing its effective date to July 1, 2057, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 2380, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2380, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 62-12 Agriculture on H.B. No. 1787

The purpose of this measure is to support the honey industry in Hawaii and ensure the safety of honey consumers by:

- (1) Exempting qualifying agricultural producers, without access to municipal water supplies or infrastructure, from the requirements relating to certified food-processing establishments and Department of Health permits; and
- (2) With respect to home-based honey producers:
 - (A) Increasing the qualifying threshold limit to less than 500 gallons of honey annually;
 - (B) Allowing sales to retail stores on the same island; and
 - (C) Requiring a label on honey containers, warning against consumption by infants under one year old.

Two concerned individuals testified in support of this measure. The Department of Health testified in opposition to this measure. The Department of Agriculture provided comments on this measure.

Your Committee notes the concerns raised by a member of your Committee regarding the ingredients and labeling of imported honey. Accordingly, your Committee respectfully requests that your Committee on Health look into the matter. Also, your Committee requests that the honey production threshold be examined further.

Your Committee has amended this measure by:

- (1) Setting the qualifying annual gallonage of honey for home-based honey production to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1787, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 63-12 Agriculture on H.B. No. 1945

The purpose of this measure is require public utilities to propose preferential public utility rates to the Public Utilities Commission for public utility services provided to ratepayers engaged in agricultural activities in agricultural districts.

Hawaii Bioenergy, LLC; Hawaii Farm Bureau Federation; Land Use Research Foundation of Hawaii; Young Brothers, Limited; and a concerned individual testified in support of this measure. The Department of Agriculture and the Public Utilities Commission supported the intent of this measure. Poamoho Organic Produce provided comments on this measure.

Your Committee has amended this measure by:

- (1) Authorizing public utilities to propose such preferential public utility rates;
- (2) Changing the effective date to July 1, 2050, to facilitate 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1945, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 64-12 Agriculture on H.B. No. 2093

The purpose of this measure is to require the University of Hawaii to establish a Center for Agricultural Leadership and to establish a two-year pilot project at one high school campus in each county to determine the steps necessary for a school farm to be food safety certified by the Department of Agriculture.

The Department of Education, Hawaii Academy of Arts & Sciences PCS, The Kohala Center, Hawaii Island School Garden Network, and an individual submitted testimony in support of this measure. The University of Hawaii System and the Department of Agriculture submitted testimony in support of the intent of this measure. Poamoho Organic Produce and Hawaii Farm Bureau Federation submitted testimony in opposition to this measure. The Hawaii State 4-H Livestock Council and a concerned individual submitted comments on this measure.

Your Committee has amended this measure 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 1, and be referred to the Committees on Higher Education and Education.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 65-12 Energy & Environmental Protection on H.B. No. 2525

The purpose of this measure is to authorize the Public Utilities Commission to:

- (1) Develop, adopt, and enforce reliability standards for Hawaii's electric system;
- (2) Oversee electric grid access; and
- (3) Contract for the performance of related duties with a party to be designated as the Hawaii Electricity Reliability Administrator.

The Governor; Department of Business, Economic Development, and Tourism; Public Utilities Commission; the Hawaii Renewable Energy Alliance; Sierra Club, Hawaii Chapter; and Blue Planet Foundation provided testimony in support of this measure. Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company testified in support of the intent of this measure. Life of the Land provided comments on this measure.

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. 2525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2525, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 66-12 Energy & Environmental Protection on H.B. No. 2490

The purpose of this measure is to provide electric utilities within the State with a method for mitigating imputed debt associated with long-term power purchase agreements.

The Hawaii Renewable Energy Alliance and the Blue Planet Foundation testified in support of this measure. The Public Utilities Commission and Hawaiian Electric Company and its subsidiaries Hawaii Electric Light Company and Maui Electric Company testified in support of this measure with amendments. Friends of Lanai and four individuals testified in opposition to this measure. Life of the Land provided comments on this measure.

Your Committee has amended this measure by clarifying that an electric utility company may recover costs that are binding obligations incurred from power purchase agreements that have been approved by the Public Utilities Commission through one or more adjustable surcharges established by the Commission.

Technical, nonsubstantive amendments 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2490, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 67-12 Water, Land, & Ocean Resources on H.B. No. 2589

The purpose of this measure is to clarify that the Department of Land and Natural Resources is only responsible for disposing of vessels abandoned on lands and waters under its jurisdiction and that other state and county agencies are responsible for disposing of vessels abandoned on lands under their own jurisdiction. Furthermore, this measure amends the definition of an abandoned vessel and extends the authority to sell or dispose of a vessel abandoned on specified private property to the owners of other private property.

The Department of Land and Natural Resources and the Ocean Tourism Coalition testified in support of this measure. The Division of Motor Vehicles, Licensing and Permits of the City and County of Honolulu testified in opposition to this measure.

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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2589, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 68-12 Water, Land, & Ocean Resources on H.B. No. 2482

The purpose of this measure is to extend the Hawaii Community Development Authority's authority to lease or sell property by extending that authority to all projects and specifying that the Authority is not required to give public notice of sealed bids.

The Hawaii Community Development Authority 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. 2482 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 and Carroll.

SCRep. 69-12 Transportation on H.B. No. 2612

The purpose of this measure is to assist the Department of Transportation in addressing its operational needs at Hawaii's airports by providing more flexibility in renting land and facilities at Hawaii's airports for revenue generation purposes.

The Department of Transportation testified in support of this measure. The Airlines Committee of Hawaii testified in support of the intent of this measure.

The State's airport system is required to be economically self-supporting under both Hawaii law and federal regulations. To meet this requirement, the Department of Transportation relies on revenue from airline operations, facility and space rental from aeronautical and airport-related users, revenues from concessions, and, to a very small extent, facility and space rentals from non-aeronautical or non-airport-related users.

Due to the events of September 11, 2001, and the worldwide economic downturn over the past few years, the airports have experienced a steady decline in concession revenue. While revenues from landing fees, aeronautical and airport-related rentals, and non-aeronautical rentals have increased and have helped offset the decline in concession revenues, recent upheavals in the airline industry, including airline closures and mergers, reduced the overall amount of real estate rented by the airlines at Hawaii's airports. Allowing lands that are not immediately needed for aeronautics purposes to be rented to non-aeronautical entities will allow Hawaii's airport system to generate much needed revenue from lands that would have otherwise remained vacant and unproductive.

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. 2612 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. 70-12 Transportation on H.B. No. 2614

The purpose of this measure is to assist the Department of Transportation's Harbors Division in addressing the management and operations of its commercial harbor facilities by, among other things:

- (1) Establishing that citations for non-criminal violations issued by enforcement officers or harbor agents shall be adjudicated through an administrative hearings process;
- (2) Stipulating that fines and penalties for noncriminal matters are to be deposited into the Harbors Special Fund;
- (3) Removing jurisdictional references to recreational properties, properties used for the landing of fish, and Kewalo Basin, as that facility is currently under the jurisdiction of the Hawaii Community Development Authority;
- (4) Clarifying that citations and violations for traffic code and other criminal statutes shall be issued by law enforcement officers conferred with police powers by the Director of Transportation; and
- (5) Requiring commercial harbor tenants and users who violate any federal maritime transportation security law or rule that results in the Department of Transportation being assessed a fine by the United States Coast Guard to reimburse the Department of Transportation for the fine.

The Department of Transportation testified in support of this measure.

The Director of Transportation currently has the authority to adopt rules to regulate vessels, passengers, freight, carriers, shippers, and consignees; can adopt rules for the safety of docks, wharves, piers, quays, bulkheads, and landings within commercial harbors; and has the explicit authority to regulate traffic and other activities in the State's commercial harbors, including the waters of the commercial harbors. However, according to the Department of Transportation, violations of laws and rules, occurring in areas under the jurisdiction of the Department of Transportation's Harbors Division are currently adjudicated in the courts, even for non-criminal violations. Also, penalties and fines assessed for these violations are not deposited into the Harbor Special Fund. This measure addresses these issues.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2614, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 71-12 Transportation on H.B. No. 2320

The purpose of this measure is to promote safety on Hawaii's roadways by continuing to address some of the unresolved issues of Hawaii's ignition interlock law. Among other things, this measure:

- (1) Allows for renewal of a driver's license that has been revoked for driving under the influence of an intoxicant if certain requirements are met;
- (2) Allows repeat intoxicated drivers to install ignition interlock devices in any vehicle they operate, by eliminating the requirement to surrender motor vehicle registrations and license plates;
- (3) Provides eligibility requirements and guidelines for ignition interlock instruction permits and ignition interlock permits; and
- (4) Makes numerous technical and housekeeping amendments to Hawaii's ignition interlock law to address the new provisions contained in (1) through (3) above.

The Department of Transportation, Department of Customer Services of the City and County of Honolulu, Mothers Against Drunk Driving HAWAII, and a concerned individual testified in support of this measure. A concerned individual testified in support of this measure with amendments. The Administrative Drivers License Revocation Office of the Judiciary provided comments.

Over the past several years, Hawaii has had high incidents of alcohol-related traffic fatalities. 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 Operating a Vehicle Under the Influence of an Intoxicant 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, there remain several unresolved issues regarding this law, particularly with regard to repeat offenders and those with lifetime license revocations. This measure attempts to address these issues.

Your Committee has amended this measure by:

- (1) Changing the minimum period of time a person subject to a lifetime license revocation for operating a motor vehicle under the influence of an intoxicant needs to maintain an ignition interlock permit before filing a petition in district court to reinstate the person's license and privilege to operate a vehicle without an ignition interlock device from five years to three years;
- (2) Deleting language allowing the prosecuting attorney to submit a written request for a hearing on the petition requested under (1) above; and
- (3) Deleting provisions requiring the district court to set hearings on the request for a petition under (1) above if the prosecuting attorney requests a hearing on the petition.

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. 2320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2320, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 72-12 Health on H.B. No. 1736

The purpose of this measure is to make amendments to enabling law that established the Hawaii Health Insurance Exchange, or Hawaii Health Connector, by, among other things:

- (1) Creating a separate program and risk pool to serve the individual market and a separate program and risk pool to serve the small group market;
- (2) Establishing the Navigator Program under which the Hawaii Health Connector may award grants to entities that are selected by the Hawaii Health Connector Board to serve as navigators;
- (3) Establishing staggered terms of Hawaii Health Connector Board members; and
- (4) Specifying the role of the Department of Human Services in making a determination of Medicaid eligibility for each individual who applies through the Hawaii Health Connector unless the applicant declines an eligibility determination.

Kaiser Permanente, Hawaii Medical Service Association, The Chamber of Commerce of Hawaii, and an individual testified in support of this measure. The Office of the Governor and the Hawaii Health Connector testified in support of this measure with amendments. The Department of Commerce and Consumer Affairs testified in support of the intent of this measure. The American Cancer Society and Hawaii Primary Care Association submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying the language to indicate a separate program and risk pool to serve the individual market and a separate program and risk pool to serve the small group market;
- (2) Establishing a timeline for Hawaii Health Connector Board member nominations and confirmations occurring after February 1, 2012; 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. 1736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1736, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Wooley.

SCRep. 73-12 Health on H.B. No. 2035

The purpose of this measure is to prohibit an insurer from requiring a doctor's referral for annual mammograms covered by health insurance.

Kaiser Permanente, the Hawaii Medical Service Association, the American Cancer Society, Planned Parenthood of Hawaii, Hawaii COPD Coalition, and several concerned individuals testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this bill by clarifying that it applies specifically to screening mammograms. 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. 2035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2035, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Wooley.

SCRep. 74-12 Health on H.B. No. 1965

The purpose of this measure is to clarify that courses approved by the Accreditation Council for Pharmacy Education will be counted toward the continuing education requirement for pharmacists.

The Board of Pharmacy, Kaiser Permanente Hawaii, and an individual 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 is in accord with the intent and purpose of H.B. No. 1965 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. 75-12 Health on H.B. No. 2276

The purpose of this measure is to require any person under the age of 16 to wear a helmet while operating a skateboard.

Additionally, this measure establishes a fine for noncompliance.

The Injury Prevention Advisory Committee and two individuals 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 is in accord with the intent and purpose of H.B. No. 2276 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Wooley.

SCRep. 76-12 Health on H.B. No. 1955

The purpose of this measure is to appropriate funds to cover staffing and other initial costs associated with the licensing of home care agencies.

Healthcare Association of Hawaii, the Policy Advisory Board for Elder Affairs, and several individuals supported this measure. The Department of Health supported the intent of this measure.

Your Committee notes that this measure supports the necessary costs associated with the licensing of home care agencies to ensure that these agencies meet minimum standards when delivering services to clients.

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. 1955 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. 77-12 Health on H.B. No. 1960

The purpose of this measure is to prevent youth access to tobacco products by prohibiting retailers from displaying or storing tobacco products through self-service display or engaging in tobacco product retailing through self-service display.

The Department of Health, Coalition for a Tobacco-Free Hawaii, American Cancer Society, American Heart Association, several members of REAL: Hawaii Youth Movement Exposing the Tobacco Industry, and several individuals submitted testimony in support of this measure. Hawaii Smokers Alliance and one concerned individual submitted testimony in opposition to this measure.

Your Committee recognizes that chapter 245, Hawaii Revised Statutes, Cigarette Tax and Tobacco Tax Law, falls under the purview of the Department of Taxation.

Accordingly, your Committee has amended this measure by:

- (1) Authorizing the Department of Taxation, rather than the Department of Health to adopt rules to carry out the purposes of the measure; 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. 1960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1960, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Wooley.

SCRep. 78-12 Health on H.B. No. 1846

The purpose of this measure is to authorize the issuance of special purpose revenue bonds of up to \$3,000,000 to assist Wahiawa General Hospital in constructing health care facilities.

The Healthcare Association of Hawaii; United Public Workers, AFSCME, Local 646, AFL-CIO; Haleiwa Family Health Center; and numerous individuals 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 is in accord with the intent and purpose of H.B. No. 1846 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. 79-12 Health on H.B. No. 1952

The purpose of this measure is to appropriate funds, subject to a dollar-for-dollar match in private funds, for Hawaii Pacific Health to establish a bone marrow transplant program in Hawaii.

The Healthcare Association of Hawaii, American Cancer Society, and two individuals testified in support of this measure. Hawaii Pacific Health and a concerned individual submitted comments on this measure.

Your Committee notes that the loss of Hawaii's only bone marrow transplant center has resulted in patients having to seek treatment in other states, causing great financial and emotional burdens on patients and their families.

Upon consideration, your Committee has amended this measure by decreasing the amount of the appropriation from \$1,000,000, to \$500,000 for fiscal year 2012-2013, while retaining the dollar-for-dollar private matching fund provision.

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

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. 1952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1952, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

SCRep. 80-12 Economic Revitalization & Business on H.B. No. 1830

The purpose of this measure is to establish a process by which licensed or certified, unbiased real estate appraisers are used for arbitration proceedings to determine the fair market value, fair market rental, or fair and reasonable rent of real property.

Numerous individuals testified in support of this measure. The Department of Commerce and Consumer Affairs, Hawaii Reserves Incorporated, Hawaii Chapter of the Appraisal Institute, W.H. Shipman Limited, and Land Use Research Foundation of Hawaii testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Adding a definition for "unbiased"; 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. 1830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1830, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 81-12 Judiciary on H.B. No. 1611

The purpose of this measure is to increase the effectiveness and efficiency of state and county boards, while encouraging transparency, by:

- (1) Allowing board members to attend:
 - (A) Public gatherings and community events that do not relate to any matters over which the board is currently exercising its adjudicatory, advisory, or legislative function; and
 - (B) Professional-association conferences and professional-development seminars; provided that the board members file a public report; and

- (2) Reducing the minimum number of days within which written public notice of a board meeting must be posted to at least four days before any meeting, and allowing such notice to be sent out by e-mail to those persons who request notification of meetings.

The Department of Planning and Permitting of the City and County of Honolulu, Council Chair of the County Council of the County of Maui, Hawaii Farm Bureau Federation, several Council Members of the County Council of the County of Maui, and a Commissioner of the Hawaiian Homes Commission supported this measure. The League of Women Voters, Media Council Hawaii, Common Cause Hawaii, Americans for Democratic Action Big Island Press Club, a member of the Board of Common Cause, and numerous concerned individuals opposed this bill. The Office of Information Practices, Hawaii Farm Bureau, and several concerned individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Adding language to ensure that board members do not engage in ex parte communications at a public gathering or community event;
- (2) Deleting language that would allow boards to notice their meetings four calendar days before a meeting instead of six calendar 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1611, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 82-12 Human Services on H.B. No. 1716

The purpose of this measure is to strengthen protections for survivors of domestic abuse by:

- (1) Authorizing a court to issue a permanent protective order to prevent sexual offenses or child abuse; and
- (2) Expanding the definition of domestic abuse.

Specifically, this measure:

- (1) Establishes that if a protective order is intended to prevent sexual offenses or child abuse or a recurrence of such acts between family or household members, the court shall issue a permanent protective order; and
- (2) Amends the definition of domestic abuse to include sexual offenses or child abuse committed by one family or household member against another family or household member, regardless of age.

Two concerned individuals supported this measure. The Department of Human Services supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Specifying that a permanent protective order shall be granted based on an act that would constitute felony sexual assault or felony child abuse; and
- (2) Changing its effective date to July 1, 2050, to facilitate 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. 1716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1716, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 83-12 Human Services on H.B. No. 1729

The purpose of this measure is to introduce safeguards involving temporary restraining orders by:

- (1) Requiring petitioners for temporary restraining orders in family court and district court to disclose all pending litigation involving the petitioner;
- (2) Authorizing a family court or district court to meet with the petitioner to receive information to validate the contents of the petition prior to granting a temporary restraining order; and
- (3) Defining the word "imminent" with regard to the type of harm for which a temporary restraining order may be issued.

The Consumer Family Youth Alliance and three concerned individuals supported this measure. A concerned individual supported the intent of this measure. The Domestic Violence Action Center opposed this measure. The Judiciary offered comments on this measure.

Your Committee has amended this bill by:

- (1) Removing the provision that authorizes a family court or district court to meet with the petitioner to receive information prior to granting a temporary restraining order;
- (2) Clarifying that petitioners for temporary restraining orders need to disclose only current and pending litigation in family court or district court, offenses relating to domestic abuse, or offenses against the person involving the petitioners;
- (3) Changing the effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1729, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 84-12 Human Services on H.B. No. 1915

The purpose of this measure is to bring more transparency into the operations of the Medicaid program in Hawaii by:

- (1) Requiring the Department of Human Services to notify the Legislature of any proposed changes to the Medicaid program in Hawaii and state plan amendments; and
- (2) Clarifying that the Legislature may enact law to require the Department of Human Services to make changes to the Medicaid program in Hawaii or submit a state plan amendment.

The Healthcare Association of Hawaii, Consumer Family and Youth Alliance, and a concerned individual supported this measure. The Hawaii Primary Care Association supported the intent of this measure. The Department of Human Services opposed this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1915, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 85-12 Human Services on H.B. No. 2140

The purpose of this measure is to protect children from abuse or neglect by:

- (1) Establishing a preference for allowing a child who has been or is at risk of being abused to remain in a safe family home, and requiring the perpetrator of abuse to leave the home in certain cases of reported or suspected child abuse or neglect; and
- (2) Requiring a service plan to include treatment and services that will be provided to the abused child and perpetrator of the abuse in an effort to return the child in foster care back to the family home.

A concerned individual supported this measure. The Department of Human Services supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Specifying that any police officer may order the alleged perpetrator of the abuse on the child to leave the home for a period of 24 hours pursuant to section 709-906, Hawaii Revised Statutes;
- (2) Changing the 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. 2140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2140, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 86-12 Human Services on H.B. No. 2235

The purpose of this measure is to protect survivors of human trafficking by:

- (1) Authorizing a person convicted of committing the offense of prostitution to file a motion to vacate the conviction under certain circumstances; and
- (2) Establishing procedures for the motion to vacate.

Two concerned individuals supported the measure. The Pacific Alliance to Stop Slavery, IMUAlliance, and Tahiri Association supported the measure with amendments. The Honolulu Police Department opposed the measure. A concerned individual offered comments on the measure.

Your Committee notes the concerns raised by the Honolulu Police Department that the measure would allow anyone convicted of prostitution and other related offenses to file a motion to vacate a conviction based on having been a victim of promoting prostitution in either the first degree or in the second degree, which would allow anyone convicted of prostitution who had a "pimp" or was otherwise assisted by someone who advances or profits from prostitution, to file the motion. The Honolulu Police Department, however, expressed that it does not oppose the measure as it applies to those whose conviction is the result of victimization by promoting prostitution in the first degree only or by any other form of force, threat, fraud, or intimidation.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2235, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 87-12 Human Services on H.B. No. 2139

The purpose of this measure is to safeguard minors from sexual offenses by:

- (1) Extending the statute of limitations for civil actions brought by persons subjected to sexual offenses as a minor against the person who committed the act;
- (2) Reviving for a two-year period certain actions for which the statute of limitations had previously lapsed; and
- (3) Authorizing a court to award attorney's fees to a defendant when an accusation of sexual abuse was made with no basis in fact and with malicious intent.

Two concerned individuals supported this bill. A concerned individual supported the intent of this measure. The Hawaii Catholic Conference opposed this measure. The Department of the Attorney General and a concerned individual offered comments on this measure.

Your Committee has amended this bill by:

- (1) Specifying that the certificate of merit required with the filing of a civil action pursuant to this measure shall include a notarized statement by a psychologist, marriage and family therapist, mental health counselor, or a clinical social worker, who, while knowledgeable of the relevant facts and issues, is not currently treating and has not previously treated the plaintiff;
- (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. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 88-12 Human Services on H.B. No. 2350

The purpose of this measure is to provide a consolidation of services in one location to assist domestic violence victims by appropriating funds for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Honolulu Family Justice Center, including the hiring of necessary staff.

The Department of the Prosecuting Attorney of the City and County of Honolulu and the Department of Community Services of the City and County of Honolulu supported the measure.

Your Committee notes the testimony of the Department of the Prosecuting Attorney of the City and County of Honolulu that states that oftentimes domestic violence victims simply give up and remain with their batterers because obtaining services is just too confusing or difficult. The Family Justice Center model addresses this major obstacle by providing integrated, co-located services from one location in an environment that is safe and nurturing.

Your Committee notes that the Family Justice Center movement is the product of the battered women's movement in the United States. It is the result of more than twenty years of efforts by domestic violence intervention professionals to mainstream aggressive intervention strategies into the civil and criminal justice systems. Communities have identified the benefits of bringing together advocates, law enforcement personnel, prosecutors and other intervention service-provider professionals to work together in serving victims of domestic violence and holding offenders accountable. Currently, there are over sixty Family Justice Centers established across the United States and several centers are operating overseas. The Family Justice Center model has been identified as a "best practice" in delivering services to victims of domestic abuse, sex assault, and elder abuse.

Your Committee finds that beginning in May 2010, through a federal grant awarded to the Department of the Prosecuting Attorney of the City and County of Honolulu, a series of strategic planning meetings were held in Honolulu attended by key stakeholders to discuss the establishment of a Honolulu Family Justice Center. The Honolulu Family Justice Center has the full support of the county administration and key stakeholders. Most importantly, the survivors in Honolulu have voiced their strong, unanimous approval for the Honolulu Family Justice Center.

Your Committee also finds that some agencies have expressed uncertainty about the potential of the Honolulu Family Justice Center to require them to change their operating procedures and the potential for competition for funding among existing service providers. An open dialogue to address these concerns will be undertaken as well as a discussion of the commitment of all partner agencies to look for ways to effectively and efficiently address the needs of victims with scarce resources.

Your Committee finds that the Honolulu Family Justice Center integrates existing resources and leverages other funding sources to support the Center, and the Legislature is not expected to cover the entire cost of the Center. Substantial cost savings will be realized through use of highly-trained volunteers and interns at the Center. Donations from business leaders and organizations will be sought and fundraising activities will be initiated to cover some of the costs of planning and operating the Center.

Your Committee finds that there is a total of \$876,512 awarded in federal grants for start-up costs for the Honolulu Family Justice Center. Of that amount, a total of \$165,425 has been expended as of January 31, 2012, leaving a balance of \$711,087 that is earmarked for salaries and fringe benefits for two staff positions for the Honolulu Family Justice Center, the Director's position and an Administrative Specialist I position.

Your Committee has amended this measure by:

- (1) Allowing private donations to be accepted to fund the Honolulu Family Justice Center;
- (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. 2350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2350, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 89-12 Human Services on H.B. No. 1715

The purpose of this measure is to help fund prevention and assistance programs in Hawaii that focus on child abuse and neglect, domestic violence and sexual assault, and spousal abuse by increasing the amount a taxpayer may designate to those programs' special funds or accounts provided that the taxpayer's refund is \$10 or more for a taxpayer filing an individual return or \$20 or more for a taxpayer filing a joint return.

The Hawaii State Coalition Against Domestic Violence, Domestic Violence Action Center, the Hawaii Women's Coalition, and the Department of Human Services supported the measure. The Department of Taxation opposed the measure. The Tax Foundation of Hawaii offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1715 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 90-12 Labor & Public Employment on H.B. No. 2773

The purpose of this measure is to reduce crime and improve the quality of life in Hawaii's neighborhoods by:

- (1) Permanently establishing the Weed and Seed Program within the Department of Labor and Industrial Relations; and
- (2) Appropriating unspecified funds to maintain current operations of the Weed and Seed Program and expand the Weed and Seed Program into other areas of the State.

The Hawaii Public Housing Authority of the Department of Human Services, Honolulu Police Department, Honolulu Weed and Seed, and numerous concerned individuals testified in support of this measure. The Department of Labor and Industrial Relations, Office of Community Services of the Department of Labor and Industrial Relations, and Department of Public Safety testified in support of the intent of this measure.

Weed and Seed is a program that takes a comprehensive multi-agency approach to law enforcement, crime prevention, and community revitalization. This collaborative effort involving law enforcement, community residents, non-profit organizations, community groups, and private businesses has helped to reduce crime and improve the quality of life for neighborhoods that have been designated as weed and seed areas. The program works by attempting to "weed" out the criminal element in the community while simultaneously "seeding" the community through the implementation of prevention, intervention, treatment, and neighborhood revitalization projects, programs, and activities. Continuing these efforts will help reduce crime and improve the quality of life for the people of Hawaii.

Your Committee has amended this measure by:

- (1) Allowing the Office of Community Services to contract out for services to be provided under the Weed and Seed Program;
- (2) Specifying the amount of \$336,000 as the amount appropriated to maintain current operations of the Weed and Seed Program and expand the Weed and Seed Program into other areas of 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2773, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 91-12 Labor & Public Employment on H.B. No. 2089

The purpose of this measure is to ensure that Hawaii's workers can address their own health and safety needs and the health and safety needs of their families by requiring employers to provide a minimum amount of paid sick and safe leave to employees to be used to care for themselves or a family member who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking.

The Hawaii Government Employees Association AFSCME, Local 152, AFL-CIO; Hawaii State AFL-CIO; National Partnership for Women & Families; 9 to 5, National Association of Working Women; Policy Advisory Board for Elder Affairs; Hawaii State Commission on the Status of Women; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; Hawaii State Coalition Against Domestic Violence; and Hawaii Women's Coalition testified in support of this measure. The Department of Human Resources Development, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, National Federation of Independent Business, and Society for Human Resource Management-Hawaii Chapter testified in opposition to this measure. The Department of the Attorney General and Department of Labor and Industrial Relations provided comments.

Vacation and sick leave benefits for employees vary from employer to employer. At times, working individuals must choose between caring for themselves or a family member during times of illness and losing income because the individual did not go to work. Providing sick leave benefits for employees to care for themselves or an ill family member gives workers an opportunity to regain their health and not be faced with additional stresses and anxieties when trying to care for a loved one. The provision of sick leave is also beneficial to an employer in that employees are able to return to full productivity at work sooner.

Your Committee has amended this bill by:

- (1) Placing the contents of this measure in a new statutory chapter instead of as a part of Hawaii's Family Leave Law;
- (2) Including non-civil service public employees under the provisions of this law;
- (3) Requiring the Director of Labor and Industrial Relations to only create and provide posters to employers explaining this new law in languages that the Department of Labor and Industrial Relations currently uses for publicly distributed materials;
- (4) Removing provisions allowing complaints to be filed directly with the Attorney General and instead allowing complaints to be filed directly with the Director of the Department of Labor and Industrial Relations; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2089, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Okamura.

SCRep. 92-12 Labor & Public Employment on H.B. No. 2264

The purpose of this measure is to adjust the benefit amounts paid to employees from the unemployment insurance trust fund and the contribution rates for employers. Specifically, this measure:

- (1) Extends the maximum weekly benefit amount for unemployment insurance benefits to seventy-five percent of the average weekly wage until December 31, 2013;
- (2) Maintains the employer contribution rate amount at schedule F for calendar year 2012 and 2013; and
- (3) Increases the employer's maximum unemployment insurance contribution rates for certain employers beginning on January 1, 2013.

The Hawaii Business League, Retail Merchants of Hawaii, Chamber of Commerce of Hawaii, Hawaii Credit Union League, and a concerned individual testified in support of this measure. Pomaika'i Construction, Est8Planning Counsel LLC, Aloha V.I.P. Tours, Inc., Hawaii Titanium Rings, Wailea Golf LLC, Hawaii Forest & Trail Ltd., Kohala Zipline LLC, Markham Insurance Services, AMV Air Conditioning Inc., Paia Bay Cafe, Bead It, HONBLUE, Inc., T&T Tinting Specialists, Inc., BB Embroidery, J. Fuller Construction, Coffees of Hawaii, LLC, A & R Electric LLC, Sunset Refinishers, KN Lawn Service, Inc., Hawaiian Island Homes Ltd., Quality Design/Build, Inc., East Oahu Physical Therapy, At Home Mobile Veterinary Services, Island Dream Kitchen & Bath, Inc., ProService Hawaii, Global Technology Corporation, Environ Control, Inc., and several concerned individuals testified in support of the intent of this measure. The Department of Labor and Industrial Relations, ILWU Local 142, and a concerned individual provided comments.

When Hawaii was experiencing low unemployment rates in the mid-2000s, the level of reserves in the Unemployment Trust Fund was high. At that time, the Legislature sought to provide relief for employers from unemployment insurance contribution rates while also increasing benefits for employees. Thus, the Legislature attempted to balance relief for employers and increased benefits for employees against the need to maintain an adequate level of unemployment trust fund reserves. It was believed that this balanced approach would continue economic growth without placing unemployment trust fund reserves in jeopardy.

Unfortunately, the economic downturn that occurred over the past several years resulted in increasing unemployment and, concomitantly, a dwindling reserve in the unemployment trust fund. As such, 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. However, stabilizing unemployment rates as well as efforts by the Department of Labor and Industrial Relations allowed for the loan to be repaid and the unemployment trust fund to realize a positive balance, although the situation is still precarious.

Although economic growth appears to be improving and Hawaii appears to be heading towards an economic recovery, the process is a slow one. Under current law, the rate schedule for unemployment insurance contributions is scheduled to increase. Your Committee finds that maintaining the schedule at its current rate for an additional year will help mitigate the effect of this increase on businesses and provide stability and certainty during this economic recovery period. This will also allow many employers to spend additional income on employees and investments rather than on unemployment insurance contributions.

However, your Committee notes that unemployment insurance contribution rate schedules and maximum weekly benefit amounts for unemployed individuals is being addressed in H.B. No. 2096, which your Committee has already passed in an amended form. As such, your Committee has amended this measure by removing language that:

- (1) Extended the maximum weekly benefit amount for unemployment insurance benefits to seventy-five percent of the average weekly wage until December 31, 2013; and
- (2) Maintained the employer contribution rate amount at schedule F for calendar year 2012 and 2013.

Your Committee has also amended this measure by:

- (1) Changing its effective date to January 1, 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2264, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

SCRep. 93-12 Labor & Public Employment on H.B. No. 2579

The purpose of this measure is to expedite the temporary disability insurance process by:

- (1) Requiring an employer to submit the employer's statement portion of a temporary disability insurance claim form to an employee when requested; and
- (2) Increasing the fine an employer must pay when the employer is delinquent in providing this information to a requestor.

The Department of Labor and Industrial Relations, Hawaii Laborers' Union, and several concerned individuals testified in support of this measure.

Hawaii's temporary disability insurance law is intended to partially compensate workers for the loss of wages caused by temporary, non-occupational disability or maternity. In this system, the employer facilitates the claim filing process by providing wage and employment information in a timely manner. However, current law requires an employer to provide wage and employment information only to an insurer and not to an employee. This measure provides fairness in the process by allowing access to wage and employment information regardless of whether the requestor of the information is an insurer or an employee.

However, your Committee does have concerns that increasing the fine an employer must pay when the employer is delinquent in providing the requested information to \$500 for each delinquent request may be excessive. Therefore, your Committee has amended this measure by changing the fine to \$250 for a first delinquent request and \$500 for a second and any subsequent delinquent request.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2579, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Okamura.

SCRep. 94-12 Labor & Public Employment on H.B. No. 2583

The purpose of this measure is to improve the efficiency of the workers' compensation system by requiring the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing within thirty days of the filing of a dispute.

The Department of Labor and Industrial Relations and two concerned individuals testified in support of this measure. The Hawaii Government Employees Association testified in support of the intent of this measure. The Chamber of Commerce of Hawaii testified in opposition to this measure. ILWU Local 142 provided comments.

Under Hawaii's Workers' Compensation Law, when a dispute is filed regarding a proposed treatment plan or whether medical services should be continued, the Director of the Department of Labor and Industrial Relations is required to render a decision within thirty days of the filing of a dispute. However, Hawaii's recent economic downturn has resulted in budget cuts and staff shortages within the Department of Labor and Industrial relations and it currently takes three to four months to schedule a hearing, notice the parties, conduct the hearing, and render a decision. This measure attempts to simplify this process and allow injured workers, insurance carriers, and employers to receive more prompt decisions as to whether medical services will continue or whether a treatment plan will be approved or denied.

However, your Committee understands concerns raised that not all medical disputes may be able to be resolved without a hearing and requiring the Director of the Department of Labor and Industrial Relations to render a decision in thirty days without a hearing may not be practical.

As such, your Committee has amended this measure by allowing, rather than requiring, the Director of the Department of Labor and Industrial Relations to render a decision without a hearing while maintaining the requirement that the decision be rendered within thirty days of the filing of the dispute.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Okamura.

SCRep. 95-12 Economic Revitalization & Business on H.B. No. 1511

The purpose of this measure is to reauthorize the dormant income tax credit for qualified research activities for an additional five years and to establish a ten per cent tax credit for qualified labor costs.

Testimony in support of the measure was submitted by the High Technology Development Corporation and Archinoetics, LLC. The Hawaii Strategic Development Corporation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that, due to the increasing interconnected and competitive global economy, fostering and encouraging innovation is an essential component of a comprehensive economic strategy for the State. Current state tax law parallels, with enhancements tailored to Hawaii's unique position, the Internal Revenue Code, providing support for innovation at twenty per cent of the cost of qualified research. However, the State's tax credit for qualified research activities became dormant on January 1, 2011. Extension of the credit for an additional five years will provide further support for the role played by innovation as the State's fragile economy continues to recover.

Your Committee also finds that, in order to facilitate the development and growth of Hawaii's commercial high technology industry sector, the High Technology Development Corporation established the Manoa Innovation Center. The High Technology Development Corporation's current land lease with the University of Hawaii expires in 2015. Your Committee further finds that, if the current lease is not extended, the State will lose the Manoa Innovation Center, a technology infrastructure and economic development engine that would be difficult to replace.

Your Committee amended this measure by:

- (1) Clarifying the purpose section to explain that the income tax credit for qualified research activities is currently dormant, and that the purpose of the measure is to reauthorize the tax credit;
- (2) Deleting the provisions to establish a tax credit for qualified labor costs;
- (3) Making clarifying amendments to the definitions of the terms "qualified high technology business" and "qualified research";

- (4) Requiring the University of Hawaii to extend the High Technology Development Corporation's land lease, with the same terms, for twenty-five years beyond the existing lease's expiration date;
- (5) Providing that the amendments made to section 235-110.91, Hawaii Revised Statutes, by this measure shall be repealed on December 31, 2016; and
- (6) 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. 1511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1511, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 96-12 Economic Revitalization & Business on H.B. No. 1768

The purpose of this measure is to amend section 103D-707, Hawaii Revised Statutes (HRS), to:

- (1) Allow an additional post-award remedy if a public procurement contract is not fully executed; and
- (2) Allow for rescission of public procurement contract award, and application of remedies prior to award as provided in section 103D-706, HRS.

The City and County of Honolulu, State Procurement Office, and Department of Accounting and General Services testified in support of this measure.

Your Committee has amended this measure by:

- (1) Specifying minimum error amounts that trigger the available contract remedies; and
- (2) Making technical, nonsubstantive amendments for 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. 1768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1768, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-12 Economic Revitalization & Business on H.B. No. 2169

The purpose of this measure is to establish a peer review process for public accounting firms that engage in attest work.

Niwao & Roberts, CPAs, the Hawaii Association of Public Accountants, and numerous individuals offered testimony in support of this measure. The Board of Directors for the Hawaii Society of Certified Public Accountants, and numerous individuals offered testimony in opposition to this measure. The Board of Public Accountancy provided comments on this measure.

Your Committee respectfully requests that your Committee on Consumer Protection & Commerce further examine the concerns and issues raised by the testimony in opposition to this measure.

Your Committee has amended this measure by:

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

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

Signed by all members of the Committee except Representative Pine.

SCRep. 98-12 Economic Revitalization & Business on H.B. No. 2266

The purpose of this measure is to clarify that the information technology steering committee shall consist of thirteen members.

Specifically, this measure specifies that four members shall be appointed by the senate president, four members shall be appointed by the speaker of the house of representatives, and four members shall be appointed by the chief information officer, with the chief information officer serving as the chair.

The Office of Information Management and Technology testified in support of this measure. The Judiciary testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing number of committee members to eight members such that two members shall be appointed by the senate president, two members shall be appointed by the speaker of the house of representatives, one member shall be appointed by the chief justice of the supreme court of Hawaii, and two members shall be appointed by the governor, with the chief information officer serving as the chair; and
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2266, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-12 Housing on H.B. No. 2628

The purpose of this measure is to exempt private dorm management companies that offer a minimum of six hundred beds to students of private universities or other institutions of higher education from Chapter 521, Hawaii Revised Statutes, the Residential Landlord-Tenant Code.

Hawaii Student Suites, Inc. and two individuals testified in support of the measure.

Your Committee has amended this measure by:

- (1) Expanding the exemption from the Residential Landlord-Tenant Code to include other universities and colleges in the State; and
- (2) Broadening the number of private dorm management companies that would qualify for exemption from the Residential Landlord-Tenant Code by decreasing the minimum number of beds offered by a private dorm management company, from six hundred beds to fifty beds.

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. 2628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2628, H.D. 1, and be referred to the Committee on Higher Education.

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

SCRep. 100-12 Housing on H.B. No. 2302

The purpose of this measure is to:

- (1) Address economic revitalization by temporarily exempting from the state and county civil service persons hired or contracted to perform specified work relating to vacant public housing units or capital improvement projects; and
- (2) Improve public housing inventory by appropriating funds from general obligation bonds and the rental housing trust fund to renovate public housing units that are uninhabitable.

Hawaii Public Housing Authority testified in support of the measure. An individual testified in opposition to the measure. The Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, EAH Housing, and Housing Hawaii commented on the measure.

Upon consideration, your Committee has amended this measure by:

- (1) Deleting the appropriation from the Rental Housing Trust Fund for renovating public housing units that are uninhabitable; and
- (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. 2302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2302, H.D. 1, and be referred to the Committees on Economic Revitalization & Business and Labor & Public Employment.

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

SCRep. 101-12 Housing on H.B. No. 1796

The purpose of this measure is to require the Hawaii Public Housing Authority to adopt rules to implement a five-year time limit for any tenant's use and occupation of any dwelling unit or other premises located within a state public housing project.

Hawaii Public Housing Authority and the County of Hawaii Office of Housing and Community Development testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Exempting elderly or disabled tenants from the five-year time limit;
- (2) Defining "elderly" as a person who is sixty-five years of age or older; and
- (3) Making technical, nonsubstantive amendments for the purposes of 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. 1796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 102-12 Housing on H.B. No. 518

The purpose of this measure is to require a seller or seller's agent to disclose in writing to a buyer the existence, if any, of any legal or traditional public access that burdens or may burden the residential or agricultural real property being sold.

The Hawaii Association of REALTORS and an individual testified in support 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. 518 and recommends that it pass Second Reading and be referred to the Committee on Agriculture.

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

SCRep. 103-12 Hawaiian Affairs on H.B. No. 2528

The purpose of this measure is to continue the pilot program established by Act 187, Session Laws of Hawaii 2010 that enables the Department of Hawaiian Home Lands, if certain conditions are met, to begin housing and other projects without having funds in the full amount of the cost of the projects on hand at the start of the projects.

The Office of Hawaiian Affairs, the Department of Hawaiian Home Lands, the Sovereign Councils of the Hawaiian Homelands Assembly, the Aha Moku Advisory Committee, the Kewalo Hawaiian Homestead Community Association, the Nanakuli Hawaiian Homestead Community Association, and three 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. 2528 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Housing.

Signed by all members of the Committee except Representatives Jordan and Yamane.

SCRep. 104-12 Consumer Protection & Commerce on H.B. No. 2242

The purpose of this measure is to improve the quality of veterinary care in Hawaii by establishing continuing education requirements for veterinarians for the renewal of their licenses.

The Board of Veterinary Examiners, Windward Community College, Hawaii Veterinary Medical Association, and a concerned individual supported this bill. The Hawaii Farm Bureau Federation submitted comments.

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

- (1) Specifying that continuing education courses must be approved by the Board of Veterinary Examiners, Hawaii Veterinary Medical Association, American Association of Veterinary State Boards' Registry, or other board-approved organizations;
- (2) Providing that the continuing education requirements established by the measure shall commence with the licensing biennium for which the renewal deadline is June 30, 2016;
- (3) Clarifying that failure to renew a license on or before June 30 of each even-numbered year will automatically constitute a forfeiture of the license; provided that the license will be restored upon written application therefor if the renewal fee, penalty fees, and documentation of the completion of continuing education credits, as applicable, are submitted by the licensee to the Board of Veterinary Examiners;
- (4) Removing the provision that would have allowed a licensee who has not met the new continuing education requirements to renew a license, subject to suspension of the license pending compliance with the continuing education requirement; and
- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2242, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 105-12 Consumer Protection & Commerce on H.B. No. 1879

The purpose of this measure is to make permanent the exemption of pest-control activity from the definition of "excavation" with respect to the One Call Center under Chapter 269E, Hawaii Revised Statutes.

The Hawaii Pest Control Association supported this measure. The Public Utilities Commission, The Gas Company, Building Industry Association of Hawaii, and a concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Specifying that only pest-control activity that is not performed under contract with any state or county agency or entity is exempt from the definition of "excavation" with respect to the One Call Center;
- (2) Changing the effective date to January 1, 3000, to facilitate 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1879, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll, Coffman, Ito and Souki.

SCRep. 106-12 Consumer Protection & Commerce on H.B. No. 2508

The purpose of this measure is to clarify and strengthen enforcement provisions for exempt out-of-state collection agencies and increase fines for collection agencies regulated by the Director of Commerce and Consumer Affairs.

The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and the Collection Agencies Program of 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508 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, McKelvey and Thielen.

SCRep. 107-12 Water, Land, & Ocean Resources on H.B. No. 2481

The purpose of this measure is to clarify the notice requirements for public hearings held by the Hawaii Community Development Authority. Specifically this measure requires the Authority to publish notice in a publication with statewide circulation for rulemaking hearings and in a publication with county-wide circulation for development plan approval public hearings.

The Hawaii Community Development Authority 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. 2481 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 and Carroll.

SCRep. 108-12 Water, Land, & Ocean Resources on H.B. No. 2339

The purpose of this measure is to clarify the requirements for community representatives of the Kalaeloa Community Development District to the Hawaii Community Development Authority.

An individual testified in support of this measure. The Hawaii Community Development Authority provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the language "shall be in addition to members appointed pursuant to section 206E-3" on page 1, lines 8-9, to avoid confusion as to the number of members authorized by the Legislature to serve on the Authority;
- (2) Clarifying that a designee of the Chairperson of the Hawaiian Homes Commission and of the Director of the City and County of Honolulu Department of Planning and Permitting may serve in lieu of those named officials;

- (3) Specifying that two of the members representing the Kalaeloa Community Development District shall be residents of Ewa, Waianae, Nanakuli, or Kapolei; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2339, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 109-12 Human Services on H.B. No. 2098

The purpose of this measure is to allow a vulnerable adult who has been a victim of financial exploitation to:

- (1) Sue in family court or any other court of competent jurisdiction for damages sustained by the vulnerable adult; and
- (2) Recover reasonable attorney's fees and costs, compensatory damages, and punitive damages.

The Consumer Family and Youth Alliance, the Healthcare Association of Hawaii, and a concerned individual supported the measure. The Department of Human Services supported the intent of the measure with amendments.

Your Committee has amended this measure by:

- (1) Placing the measure in chapter 663, Hawaii Revised Statutes (HRS), relating to tort actions rather than chapter 346, HRS, relating to the Department of Human Services;
- (2) Changing the 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. 2098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2098, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 110-12 Human Services on H.B. No. 2285

The purpose of this measure is to require the Auditor to conduct a management and financial audit of the services provided by Evercare and Ohana Health Plan to Medicaid clients under the QUEST Expanded Access Program.

The Policy Advisory Board for Elder Affairs, Consumer Family and Youth Alliance, Hawaii Primary Care Association, and a concerned individual supported the measure. Ohana Health Plan and the Department of Human Services opposed the measure. The Department of the Attorney General and the United States Department of Health and Human Services offered comments on the measure.

Your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to develop with the Department of Health, a fair discharge and referral system, and requiring the Department of Human Services to collaborate with stakeholders to develop a methodology for fair and equitable reimbursement payments based on the acuity of the patient;
- (2) Changing the 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. 2285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2285, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 111-12 Human Services on H.B. No. 2192

The purpose of this measure is to safeguard the elderly from financial exploitation by:

- (1) Creating the crime of financial and economic exploitation of a dependent elder and providing enhanced penalties;
- (2) Requiring two signatures of unrelated persons as witnesses to the execution of a power of attorney for health care; and

- (3) Requiring financial institutions to report suspected financial abuse to the adult protective services of the Department of Human Services and the county police.

Child and Family Service and Healthcare Association of Hawaii supported the measure. The Division of Financial Institutions of the Department of Commerce and Consumer Affairs, the Department of Human Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Bankers Association, and the Hawaii Credit Union League supported the measure with amendments. The Office of the Public Guardian of the Judiciary supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Broadening the crime of financial exploitation of an elder to include actions by any person against any elder, and providing enhanced penalties;
- (2) Requiring financial institutions to report suspected financial abuse immediately to the adult protective services of the Department of Human Services and the appropriate county police department initially by telephone, and later by written report sent by electronic mail;
- (3) Changing its effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2192, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

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

SCRep. 112-12 Health on H.B. No. 2447

The purpose of this measure is to authorize the Department of Health to, upon request, disclose dates of vital events to government agencies within the State.

The Department of Human Services, Department of Health, and Department of the Attorney General 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 is in accord with the intent and purpose of H.B. No. 2447 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 113-12 Health on H.B. No. 2568

The purpose of this measure is to allow the Department of Health to designate an entity to conduct criminal history record checks as required by law on its behalf.

The Department of Health 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 is in accord with the intent and purpose of H.B. No. 2568 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, Ching and Pine.

SCRep. 114-12 Agriculture on H.B. No. 2100

The purpose of this measure is to appropriate \$10,000 to the University of Hawaii System for the development of bee hive research statewide.

The Hawaii Farm Bureau Federation, University of Hawaii System, and an individual offered testimony in support of this measure. The Department of Agriculture offered testimony in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Increasing the appropriation to \$50,000 to be used statewide and allocated equally to the islands of Hawaii, Maui, Oahu, and Kauai, and the University of Hawaii at Hilo, College of Agriculture, Forestry, and Natural Resource Management;
- (2) Requiring the University of Hawaii to consult with the Department of Agriculture in expending the appropriation;
- (3) Changing the effective date to July 1, 2050, to facilitate 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2100, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 115-12 Agriculture on H.B. No. 2430

The purpose of this measure is to create an agricultural development and food security program within the Department of Agriculture.

The Department of Agriculture, Poamoho Organic Produce, The Land Use Research Foundation of Hawaii, Hawaii Farm Bureau, and Hawaii Crop Improvement Association testified in support of this measure. Kona Coffee Farmers Association testified in support of the intent of this measure. Haleiwa Farmers Market and one individual testified in opposition to 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2430, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116-12 Judiciary on H.B. No. 1892

The purpose of this measure is to ensure that the Reapportionment Commission has adequate funding to effectively carry out its mission by:

- (1) Placing the Reapportionment Commission within the Office of Elections for administrative purposes only; and
- (2) Requiring the Chief Election Officer, during each regular legislative session that immediately precedes an apportionment year, to request an appropriation for the Reapportionment Commission.

No testimony was received 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 is in accord with the intent and purpose of H.B. No. 1892 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, Coffman, Herkes, Ito, Luke, McKelvey and Souki.

SCRep. 117-12 Transportation on H.B. No. 2760

The purpose of this measure is to promote traffic safety by:

- (1) Restricting the use of vehicles on bicycle paths and bicycle lanes to mopeds and bicycles;
- (2) Specifying that, where bicycle lanes are provided, mopeds shall use a bicycle lane and not a bicycle path; and
- (3) Requiring signs clearly visible to an ordinarily observant person indicating that mopeds are prohibited on bicycle paths to be placed along bicycle paths.

The Chair of the Maui County Council, Vice Chair of the Maui County Council, several members of the Maui County Council, and a concerned individual testified in support of this measure. The Department of Transportation, Department of Transportation Services of the City and County of Honolulu, Maui Bicycle Alliance, and concerned individual testified in support of the intent of this measure. Kauai Path, Inc., and several concerned individuals testified in opposition to this measure. A concerned individual provided comments.

Currently, mopeds are allowed to operate on bicycle paths unless a bicycle lane is provided on a roadway. This causes a dangerous situation for bicyclists and pedestrians using bicycle paths. Moreover, as mopeds can reach up to speeds of thirty-five miles per hour or more, your Committee finds that allowing these motorized vehicles to use even bicycle lanes can be dangerous for bicyclists as well.

Your Committee has amended this measure by:

- (1) Prohibiting the use of mopeds on both bicycle lanes and bicycle paths; and
- (2) Requiring signs clearly visible to an ordinarily observant person indicating that mopeds are prohibited on bicycle lanes to be placed along bicycle lanes.

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. 2760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 118-12 Water, Land, & Ocean Resources on H.B. No. 2735

The purpose of this measure is to update the membership requirements and status of the Stadium Authority to meet current circumstances by:

- (1) Allowing the five-year residency requirement to qualify for an appointment to the Authority to be fulfilled at any time before appointment, instead of the immediately preceding five-year period;
- (2) Changing the status of the President of the University of Hawaii from an ex officio nonvoting member to an ex officio voting member of the Stadium Authority; and
- (3) Clarifying that the Authority consists of eleven members, including two ex officio members.

The University of Hawaii System and the University of Hawaii at Manoa Athletics Department provided testimony in support of this Measure. The Stadium Authority provided comments on this measure.

Your Committee has amended this measure by:

- (1) Reducing the membership of the Stadium Authority to ten members by removing the Superintendent of Education as a member of the Authority; and
- (2) Reverting the President of the University of Hawaii back to an ex officio nonvoting member of the Authority.

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. 2735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2735, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 119-12 Water, Land, & Ocean Resources on H.B. No. 2820

The purpose of this measure is to require the Department of Land and Natural Resources to establish the east Honolulu fishpond heritage area.

The Office of Hawaiian Affairs, the Maunalua Fishpond Heritage Center, the Kuli'ou'ou/Kalani Iki Neighborhood Board No. 2 and three individuals provided testimony in support of this measure. The Department of Land and Natural Resources provided testimony in opposition to this measure.

The Department of Land and Natural Resources testified that it opposed this measure as written and suggested that, among other things, the language be amended to preserve existing cultural and historical sites, native plants and animals, and spring water sources.

Accordingly, your Committee has amended this measure by requiring that the Department of Land and Natural Resources:

- (1) Preserve existing cultural and historical sites;
- (2) Preserve existing native Hawaiian fish, plants, and endangered birds that presently inhabit the area; and
- (3) Preserve existing water sources.

Your Committee has also removed the requirements that the Department of Land and Natural Resources:

- (1) Provide a site for future public interpretation of the cultural, biological, and historical areas of the fishponds; and
- (2) Provide for the reconstruction, rehabilitation, improvement, and stocking of the fishponds.

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. 2820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2820, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 120-12 Health on H.B. No. 609

The purpose of this bill is to effectuate its title.

H.B. No. 609 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. 609, 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. 609, H.D. 1.

Signed by all members of the Committee except Representative Belatti.

SCRep. 121-12 Economic Revitalization & Business on H.B. No. 1295

The purpose of this short form bill is to amend the laws relating to business.

H.B. No. 1295 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.

The purpose of the amended measure is to:

- (1) Establish unlicensed contracting activity as a misdemeanor offense;
- (2) Establish habitual unlicensed contracting activity and unlicensed contractor fraud as felony offenses; and
- (3) Require that each day of unlicensed contracting activity be deemed a separate offense.

The measure describes the offense of:

- (1) "Unlicensed contracting activity" as an act committed by a person who:
 - (A) Engages in any activity for which a contractor's license is required under chapter 444, Hawaii Revised Statutes, and who is not a contractor licensed under that chapter when engaging in that activity; or
 - (B) Uses any word, title, or representation to induce the false belief that the person is licensed under chapter 444, Hawaii Revised Statutes, to engage in contracting activity;
- (2) "Habitual unlicensed contracting activity" as engaging in unlicensed contracting activity after two or more convictions within the preceding ten years for an unlicensed contracting activity offense under this measure or under section 436B-27, Hawaii Revised Statutes; and
- (3) "Unlicensed contractor fraud" as an act committed by an unlicensed contractor who, with the intent to defraud, engages in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

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 action to report out H.B. No. 1295, as amended herein, and recommends that it be recommitted to the Committee on Economic Revitalization & Business, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1295, H.D. 1.

Signed by all members of the Committee except Representative Pine.

SCRep. 122-12 Housing on H.B. No. 2721

The purpose of this bill is to effectuate its title.

H.B. No. 2721 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. 2721, 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. 2721, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Coffman, Kawakami, Pine and Thielen.

SCRep. 123-12 Human Services on H.B. No. 770

The purpose of this bill is to effectuate its title.

H.B. No. 770 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. 770, 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. 770, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 124-12 Human Services on H.B. No. 771

The purpose of this bill is to effectuate its title.

H.B. No. 771 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. 771, 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. 771, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 125-12 Transportation on H.B. No. 2649

The purpose of this measure is to assist the counties in addressing motor vehicle violations by:

- (1) Authorizing the counties to implement a vehicle immobilization program to place a vehicle boot on a vehicle owned by an individual with outstanding motor vehicle violations until those violations are resolved;
- (2) Providing for fines, fees, and costs to be collected by the counties as a civil judgment in an appropriate court; and
- (3) Providing that the fines, fees, and costs collected pursuant to the vehicle boot program shall be paid into the respective county general fund.

The Councilmember from Council District 3 testified in support of this measure.

Under the current system, when a motor vehicle owner fails to pay a fine for a traffic violation, a stopper is placed on that individual's motor vehicle registration and the motor vehicle registration cannot be renewed until the stopper is removed through the payment of the outstanding fine. This may result in one of two things. Either a vehicle owner will pay the fine and have the stopper removed or the delinquent party will simply not pay their registration fees and vehicle taxes. Your Committee notes that a City and County of Honolulu report found that, as of 2008, 6,624 motor vehicles had three or more outstanding parking violations with a total of \$1,500,000 in outstanding fines. Allowing the counties to adopt a vehicle immobilization program using vehicle boots will address this situation.

Your Committee has amended this measure by:

- (1) Stipulating that 50 percent of the fines, fees, and costs associated with the vehicle boot program that are collected shall be paid into the state 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2649, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 126-12 Transportation on H.B. No. 1666

The purpose of this measure is to promote highway safety by:

- (1) Establishing mandatory minimum sentencing for negligent homicide or negligent injury involving the operation of a motor vehicle when a vulnerable highway user is involved; and
- (2) Raising the grade or class of offense for negligent homicide in the second degree, negligent homicide in the third degree, and negligent injury in the second degree when the incident involves a vulnerable highway user.

The Maui Bicycle Alliance, Environmental Caucus of the Democratic Party of Hawaii, Hawaii Bicycling League, and numerous concerned individuals testified in support of this measure. Several concerned individuals testified in opposition to this measure.

Hawaii's roadways have often been called dangerous for pedestrians, cyclists, and others who legally use the public right of way without being in a motor vehicle. Unfortunately, when collisions occur between motor vehicles and these individuals, the outcome is often catastrophic. Establishing mandatory minimum sentencing and increasing penalty provisions for negligent homicide or negligent injury involving the operation of a motor vehicle when these vulnerable highway users are involved may, at the very least, increase driver awareness of these individuals.

Although your Committee understands the concerns raised that this measure may create inequitable punishment for similar situations simply based on whether a victim is identified as a vulnerable user or not, this legal question is beyond the purview of your Committee on Transportation. Your Committee on Transportation respectfully requests your Committee on Judiciary to look further at this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1666 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 127-12 Transportation on H.B. No. 2727

The purpose of this measure is to increase traffic safety by, among other things:

- (1) Authorizing the Department of Transportation to establish and administer a statewide program for the immobilization of a vehicle operated by a person whose license has been revoked or suspended for operating a vehicle under the influence of an intoxicant;
- (2) Requiring the Department of Transportation to hire a single vendor to install and maintain the vehicle immobilization device;
- (3) Establishing a process for the immobilization and towing of the vehicle of an individual who has been arrested for operating a vehicle after the individual's license and privilege has been suspended or revoked for operating a vehicle under the influence of an intoxicant;
- (4) Establishing a process for the removal of the vehicle immobilization device;
- (5) Providing graduated durations for vehicle immobilization;
- (6) Establishing penalties for persons who tamper with, or circumvent, a vehicle immobilization device; and
- (7) Requiring the Department of Transportation to contract with a vehicle immobilization device vendor to provide partial financial relief for the installation of, and other charges associated with a vehicle immobilization device, to persons requesting such assistance if certain requirements are met.

Mothers Against Drunk Driving HAWAII and the Hawaii Strategic Highway Safety Plan testified in support of this measure. The Department of Transportation and Administrative Driver's License Revocation Office testified in opposition to this measure.

Hawaii is faced with an ever increasing problem of individuals operating motor vehicles without a valid driver's license, or with a canceled, suspended, or revoked driver's license on Hawaii's roadways. This is especially true when the suspension or revocation was the result of an alcohol or drug related incident. This presents a hazard to all motorists. Although recommended penalties to prevent recidivism in these types of cases often include impoundment and forfeiture of the driver's vehicle, many challenges and costs are associated with this type of penalty. Immobilizing a vehicle using a vehicle immobilization device such as a wheel boot is one way to solve this problem.

Although your Committee notes that numerous legal and logistical questions have been raised regarding the vehicle immobilization program contained in this measure, your Committee hopes that the parties interested in this measure may come together and work to resolve these issues and present their recommendations to the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2727 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 128-12 Transportation on H.B. No. 1878

The purpose of this measure is to bring fairness to the motor vehicle insurance industry by allowing the exclusion of specified drivers from coverage under a motor vehicle insurance policy, through a driver exclusion endorsement.

The National Association of Mutual Insurance Companies and State Farm Insurance Companies testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs testified in opposition to this measure. The Hawaii Insurers Council and Hawaii Association of Justice provided comments.

Major automobile insurers base their automobile insurance premiums upon consideration of all of the drivers in a household, not just the named insured. This can cause considerable financial hardship to innocent family members if there are irresponsible drivers in the household. This may lead to situations where the named insured can no longer afford increased insurance premiums and therefore is forced to drive uninsured. This measure attempts to remedy this situation by allowing for the exclusion of specified drivers from coverage under a motor vehicle insurance policy.

Your Committee has amended this measure by:

- (1) Changing references to an "excluded driver" to an "excluded operator";
- (2) Deleting language that deemed excluded drivers as uninsured for the purposes of assigned claims under a motor vehicle insurance plan;
- (3) Allowing motor vehicle policy premiums to be increased in relation to any claim by a person who sustains property damage or accidental harm from a motor vehicle accident caused by an excluded operator where a policy provides liability coverage to other persons or entities as a result of a claim involving the operation of any motor vehicle by the excluded operator;
- (4) Disqualifying a person or their legal representative from receiving benefits through an assigned claims plan if the person operated a motor vehicle from which the person was excluded from insurance coverage at the time of an accident and was harmed by the accident;
- (5) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1878, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 129-12 Transportation on H.B. No. 2611

The purpose of this measure is to clarify and make permanent current exemptions from Hawaii's environmental impact statement law for secondary actions that occur within the highway or public right-of-way.

Specifically, this measure amends and makes permanent the exemptions created in Act 87, Session Laws of Hawaii 2009, as amended by Act 45, Session Laws of Hawaii 2011.

The Department of Transportation, The Chamber of Commerce of Hawaii, and Building Industry Association of Hawaii testified in support of this measure. The Office of Environmental Quality Control of the Department of Health testified in support of the intent of this measure. The Outdoor Circle and a concerned individual testified in opposition to this measure.

According to the Department of Transportation, it has been inundated with a large number of requests for minor work project reviews that increases the processing time for applications affecting rights-of-way. The processing of these minor work project reviews costs numerous man hours and causes unnecessary project delays. This measure attempts to address this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2611 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 130-12 Transportation on H.B. No. 2789

The purpose of this measure is to protect the health, safety, and welfare of the general public by promoting traffic safety. Among other things, this measure:

- (1) Establishes a photo speed imaging detector system program to improve enforcement of speed limits;
- (2) Allows county implementation of a photo speed imaging detector system program in areas where excessive speeding has been found to be a problem;
- (3) Authorizes fines collected under county-administered programs to be deposited into a general fund account; and
- (4) Authorizes funds from this general fund account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of a photo speed imaging detector system program.

A concerned individual testified in support of this measure. The Office of the Public Defender and a concerned individual testified in opposition to this measure. The Department of Budget and Finance provided comments.

The prevalence of drivers violating Hawaii's speeding laws, especially on the island of Oahu, has become intolerable. These violations endanger the lives of motorists and pedestrians and compound the already hazardous conditions on Hawaii's roads and highways. Speeding, especially excessive speeding, contributes to the frequency and severity of motor vehicle crashes since motorists have less time to react and stop. Too many tragedies on Hawaii's roadways, many of them recent ones, have been attributed to excessive speeding and racing. This measure will help curb such dangerous activities in Hawaii and protect the health, safety, and welfare of the people of this 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. 2789 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 131-12 Transportation on H.B. No. 2790

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

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

Mothers Against Drunk Driving HAWAII and two concerned individuals testified in support of this measure. The Office of the Public Defender and a concerned individual testified in opposition to this measure. The Department of Budget and Finance provided comments.

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

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. 2790 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Okamura.

SCRep. 132-12 Hawaiian Affairs on H.B. No. 2181

The purpose of this measure is to amend the deadline to file nomination papers associated with filling a vacancy in the membership of the Board of Trustees of the Office of Hawaiian Affairs, to ensure compliance with provisions of the National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84, mandating the mailing of absentee ballots to uniformed and overseas voters no later than 45 days prior to an election.

The Office of Elections, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Community Association, Nanakuli Hawaiian Homestead Community Association, Waianae Kai Homestead Association, Sovereign Moku-puni O Oahu, Aha Moku Advisory Committee, and two individuals supported the measure. The Office of Hawaiian Affairs offered comments on the measure.

Your Committee notes that some proponents of this measure expressed interest in further strengthening elections for the Board of Trustees of the Office of Hawaiian Affairs by instituting a primary election in addition to the current general election for those positions. Your Committee finds that the issue merits continuing discussion.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2181 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan and Yamane.

SCRep. 133-12 Hawaiian Affairs on H.B. No. 2300

The purpose of this measure is to:

- (1) Require five percent of the State's annual share of the revenues from the public land trust to be annually appropriated to the Department of Hawaiian Home Lands; and
- (2) Repeal obsolete language relating to the transfer of functions from the Hawaiian Homes Commission to the Department of Hawaiian Home Lands.

The Kuakini Hawaiian Civic Club of Kona, Nanakuli Hawaiian Homestead Community Association, Kewalo Hawaiian Homestead Community Association, Sovereign Councils of the Hawaiian Homelands Assembly, Waianae Kai Homestead Association, Sovereign Moku-puni O Oahu, and three concerned individuals supported the measure. The Department of Hawaiian Home Lands supported the intent of the measure. The Association of Hawaiian Civic Clubs and the Office of Hawaiian Affairs offered comments on the measure.

Your Committee has amended this measure by:

- (1) Providing for an unspecified dollar amount, instead of the percentage, of the State's annual share of the revenues from the public land trust to be annually appropriated to the Department of the Hawaiian Home Lands; and
- (2) Protecting the revenues owed to the Office of Hawaiian Affairs under Act 178, Session Laws of Hawaii 2006, from the operation 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. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2300, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Jordan and Yamane.

SCRep. 134-12 Hawaiian Affairs on H.B. No. 2529

The purpose of this measure is to exempt expenditures and procurements of less than \$250,000 from the Hawaiian Home Operating Fund, Hawaiian Home Receipts Fund, Hawaiian Home Trust Fund, and Native Hawaiian Rehabilitation Fund from the requirements of the Hawaii Public Procurement Code.

The Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Aha Moku Advisory Committee, Kuakini Hawaiian Civic Club of Kona, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Community Association, Sovereign Mokuupuni O Oahu, Waianae Kai Homestead Association, Nanakuli Homestead Community Association, and a concerned individual supported the measure. The State Procurement Office opposed the 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. 2529 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives Jordan and Yamane.

SCRep. 135-12 Hawaiian Affairs on H.B. No. 2706

The purpose of this measure is to appropriate funds for three permanent faculty positions and operating expenses for the Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwī Center for Native Hawaiian and Indigenous Education within the College of Education of the University of Hawaii at Manoa.

The University of Hawai'i College of Education, the Sovereign Councils of the Hawaiian Homelands Assembly, the Nanakuli Hawaiian Homestead Community Association, Sovereign Mokuupuni O Oahu, the Waianae Kai Homestead Association, and many concerned individuals supported the measure. Three concerned individuals supported the intent of the measure. The Department of Education supported the measure with amendments. The Office of Hawaiian Affairs offered comments on the measure.

Your Committee respectfully notes that while many Native Hawaiian education experts expressed support for the measure, some experts wished to see funding and support for all programs that serve native Hawaiians in the College of Education and to not limit funding only to the Ho'okulaiwi program. These experts proposed that the funding be directed to the College of Education so it can be distributed to all Hawaiian education initiatives, including Ho'okulaiwi. These experts find that to truly service students, the experts need to be able to recruit students into the multitude of programs in the College of Education that fit the students' needs and not force them into one particular program that may restrict their opportunities. Your Committee finds that these concerns merit acknowledgement as this measure progresses through the legislative process.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2706 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 Jordan.

SCRep. 136-12 Labor & Public Employment on H.B. No. 2584

The purpose of this measure is to improve the effectiveness and efficiency of government by allowing the Director of Labor and Industrial Relations to accept the notice of employers' worker's compensation insurance from third party agencies that have been approved in a manner and form approved by the Director.

The Department of Labor and Industrial Relations, ILWU Local 142, and Hawaii Laborers' Union testified in support of this measure.

Currently, all workers' compensation insurance coverage information is submitted to the Department of Labor and Industrial Relations on paper forms which are then manually inputted into the Department's information system. However, budget cuts over the past several years due to lagging economic conditions have resulted in staff reductions and reduced the Department's capabilities of inputting the insurance information data in a timely manner. This delay often renders the information system's data reports unreliable. To address this situation, the Department of Labor and Industrial Relations plans to accept insurance information electronically thus making the inputting of data easier and eliminating the labor-intensive process currently being employed.

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. 2584 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Okamura.

SCRep. 137-12 Labor & Public Employment on H.B. No. 2099

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing attorney's fees to be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable ground.

The Department of Labor and Industrial Relations, ILWU Local 142, and several concerned individuals testified in support of this measure. The Hawaii Insurers Council provided comments.

Hawaii's workers' compensation law was established as a "no fault" type of system where injured workers were provided with medical insurance and wage loss coverage for work-related injuries while employers were protected from civil liability resulting from these injuries. Unfortunately, due to the, at times, contentious nature of workers' compensation cases, claims and appeals proceedings are begun without reasonable grounds. Under current law, if the Director of Labor and Industrial Relations, the Labor and Industrial Relations Appeals Board, or any court finds that the proceedings have been brought without reasonable grounds, the whole costs of the proceedings can be assessed against the party that initiated the proceedings. However, a recent Hawaii Intermediate Court of Appeals ruling found that whole costs did not include attorney's fees. Your Committee finds that allowing reasonable attorney's fees to be assessed against a party who initiates baseless proceedings will help deter frivolous claims and appeals from being filed under Hawaii's workers' compensation system.

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. 2099 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Okamura.

SCRep. 138-12 Labor & Public Employment on H.B. No. 2025

The purpose of this measure is to assist employers in maintaining their workforce and employees in retaining employment during difficult economic times by:

- (1) Authorizing certain private employers to administer a work-sharing plan to avoid temporary layoffs, if approved by the Department of Labor and Industrial Relations; and
- (2) Allowing employees under a work-sharing plan to receive unemployment benefits to compensate for lost wages.

The Department of Labor and Industrial Relations provided comments on this measure.

Over the past few years, Hawaii, as well as the rest of the nation, has experienced difficult economic times. A lagging economy led to downsizing or closure of many businesses which ultimately resulted in a reduction of the workforce and an increase in individuals collecting unemployment. This not only had devastating financial impacts for businesses and employees but often resulted in the further slowing of the economy as both businesses and individuals sought ways to reduce their costs.

Your Committee finds that numerous other states facing increasing downsizing or closure of businesses and increased unemployment rates have developed work-sharing programs that allow a worker who is employed for a portion of a week to collect unemployment benefits to make up for a portion of the employee's lost wages. This situation is beneficial to both employers and employees since employers can maintain their workforce with seasoned employees while reducing some business costs through decreasing an employee's work hours and an employee can maintain employment and continue to earn wages with supplemental income through unemployment insurance.

However, while your Committee understands the economic importance of keeping people employed, concerns were raised that new employees would be eligible to be included in the work-sharing plan from the moment they are hired. Concerns were also raised that employees may not understand that the unemployment benefits received as a part of a work-sharing plan may affect unemployment benefit compensation should the employee become unemployed in the future.

Your Committee has amended this measure by:

- (1) Stipulating that any work-sharing program created by an employer is not applicable to employees who have been employed for a period of less than 90 days;
- (2) Specifying that an employer must notify employees that unemployment benefit compensation may be affected if an employee joins the work-sharing program and becomes unemployed in the future;
- (3) Prohibiting a contributory employer with a negative reserve ratio or delinquent reimbursable from participating in the work-sharing program; and
- (4) Changing its effective date to September 1, 2013.

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. 2025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2025, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 139-12 Labor & Public Employment on H.B. No. 2228

The purpose of this measure is to ensure full equality for women in the workplace by:

- (1) Requiring employers with twenty or more employees to make reasonable efforts to provide a clean location for breastfeeding employees to express breast milk in privacy;
- (2) Requiring covered employers to post a notice pertaining to this provision in a conspicuous location; and
- (3) Establishing a civil fine for the failure of an employer to provide a location or post notice.

The American Civil Liberties Union of Hawaii, Hawaii State Commission on the Status of Women, Planned Parenthood of Hawaii, Hawaii Women's Coalition, and Hawaii Government Employees Association testified in support of this measure. The Hawaii Civil Rights Commission provided comments.

According to the Hawaii State Commission on the Status of Women, in 2009, fifty percent of all mothers with children younger than twelve months of age were employed with sixty-nine percent of those women being employed full-time. Many of these women often face difficulties in continuing to breastfeed their child while being employed and may have to stop breastfeeding sooner than they wish because of those challenges. Providing clean, private locations for mothers to express breast milk in the workplace will help to solve this problem.

Your Committee has amended this bill by inserting a fine of \$50 for the failure of an employer to provide a location or post notice of a location for breastfeeding employees to express breast milk in privacy. Technical, nonsubstantive amendments were also made for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2228, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Okamura.

SCRep. 140-12 Labor & Public Employment on H.B. No. 2217

The purpose of this measure is to increase government efficiency by:

- (1) Requiring State agencies to inform the Director of Finance of any job position that has remained vacant for a continuous period of ten years;
- (2) Allowing for the retention of unfilled positions under certain circumstances; and
- (3) Providing for the removal of the position and funds for the position if the position has been vacant longer than ten years.

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

When positions go unfilled for extended periods of time, the funds for those vacant positions are not utilized and have an effect on the State's overall fiscal picture. While your Committee understands that there are various reasons why positions may go unfilled for lengthy periods of time, positions that have been vacant for ten years or more should be reviewed further.

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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2217, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

SCRep. 141-12 Labor & Public Employment on H.B. No. 2152

The purpose of this measure is to improve Hawaii's workers' compensation system by changing the reimbursement rate for medical care, services, and supplies under the State Workers' Compensation Law to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services.

The Hawaii Medical Association, Kaiser Permanente Hawaii, Hawaii Association of Justice, ILWU Local 142, Hawaii Chapter of the American Physical Therapy Association, Hawaii State Chiropractic Association, Bickford Chiropractic, Plumbers and Fitters Union, Local 675, American Chiropractic Association, District 7, and several concerned individuals testified in support of this measure. The Department of Labor and Industrial Relations testified in

support of the intent of this measure. The Hawaii Insurers Council; Building Industry Association of Hawaii; American Insurance Association; Property Casualty Insurers Association of America; Hawaiian Electric Company, Inc.; Maui Electric Company, LTD; Hawaii Electric Light Company, Inc.; and Alan Shintani, Inc., testified in opposition to this measure. The Department of Human Resources Development, Department of Commerce and Consumer Affairs, and a concerned individual provided comments.

Your Committee finds that access to workers' compensation care provided by health care providers can be limited in Hawaii. Many physicians and other health care providers have raised concerns over the low reimbursement rates and inordinate amount of paperwork for workers' compensation cases and cite these concerns as reasons for not accepting these types of cases.

In 1995, in an attempt to control rising workers' compensation costs, the Legislature enacted Act 234 which established the workers' compensation fee schedule at a fee not to exceed 110 percent of the fees prescribed in the Medicare Resource Based Value Scale System applicable to Hawaii as prepared by the United States Department of Health and Human Services. Since then, rising medical costs have caused this percentage to be inadequate for the provision of workers' compensation services. A declining number of workers' compensation health care providers negatively impacts an injured worker's access to timely and quality treatment which can sometimes exacerbate the injury and delay the worker's return to work. Your Committee finds that raising the percentage for reimbursement will help address this problem.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 142-12 Labor & Public Employment on H.B. No. 2586

The purpose of this measure is to improve the efficiency of the Disability Compensation Division of the Department of Labor and Industrial Relations while maintaining fiscal prudence by enabling the Division to fund projects designed to improve efficiency. Among other things, this bill:

- (1) Allows the Division to establish reasonable fees for the issuing of subpoenas and the filing of injury reports in workers' compensation cases; and
- (2) Establishes the Disability Compensation Division Special Fund.

The Department of Labor and Industrial Relations, ILWU Local 142, United Public Workers, AFSCME, Local 646, AFL-CIO, and several concerned individuals testified in support of this measure. The Hawaii Insurers Council, Hawaiian Electric Co., Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc. testified in opposition to this measure.

The budget shortfalls experienced by Hawaii over the past several years have greatly impacted the operations of many state departments and agencies. Although cautious optimism and confidence in a growing economy have been expressed, Hawaii's economy is still fragile. Identifying and creating sources of revenue to help defray the expenses of a state department or agency will assist with the State's overall budgetary picture.

Since 2009, the Disability Compensation Division, which is responsible for addressing workers' compensation cases, has experienced staffing and budget reductions that have resulted in a severe backlog in the setting of workers' compensation hearings and caused a decline in service to the public. The Division has had to rely heavily on its automation system to mitigate the backlogs and service reductions.

Allowing the Division to establish reasonable fees for the issuing of subpoenas and the filing of injury reports in workers' compensation cases would not only supplement the Division's operating budget but would also help defray expenses relating to the upgrade of equipment and technology that would develop greater efficiency in the complex workers' compensation system and help to reduce the severe backlog of workers' compensation cases.

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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2586, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Saiki.

SCRep. 143-12 Labor & Public Employment on H.B. No. 2582

The purpose of this measure is to improve the efficiency of the Labor and Industrial Relations Appeals Board of the Department of Labor and Industrial Relations while maintaining fiscal prudence by enabling the Board to fund projects designed to improve efficiency without using additional general fund appropriations. Among other things, this bill:

- (1) Allows the Board to establish reasonable fees for the filing of workers' compensation appeals and other administrative costs associated with the processing of workers' compensation appeals; and
- (2) Establishes the Labor and Industrial Relations Appeals Board Special Fund.

The Labor & Industrial Relations Appeals Board; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; and a concerned individual testified in support of this measure. Two concerned individuals testified in support of the intent of this measure. Hawaiian Electric Co, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc. testified in opposition to this measure.

The budget shortfalls experienced by Hawaii over the past several years have greatly impacted the operations of many state departments and agencies. Although cautious optimism and confidence in a growing economy have been expressed, Hawaii's economy is still fragile. Identifying and creating sources of revenue to help defray the expenses of a state department or agency will assist with the State's overall budgetary picture.

Allowing the Labor and Industrial Relations Appeals Board to establish reasonable filing fees and fees for other administrative services associated with the processing of workers' compensation hearings and appeals would not only supplement the Board's operating budget but would also help defray expenses relating to the upgrade of equipment, technology, security, and language interpreting services, in addition to other expenses, and will help to improve the effectiveness and efficiency of the workers' compensation system.

However, your Committee finds that concerns remain about the consequences which these fees may have on indigent and less fortunate individuals who need to file appeals in workers' compensation cases. Your Committee also notes the concerns raised regarding the fairness of exempting State and county agencies from filing fees. Accordingly, your Committee has amended this bill by:

- (1) Authorizing only a \$30 filing fee for a written notice of appeal, which may be adjusted as needed by the Director of Labor and Industrial Relations by rules adopted under Chapter 91, Hawaii Revised Statutes;
- (2) Clarifying that "good cause" for the waiving of the payment of fees is established when the appealing party is indigent, appears pro se, or is an individual who is unemployed as a result of a workers' compensation injury;
- (3) Deleting language exempting the State or county from having to pay a fee for filing a written notice of appeal; 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. 2582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2582, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Saiki.

SCRep. 144-12 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 2575

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

- (1) Establishing fee schedules for permits, inspections, and certificates of boilers, pressure systems, elevators and kindred equipment, and amusement rides to provide sufficient operating funds for the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations;
- (2) Establishing the Boiler and Elevator Special Fund for the deposit of the fees charged and collected under paragraph (1) above to provide operating funds for the enforcement of the State's boiler and elevator safety laws;
- (3) Providing for the establishment of ten additional positions within the Boiler and Elevator Inspection Branch;
- (4) Authorizing the Director of Labor and Industrial Relations to set compensation and other incentives and other working conditions for specified staff;
- (5) Appropriating \$1,000,000 of general revenues to be deposited into the Boiler and Elevator Special Fund to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained; and
- (6) Appropriating \$2,900,000 out of the Boiler and Elevator Special Fund which is necessary to fully staff the Boiler and Elevator Inspection Branch and maintain timely inspections and safety tests.

The Department of Labor and Industrial Relations, Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, National Elevator Industry, Inc., and a concerned individual testified in support of this measure. The Department of Human Resources Development testified in support of the intent of this measure. The General Contractors Association and Dynamic Elevator Systems, Inc., provided comments.

The Boiler and Elevator Inspection Branch has the responsibility and duty to periodically inspect, and issue permits and certificates for, boilers, pressure systems, amusement rides, and elevators and kindred equipment. Unfortunately, due to the recent economic downturn that resulted in budget and staffing cuts, a backlog of inspections has occurred. According to the Department of Labor and Industrial Relations, approximately 75 percent of elevators and 50 percent of boilers in Hawaii are operating without a current operating permit because of this backlog. Your Committees find that the resulting backlog has also caused delays in issuing elevator permits for new construction projects which can result in project delays and hinder Hawaii's economic recovery.

Your Committees find that establishing fee schedules and a Boiler and Elevator Special Fund provides a mechanism for the self-sufficiency of the Boiler and Elevator Inspection Branch and is a long term approach to reducing the inspections backlog and will allow for more timely inspections in the future.

Your Committees have amended this measure by:

- (1) Removing amusement rides from the fee schedule applicable to elevators and kindred equipment and making a separate fee schedule for amusement rides;
- (2) Specifying that the ten positions created are permanent positions;

- (3) Deleting the provision authorizing the Director to set compensation and other incentives and other working conditions for specified staff members;
- (4) Requiring that the \$1,000,000 deposited into the Boiler and Elevator Special Fund to continue operations of the Boiler and Elevator Inspection Branch be repaid into the general fund within five years;
- (5) Requiring the Department of Labor and Industrial Relations to annually report to the Legislature on the status of the backlog of inspections;
- (6) Changing the effective date to March 3, 2033, to continue further discussions; 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 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. 2575, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 1, and be referred to the Committee on Housing.

Signed by all members of the Committee except Representatives Okamura, Takumi and Pine.

SCRep. 145-12 Health/Human Services on H.B. No. 1956

The purpose of this measure is to appropriate \$9,282,684 to the Department of Human Services to match the federal disproportionate share hospital allowance allocated to the State to ensure continuing medicaid coverage for Hawaii residents.

The Healthcare Association of Hawaii, Hawaii Pacific Health, Kaiser Permanente Hawaii, Hawaii Primary Care Association, The Chamber of Commerce of Hawaii, and a concerned individual testified in support of this bill. The Department of Human Services provided comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1956 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, Ching and Pine.

SCRep. 146-12 Health/Human Services on H.B. No. 2776

The purpose of this measure is to require operators of adult foster homes, adult residential care homes, assisted living facilities, expanded adult residential care homes, and community care foster family homes to obtain and maintain sufficient liability insurance.

Two individuals testified in support of this measure. The Department of Human Services provided comments.

Your Committees have amended this measure by:

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

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. 2776, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2776, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 147-12 Health/Human Services on H.B. No. 2274

The purpose of this measure is to ensure access to health care for Medicaid recipients by:

- (1) Establishing a nursing facility sustainability fee to be used to attract federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver; and
- (2) Requiring the Department of Human Services to charge and collect a provider fee on health care items or services provided by nursing facilities.

The Healthcare Association of Hawaii, Hawaii Long Term Care Association, and an individual testified in support of this measure. Palolo Chinese Home testified in opposition to this measure. The Department of Human Services, Department of Budget and Finance, Hawaii Health Systems Corporation, and two individuals submitted comments on this measure.

Your Committees have amended this bill by:

- (1) Exempting continuing care retirement communities from the nursing facility sustainability fee;

- (2) Rescheduling the fee payment from a quarterly basis to a monthly basis;
- (3) Specifying that a Section 1115 Waiver renewal and approval of contracts between the State and the Medicaid health plans may be necessary as the Department of Human Services seeks a waiver and other approvals from the Centers for Medicare and Medicaid Services to implement the nursing facility sustainability program;
- (4) Specifying that the Healthcare Association of Hawaii and Hawaii Long Term Care Association are also to receive documentation of the rate enhancement from the QUEST and QUEST Expanded Access plans;
- (5) Authorizing the State to modify the categories of facilities exempt from the assessment and the rate adjustment if necessary to obtain approval of the waiver and plan amendment from the Centers for Medicare and Medicaid Services; and
- (6) 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2274, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2274, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 148-12 Health/Human Services on H.B. No. 2275

The purpose of this measure is to ensure access to health care for Medicaid recipients by:

- (1) Establishing a hospital sustainability fee and a special fund to receive moneys from the hospital sustainability fee so that the State may be eligible to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver; and
- (2) Requiring the Department of Human Services to charge and collect a provider fee from hospitals on health care items or services provided.

The Healthcare Association of Hawaii, Hawai'i Pacific Health, and two individuals testified in support of this measure. The Department of Human Services, Department of Budget and Finance, Hawaii Health Systems Corporation, and Hawaii Medical Service Association commented on this measure.

Your Committees have amended this measure by:

- (1) Authorizing the use of the hospital sustainability fee to match federal Uncompensated Care Cost funds if certified public expenditures are not sufficient;
- (2) Clarifying that the hospital sustainability fee shall not exceed three percent of net patient service revenue, as derived from the hospitals' Medicare cost report ending during State Fiscal Year 2010;
- (3) Making the exemption from or reduction in fee obligations for certain hospitals permissive instead of mandatory;
- (4) Requiring hospitals to pay the hospital sustainability fee on a monthly, rather than on a quarterly basis;
- (5) Specifying that a Section 1115 Waiver renewal and approval of contracts between the State and the Medicaid health plans may be necessary in the Department of Human Services seeking a waiver and approvals from the Centers for Medicare and Medicaid Services;
- (6) Specifying that the Healthcare Association of Hawaii is also to receive documentation of the rate enhancement from the QUEST and QUEST Expanded Access plans; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 2275, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 149-12 Health/Human Services on H.B. No. 2696

The purpose of this measure is to establish a long-term care financing task force to determine the feasibility of establishing and implementing a limited, mandatory, public long-term care insurance program.

The Policy Advisory Board for Elder Affairs, Kupuna Caucus of the Democratic Party of Hawaii, ILWU Union Local 142, and an individual testified in support of this measure. The Department of Commerce and Consumer Affairs and AARP Hawaii commented on this measure.

Your Committees have amended this measure by:

- (1) Changing its 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 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. 2696, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2696, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 150-12 Health/Human Services on H.B. No. 1740

The purpose of this measure is to appropriate funds to maintain a telephone-based audible information access service.

Hawaii Vocational Rehabilitation and Services for the Blind, National Federation of the Blind, and several individuals testified in support of this measure.

Your Committees have amended this measure by changing its effective date to July 1, 2020, to facilitate continued discussion on this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1740, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1740, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 151-12 Health on H.B. No. 1876

The purpose of this measure is to require a dental hygienist's license to practice to be prominently displayed at all times in the dental hygienist's office.

The Board of Dental Examiners, Hawaii Dental Hygienists' Association, American Dental Hygienists' Association-Hawaii, and many concerned individuals testified in support of this bill.

Your Committee requests that subsequent committee discussions include requiring copies, instead of the originals, of dental hygienist certificates of license to be displayed in offices of employment and requiring licensure, renewal, and expiration dates to be on all certificates of license.

Your Committee has amended this bill by requiring both the license certificate and annual registration certificate to be displayed in the office in which the dental hygienist is employed or practices.

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. 1876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1876, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Wooley.

SCRep. 152-12 Health on H.B. No. 1953

The purpose of this measure is to ensure that there are adequate emergency services to Leeward Oahu after the recent closure of Hawaii Medical Center's two hospitals. This measure appropriates general funds to the Department of Health to assist the City and County of Honolulu Emergency Medical Services Division with expanding emergency medical services and ambulance services in communities on Leeward Oahu. This measure also appropriates funds through a grant pursuant to chapter 42F, Hawaii Revised Statutes, to assist Wahiawa General Hospital in providing additional emergency room services.

The Emergency Services Department of the City and County of Honolulu; Healthcare Association of Hawaii; United Public Workers, AFSCME, Local 646, AFL-CIO; and numerous individuals testified in support of this measure. The Department of Health testified in support of the intent of this measure.

Your Committee notes that the measure specifies exact locations and hours of specific ambulance units for which an appropriation is being made. It is your Committee's intent that subsequent committees consider not identifying specific locations and broadening the time to allow for the most efficient and effective use of the appropriation moneys.

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. 1953 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. 153-12 Health on H.B. No. 2023

The purpose of this measure is to make permanent the assessment of the Center for Nursing fees, deposit of fees into the Compliance Resolution Fund, and the disbursement of those funds to the Center for Nursing Special Fund.

The University of Hawaii at Manoa; Hawaii State Center for Nursing; Board of Nursing; Workforce Development Council; Hawaii Pacific Health; Kahi Mohala Behavioral Health; Hawai'i Association of Professional Nurses; Hawaii Association of Nurse Executives; The Queen's Medical Center; Hawaii Medical Service Association; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and many concerned individuals 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 is in accord with the intent and purpose of H.B. No. 2023 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

SCRep. 154-12 Health on H.B. No. 2563

The purpose of this measure is to authorize the Department of Health to allow limited health insurer access to the Hawaii Immunization Registry.

Additionally, the measure authorizes the Hawaii Immunization Registry to store minimal demographic information for individuals who have elected to refuse inclusion in the registry.

The Department of Health, AlohaCare, and the Hawaii Medical Service Association 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 is in accord with the intent and purpose of H.B. No. 2563 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, Ching and Pine.

SCRep. 155-12 Health on H.B. No. 2504

The purpose of this measure is to make various amendments to laws relating to entities regulated by the Department of Commerce and Consumer Affairs' Insurance Division including:

- (1) Statutorily establishing certain fees and penalties for mutual benefit societies;
- (2) Clarifying provisions relating to certificates of registration and certificates of authority of mutual benefit societies;
- (3) Deleting obsolete provisions;
- (4) Increasing certain filing fees for fraternal benefit societies and health maintenance organizations; and
- (5) Clarifying laws relating to service contracts.

The Department of Commerce and Consumer Affairs supported this measure with amendments. The Hawaii Medical Service Association provided comments.

Your Committee has amended this measure by:

- (1) Requiring rather than allowing the Insurance Commissioner to adopt rules for the implementation and administration of the laws relating to mutual benefit societies;
- (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. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 156-12 Health on H.B. No. 1741

The purpose of this measure is to require a uniform prior authorization form for prescription drugs by requiring:

- (1) The Insurance Commissioner to develop the form;

- (2) Health care insurance providers that provide prescription drug benefits to accept only the uniform prior authorization form when requiring authorization for prescription drug benefits; and
- (3) Prescribers to use the uniform prior authorization form to request prior authorization coverage for prescription drug benefits.

Hawaii Medical Association; National Multiple Sclerosis Society – Hawaii Office; American Academy of Private Physicians; Hawaii Academy of Physician Assistants; Hawaii Psychiatric Medical Association; American Cancer Society; Epilepsy Foundation of Hawaii; Neuropathy Action Foundation; GBS/CIDP Foundation International; Power of Pain Foundation; Consumer, Family, & Youth Alliance; and an individual testified in support of this measure. Ohana Health Plan testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, AlohaCare, and Medco Health Solutions, Inc. testified in opposition to this measure. The University of Hawaii-Manoa, School of Nursing and Dental Hygiene; Kaiser Permanente Hawaii; Hawaii Association of Professional Nurses; Faith Action for Community Equity; and two individuals submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that advanced practice registered nurses and physician assistants be consulted in the development of the form;
- (2) Deleting from the form criteria, the requirement that the form not exceed two pages;
- (3) Increasing to 72 hours, the time period in which a health care insurance provider must respond to a prescriber upon receipt of a completed form, or have the prior authorization request be granted;
- (4) Changing the effective date to July 1, 2050, to facilitate 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 157-12 Human Services/Health on H.B. No. 1954

The purpose of this measure is to specify the rate of reimbursement by Medicaid and its contracted health plans to hospitals for patients occupying acute-licensed beds who are waitlisted for long-term care and to facilities with long-term care beds for patients with medically-complex conditions who prior to admission to the facility were receiving acute care services in an acute care hospital.

Hawaii Health Systems Corporation, The Chamber of Commerce of Hawaii, Hawaii Disability Rights Center, Healthcare Association of Hawaii, Kaiser Permanente, Policy Advisory Board for Elder Affairs, and two individuals testified in support of this measure. The Department of Human Services testified in opposition to this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1954 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. 158-12 Human Services on H.B. No. 1919

The purpose of this measure is to:

- (1) Establish a domestic violence court pilot program, temporary domestic violence task force, and family justice center task force;
- (2) Broaden the group of persons required to report child abuse and neglect to include family members; and
- (3) Authorize the electronic monitoring of persons convicted of violating a domestic abuse temporary restraining order or protective order.

A concerned individual supported this measure. The Department of Human Services supported the intent of this measure. The Office of Information Practices, the Judiciary, Department of the Prosecuting Attorney of the City and County of Honolulu, and the Domestic Violence Action Center offered comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting provisions relating to the temporary domestic violence task force and family justice center task force;
- (2) Deleting provisions that broadened the group of persons required to report child abuse and neglect to include family members;
- (3) Deleting provisions that authorized the electronic monitoring of persons convicted of violating a domestic abuse temporary restraining order or protective order;

- (4) Appropriating an unspecified amount to the domestic violence court pilot program to be expended by the Judiciary;
- (5) Changing the effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1919, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 159-12 Human Services on H.B. No. 2538

The purpose of this measure is to add exemptions for any kindergarten, school, or program licensed by the Charter School Review Panel, the Hawaii Council of Private Schools, or any federal agency from child care licensing requirements of the Department of Human Services.

The Department of Human Services testified in support of this measure. The Hawaii Association for the Education of Young Children testified in opposition 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2538, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 160-12 Human Services on H.B. No. 2539

The purpose of this measure is to allow the Department of Human Services to conduct adult abuse perpetrator checks on specified entities, including their employees, that provide child care.

The Department of Human Services, Hawaii Association for the Education of Young Children, and one individual 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2539, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 161-12 Human Services on H.B. No. 2548

The purpose of this measure is to clarify the domestic services exclusion for services authorized by the Department of Human Services with regard to the definition of "employment" in Hawaii's workers' compensation and temporary disability insurance laws and Prepaid Health Care Act.

The Department of Human Services and Department of Labor and Industrial Relations 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. 2548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2548, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 162-12 Human Services on H.B. No. 2104

The purpose of this measure is to allow for blind and visually impaired persons to apply for and obtain disability parking permits.

The Policy Advisory Board for Elder Affairs and several concerned individuals supported the measure. The Disability and Communication Access Board opposed the measure.

Your Committee notes that the Disability and Communications Access Board opposed the measure because it said the intent of Congress was to provide the opportunity to obtain parking permits to persons with disabilities that limit their physical mobility or limit their ability to walk a long distance.

The Disability and Communications Access Board said individuals who are blind or visually impaired do not meet the recommended definition as stated in the applicable federal rules, listed under Title 23, Code of Federal Regulations, Chapter II, Part 1235, Subpart B.

The Disability and Communications Access Board estimated it would cost \$60,000 to implement the placards for a conservative estimate of 5,000 blind and visually impaired people in Hawaii.

A concerned individual testified that a disabled parking permit would allow blind residents, who ride in personal cars with family, to avoid walking across busy and dangerous parking lots. The individual added Hawaii currently allows disabled residents who require the use of a cane for mobility to obtain a disability parking permit, but excludes the blind who also use a cane for mobility. The individual testified that 28 other states and Washington, D.C., allow their blind residents to obtain a disability parking permit.

Your Committee has amended this bill by changing its effective date to July 1, 2050, to promote 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. 2104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2104, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 163-12 Human Services on H.B. No. 1932

The purpose of this measure is to amend the child support laws by establishing that every judgment for child support shall be enforceable until paid in full.

Two concerned individuals supported the measure. The Department of the Attorney General offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1932 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 Pine.

SCRep. 164-12 Human Services on H.B. No. 2559

The purpose of this measure to reduce the incidence of preventable deaths to persons with developmental or intellectual disabilities by allowing the Department of Health to conduct multidisciplinary and multiagency mortality reviews of deaths of persons with developmental or intellectual disabilities.

The Department of Health, State Council on Developmental Disabilities, and a concerned individual 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2559, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 165-12 Economic Revitalization & Business on H.B. No. 1676

The purpose of this measure is to establish a preference for the use of iron, steel, and manufactured goods that are made in the United States in the construction, alteration, or repair of public works.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Ironworkers Stabilization Fund; Hawaii State AFL-CIO; and ILWU Local 142 testified in support of this measure. The Department of Accounting and General Services testified in opposition to this measure. The General Contractors Association commented on this measure.

Your Committee notes that this measure may increase administrative responsibilities for government contracting agencies and costs of projects. Accordingly, your Committee requests that your Committee on Consumer Protection and Commerce look into these concerns.

Your Committee has amended this measure by:

- (1) Removing language that prohibited the waiver of this Act's prohibition on using foreign-manufactured iron, steel, or goods in public works projects for iron, steel, and goods manufactured by a foreign country that is in violation of a trade agreement with the United States;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1676, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 166-12 Economic Revitalization & Business on H.B. No. 1686

The purpose of this measure is to require that bids and requests for proposals on public construction contracts must list joint contractors and subcontractors if the value of the contract is in excess of \$500,000 and the work to be performed by the joint contractor or subcontractor is in excess of \$25,000. Additionally this measure allows the substitution of subcontractors if 75 percent of the savings, if any, resulting from the substitution is refunded to the purchasing agency.

The Ironworkers Stabilization Fund testified in support of this measure. The Department of Accounting and General Services, the Department of Budget and Fiscal Services of the City and County of Honolulu, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, and Plumbing and Mechanical Contractors Association of Hawaii testified in opposition to this measure.

Your Committee respectfully requests that your Committee on Finance further examine the threshold money amounts. Accordingly, your Committee has amended this measure by:

- (1) Removing the threshold money amounts;
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashem.

SCRep. 167-12 Economic Revitalization & Business on H.B. No. 1894

The purpose of this measure is to temporarily authorize the Governor or a county Mayor to exempt a construction or design-build procurement from protest concerning the procurement and administrative review of a nonresponsible offeror determination, and to require, as a condition of the exemption, that all bids and proposals, including amendments or revisions, evaluations, and ratings be released for public inspection.

The Chamber of Commerce of Hawaii testified in support of this measure. The State Procurement Office, Associated Builders and Contractors Hawaii Chapter, and an individual testified in opposition to this measure. The General Contractors Association provided comments on this measure.

Your Committee has amended this measure by replacing its contents with new language that suspends judicial review pursuant to section 103D-710, Hawaii Revised Statutes, for the period from July 1, 2012, to June 30, 2014.

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. 1894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1894, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168-12 Economic Revitalization & Business on H.B. No. 2268

The purpose of this measure is to establish a working group to review laws and rules relating to the regulation of small business to increase the efficiency of rules affecting small businesses.

The Department of Business, Economic Development, and Tourism commented on the measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement for the Department of Budget and Finance to convene a working group to identify redundant and obsolete laws related to small business;
- (2) Authorizing the Small Business Regulatory Review Board to require a subsequent hearing on a proposed rule when:
 - (A) A small business statement indicates that the agency, at a public hearing on the proposed rule, received testimony requesting that the proposed rule be amended, but the rule was not amended; and
 - (B) The small business statement either:
 - (i) Indicates inconsistency with the agency's determinations under section 201M-2(b), Hawaii Revised Statutes; or

- (ii) Does not address the concerns of the public; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2268, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 169-12 Economic Revitalization & Business on H.B. No. 2496

The purpose of this measure is to clarify and correct ambiguities and errors in Hawaii's business registration laws.

The Business Registration Division of the Department of Commerce and Consumer Affairs, University of Hawaii Professional Assembly, Hawaii Alliance of Nonprofit Organizations, and Hawaii Association of Independent Schools testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2496 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 Marumoto and Pine.

SCRep. 170-12 Consumer Protection & Commerce on H.B. No. 2644

The purpose of this measure is to require the Public Utilities Commission to implement best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access. Additionally, this measure appropriates funds to implement best practices.

The Public Utilities Commission testified in support of this measure.

Your Committee has amended this bill by:

- (1) Deleting the specific dollar amount from the appropriation; and
- (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. 2644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2644, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 171-12 Energy & Environmental Protection on H.B. No. 2260

The purpose of this measure is to reduce the number of single-use checkout bags by requiring businesses in the State to collect fees for single-use checkout bags provided to customers.

The Department of Land and Natural Resources; the Hawaii Food Industry Association; Retail Merchants of Hawaii; The Nature Conservancy; the Sierra Club, Hawaii Chapter; Times Supermarkets; Safeway; the Hawaii Restaurant Association; the Conservation Council for Hawaii; the Surfrider Foundation; and seven individuals provided testimony in support of this measure. The Department of Health provided testimony in support of the intent of this measure. The Department of Taxation, the Department of Budget and Finance, and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee amended this measure by:

- (1) Allowing businesses to provide single-use checkout bags free of charge to customers participating in federally approved nutrition assistance programs, including the Supplemental Nutrition Assistance Program and the Supplemental Nutrition Program for Women, Infants, and Children;
- (2) Deleting the provision that \$800,000 of the fees collected annually be deposited into the general fund;
- (3) Specifying that sixty per cent of the fee revenues collected from January 1, 2012, through December 31, 2013, and seventy percent of the fee revenues collected thereafter, rather than a flat dollar amount of those fee revenues, be deposited into the Natural Area Reserve fund established under section 195-9, Hawaii Revised Statutes for the Department of Land and Natural Resources to expend on watershed protection, restoration, and acquisition;
- (4) Requiring the Department of Health to request funding to administer the single-use checkout bag fee program in its annual budget request;
- (5) Adding an appropriation for fiscal year 2012-2013 to the Department of Health to initiate and administer the components of the single-use checkout bag fee; and

- (6) 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. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2260, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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

SCRep. 172-12 Judiciary on H.B. No. 2437

The purpose of this measure is to make an emergency appropriation to fund the voting system contract for the 2012 elections and ensure compliance with federal law.

The Office of Elections testified in support of this measure. The League of Women Voters of Hawaii provided comments on this measure.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 189 to the House of Representatives, requested immediate consideration and passage of this bill.

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 H.B. No. 2437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2437, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 173-12 Judiciary on H.B. No. 2251

The purpose of this measure is to promote efficiency and accessibility in the elections process by authorizing the county clerk of a county with a population of less than 100,000 to mail an absentee ballot to all properly registered voters on an island of the county that is not contiguous with the county seat of government.

The Office of Elections, Office of the County Clerk of the County of Kauai, Elections Division, and League of Women Voters of Hawaii testified in support of the 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. 2251 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 174-12 Labor & Public Employment on H.B. No. 2577

The purpose of this measure is to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law with regard to unpaid wages by clarifying that earned promised vacation or personal time off pay is considered part of an employee's wages unless otherwise specified through a written agreement or policy or through the substantiated practice of an employer.

The Department of Labor and Industrial Relations, Hawaii Laborers' Union, International Brotherhood of Electrical Workers Local Union 1357, Pacific Resource Partnership, United Public Workers, AFSCME, Local 646, AFL-CIO, Plumbers and Fitters Union, Local 675, and Vocational Management Consultants, Inc., testified in support of this measure. The Chamber of Commerce of Hawaii provided comments.

Hawaii's wage and hour law is currently enforced by the Wage Standards Division of the Department of Labor and Industrial Relations. However, ambiguity in the law has brought into question the authority of the Wage Standards Division to enforce the law in regards to a promised wage by employers that includes vacation and personal time off. According to the Department of Labor and Industrial Relations, although vacation and personal time off may be earned wages, this is not specifically noted in the definition of "wages". This causes uncertainty which has made it difficult for individuals who are separated from service to collect earned promised vacation and personal time off pay as an earned wage. This measure seeks to clarify this uncertainty.

However, your Committee notes that including vacation and personal time off in the definition of "wages" may be construed to require an employer to pay for vacation and personal time off each time it is earned within a particular pay period. In other words, if an employee were to earn one day of vacation and one day of personal time off each month, an employer would have to pay that employee for their vacation and personal time off at the end of the month as wages. As such, your Committee has amended this measure by clarifying that vacation and personal time off can be accrued and payment for vacation and personal time off do not have to be paid in each pay period that a benefit was earned.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2577, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 175-12 Labor & Public Employment on H.B. No. 2578

The purpose of this measure is to improve the efficiency of government by abolishing the Advisory Council for Community Services.

The Department of Labor and Industrial Relations and Office of Community Services of the Department of Labor and Industrial Relations testified in support of this measure.

The Advisory Council for Community Services has, in effect, been defunct for over a decade. Currently, no members have been appointed to the Council. Your Committee finds that eliminating this unnecessary policy body is prudent at this time.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2578, H.D. 1, and be referred to the Committee on Human Services.

Signed by all members of the Committee.

SCRep. 176-12 Human Services on H.B. No. 1905

The purpose of this bill is to effectuate its title.

H.B. No. 1905 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. 1905, 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. 1905, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 177-12 Public Safety & Military Affairs on H.B. No. 2257

The purpose of this measure is to require the licensing board to assist military spouses by:

- (1) Allowing applicants to demonstrate competency in lieu of work experience requirements; and
- (2) Establishing procedures to expedite the issuance of licenses, certifications, or permits.

The Department of Defense State Liaison Office, The Chamber of Commerce of Hawaii, and Oahu Veterans Council testified in support of this measure. The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, professional and vocational licensing boards to accept demonstrated competency in lieu of work experience requirements in issuing a license and to expedite the issuance of such a license;
- (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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2257, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Luke and Okamura.

SCRep. 178-12 Public Safety & Military Affairs on H.B. No. 2258

The purpose of this measure is to require professional and vocational licensing boards to accept military education, training, and service toward the qualifications for a license.

Additionally, it requires licensing boards to adopt rules.

The Department of Defense State Liaison Office, the Chamber of Commerce of Hawaii, and Oahu Veterans Council testified in support of this measure. The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, professional and vocational licensing boards to both accept military education, training, and service toward the qualifications for a license and to adopt rules; and
- (2) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Luke and Okamura.

SCRep. 179-12 Public Safety & Military Affairs on H.B. No. 2409

The purpose of this measure is to authorize the Director of Commerce and Consumer affairs to enforce certain federal laws to protect military members and their families from abusive lending practices.

The Department of Defense State Liaison Office, Department of Commerce and Consumer Affairs' Office of Consumer Protection, and 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. 2409 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 and Okamura.

SCRep. 180-12 Public Safety & Military Affairs on H.B. No. 2639

The purpose of this measure is to require the University of Hawaii college-credit equivalency program to:

- (1) Award credits for service in the United States armed forces; and
- (2) Develop a learning assessment to determine the college-level learning gained during service in the United States armed forces.

The Department of Defense State Liaison Office, Oahu Veterans Council, and a concerned individual testified in support of this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2020, for the purposes of facilitating 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. 2639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2639, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Luke and Okamura.

SCRep. 181-12 Public Safety & Military Affairs on H.B. No. 2681

The purpose of this measure is to repeal the requirement for the Conservation and Resources Enforcement Program of the Department of Land and Natural Resources to obtain national accreditation prior to using or obtaining electric guns, related equipment, and training.

The Department of Land and Natural Resources testified in support of this measure. The American Civil Liberties Union of Hawaii testified in opposition to this measure.

Your Committee notes that the Department of Land and Natural Resources reports that it is seeking national accreditation for the use of electric guns and is committed to ensuring proper controls on the use of electric guns by following established policies, procedures, and training in accordance with accepted national guidelines.

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. 2681 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 Okamura.

SCRep. 182-12 Education on H.B. No. 2106

The purpose of this measure is to help alleviate the administrative burden upon public schools by allowing schools to claim student activity funds left in the school by a graduating class immediately after the graduation of the class, rather than five years after the class graduates or upon a donation by the class within that five-year period.

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. 2106 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, Mizuno, Nishimoto and Takai.

SCRep. 183-12 Education on H.B. No. 2305

The purpose of this measure is to support the teaching and learning of science and technology in Hawaii's public schools by establishing the Hawaii Public Schools Science and Technology Trust Fund and authorizing state income tax return designations to the trust fund.

The Department of Education; American Statistical Association, Hawaii Chapter; and two concerned individuals supported this measure. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii and 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. 2305 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, Mizuno, Nishimoto and Takai.

SCRep. 184-12 Education on H.B. No. 2510

The purpose of this measure is to clarify that the transfer of certain functions pertaining to personnel and facilities to the Department of Education by Act 51, Session Laws of Hawaii 2004, does not apply to the Hawaii State Public Library System and its employees.

The Department of Human Resources Development and Hawaii State Public Library System supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2510 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, Mizuno, Nishimoto and Takai.

SCRep. 185-12 Education on H.B. No. 2511

The purpose of this measure is to update chapter 312, Hawaii Revised Statutes, to more accurately reflect the duties and responsibilities of the Board of Education, Hawaii State Public Library System, and State Librarian with respect to the Hawaii State Public Library System.

The Department of Human Resources Development and Hawaii State Public Library System supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2511 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, Mizuno, Nishimoto and Takai.

SCRep. 186-12 Education on H.B. No. 2512

The purpose of this measure is to help lower printing, workload, and delivery costs associated with government publications by reducing the number of copies required to be deposited with the State Publications Distribution Center and requiring that every state and county agency notify the Center when electronic publications are made available.

The Hawaii State Public Library System supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2512 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, Mizuno, Nishimoto and Takai.

SCRep. 187-12 Education on H.B. No. 2046

The purpose of this measure is to support adult and community education in the State by establishing the Adult and Community Education Program Special Fund with separate accounts for each community school for adults and clarifying that the adult and community education program will be funded through legislative appropriations supplemented by student fees.

The Department of Education, Waipahu Community School for Adults, State of Hawaii Department of Education Community School for Adults, and 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. 2046 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, Mizuno and Takai.

SCRep. 188-12 Hawaiian Affairs on H.B. No. 1973

The purpose of this measure is to:

- (1) Direct the Department of Education to allocate a sum equal to ten percent of all public land lease revenues realized by the State in the immediately preceding fiscal year for expenditure in the form of grants to fund Hawaiian language immersion programs in the State; and
- (2) Establish a Hawaiian Language Immersion Program Grant Commission within the Office of Hawaiian Affairs to oversee the allocation of funds received from the Department of Education.

The Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club of Kona, Hawaii Bilingual/Hawaii Olelo Palua, and several concerned individuals supported this measure. Three concerned individuals supported this measure with amendments. The Department of Education opposed this measure. The Office of Hawaiian Affairs, Attorney General, and a concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Clarifying the role of the Hawaiian Language Immersion Program Grant Commission in the disbursement of funds for Hawaiian language immersion programs;
- (2) Replacing the Department of Education with the Hawaiian Language Immersion Program Grant Commission as the entity authorized to award grants for Hawaiian language immersion programs;
- (3) Authorizing the Hawaiian Language Immersion Program Grant Commission to hire staff, including an executive director;
- (4) Clarifying that rather than a percentage, an unspecified amount of all departments and agencies' portion of receipts from the public trust lands will fund the grants;
- (5) Relying on the reference to section 26-34, Hawaii Revised Statutes (HRS), to prescribe the duration of the terms of the members of the Hawaiian Language Immersion Program Grant Commission;
- (6) Replacing the reference to section 10-13.5, HRS, with a reference to Act 178, Session Laws of Hawaii 2006; and
- (7) 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. 1973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1973, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Jordan.

SCRep. 189-12 Hawaiian Affairs on H.B. No. 2532

The purpose of this measure is to establish a discount and savings program to generate revenue to assist the Department of Hawaiian Home Lands in managing trust lands to support native Hawaiian communities and educate program participants about Hawaii's natural resources.

The Office of Hawaiian Affairs, Kewalo Hawaiian Homestead Community Association, Sovereign Councils of the Hawaiian Homelands Assembly, Waianae Kai Homestead Association, Sovereign Mokuuni O Oahu, Nanakuli Hawaiian Homestead Community Association, Aha Moku Advisory Committee, and two concerned individuals supported the measure. The Department of Hawaiian Home Lands supported the measure with amendments.

Your Committee has amended this measure by:

- (1) Specifying that the discount and savings program card may be made available for purchase at certain state-owned locations, and specifying that the passenger cruise ship and passenger airline industries shall be responsible for distributing on their vessels and aircraft promotional material on the discount and savings program prior to passenger debarkation 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2532, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives Jordan and Yamane.

SCRep. 190-12 Water, Land, & Ocean Resources on H.B. No. 2595

The purpose of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

The Department of Land and Natural Resources, the Department of Budget and Finance, the Department of Agriculture, the Hawaii Cattlemen's Council, Inc., Alexander & Baldwin, Inc., Monsanto Company, the Hawaii Farm Bureau Federation, the Kauai County Farm Bureau, and the Ka'u Farm Bureau testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2595, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 191-12 Water, Land, & Ocean Resources on H.B. No. 2358

The purpose of this measure is to promote uniformity in statewide building standards by establishing the Hawaii State Building Code Council and the Natural Disaster Preparedness Commission, adopting the Hawaii State Building Code, and repealing conflicting county building code provisions.

The Department of Accounting and General Services, State Fire Council, Honolulu Fire Department, Department of Planning and Permitting of the City and County of Honolulu, Kauai Fire Department, Structural Engineers Association of Hawaii, International Code Council, and Hawaii Steel Alliance submitted testimony in opposition to this measure. The Hawaii Aquaculture and Aquaponics Association, Building Industry Association of Hawaii, and Hawaii Farm Bureau Federation submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Including on the Hawaii State Building Code Council:
 - (a) A representative from the Hawaii Construction Alliance, or its successor organization, instead of the Pacific Resource Partnership, or its successor organization;
 - (b) A representative from the General Contractors Association of Hawaii, or its successor organization, instead of a representative of the Structural Engineers Association of Hawaii, or its successor organization;
 - (c) A representative from the Hawaii Farm Bureau Federation, or its successor organization; and
 - (d) Three individuals who represent the interests of homeowners instead of four individuals;
- (2) Requiring that any amendments adopted by the Hawaii State Building Code Council not exceed minimum standards to protect public health and safety;
- (3) Granting the Hawaii State Building Code Council sole authority to determine the minimum standards necessary to protect public health and safety;
- (4) Requiring that, in place of the building code of the City and County of Honolulu, 1929: Ordinance, Issue 490, as amended, the Hawaii State Building Code consist of the 2012 International Building Code, as amended by the Hawaii State Building Code Council to remove any provision that exceeds minimum standards necessary to protect public health and safety; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2358, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

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

SCRep. 192-12 Water, Land, & Ocean Resources on H.B. No. 1793

The purpose of this measure is to protect native species of sandalwood trees by:

- (1) Requiring a permit to export raw or unprocessed sandalwood timber; and
- (2) Establishing penalties for the destruction or harvesting of native sandalwood trees.

Hui Ho'omalua i ka Aina and an individual provided testimony in support of this measure. The Department of Land and Natural Resources provided comments on this measure.

Your Committee has amended this measure by:

- (1) Defining "native Hawaiian sandalwood species";
- (2) Requiring that the Department of Land and Natural Resources identify native Hawaiian sandalwood species;
- (3) Requiring that the Department of Land and Natural Resources establish rules regarding the issuance of permits for harvesting or destroying a native Hawaiian sandalwood tree;
- (4) Authorizing a processing fee for permits issued;
- (5) Providing that processing fees and penalties collected be deposited into the forest stewardship fund established under section 195F-4, Hawaii Revised Statutes; and
- (6) 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1793, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 193-12 Water, Land, & Ocean Resources on H.B. No. 1816

The purpose of this measure is to provide for the re-acquisition by the State of certain parcels of land in Kakaako makai.

The Outdoor Circle and an individual provided testimony in opposition to this measure. The Hawaii Community Development Authority and Kamehameha Schools provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the lands known as the makai gateway park from the lands that the Hawaii Community Development Authority must make efforts to reacquire;
- (2) Including other lands owned by Kamehameha Schools located in Kakaako makai for a possible land exchange;
- (3) Deleting the Heeia parcels received from Kamehameha Schools as lands that the Hawaii Community Development Authority may offer for exchange;
- (4) Including other state lands for a possible exchange; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1816, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 194-12 Health on H.B. No. 2011

The purpose of this measure is to establish new procedures for the examination and involuntary hospitalization of persons who meet the criteria for commitment to psychiatric facilities.

The Hawaii Association of Professional Nurses and several individuals testified in support of this measure. The Department of Health, American Civil Liberties Union of Hawaii, Hawaii Disability Rights Center, and an individual testified in opposition to this measure. Several individuals commented on the measure.

Your Committee has amended this measure by:

- (1) Removing substance abuse from the scope of this measure;
- (2) Specifying that a person may be given treatment in an approved psychiatric facility for a period not to exceed 480 hours, rather than 20 days, upon the filing and service of a certification for extended involuntary emergency treatment;
- (3) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments to correct redundancies, and 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. 2011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2011, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 195-12 Health on H.B. No. 2817

The purpose of this measure is to extend to March 23, 2014, the requirement that health plans offer insurance coverage to sole proprietors.

The Department of Commerce and Consumer Affairs, Hawaii Association of Health Plans, Hawaii Medical Service Association, and two concerned individuals testified in support of this measure. The Chamber of Commerce of Hawaii supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2817 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Belatti.

SCRep. 196-12 Health on H.B. No. 2665

The purpose of this measure is to facilitate the development of stroke treatment capabilities to support stroke survival throughout the State by:

- (1) Establishing a statewide stroke system of care by designating primary stroke centers and acute stroke capable centers;
- (2) Defining emergency services training and transport protocols;
- (3) Establishing a stroke registry working group;
- (4) Requiring health insurance coverage for telemedicine services; and
- (5) Establishing a stroke system of care task force.

The Department of Health and American Heart Association testified in support of the intent of the measure. The Queen's Medical Center, Hawaii Medical Service Association, and American Family Life Assurance Company of Columbus commented on the measure.

Your Committee recognizes the stroke treatment, prevention, and education services and capabilities provided in the State by the Queen's Medical Center, which is currently the only Joint Commission-certified primary stroke center in the State. It is your Committee's intent that this bill not impede the services provided by the Stroke Center at the Queen's Medical Center, but rather strengthen the system of stroke care throughout all areas of the state.

Your Committee has amended this measure by:

- (1) Deleting all references relating to health insurance coverage for telemedicine; and
- (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. 2665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2665, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.

SCRep. 197-12 Health on H.B. No. 1962

The purpose of this measure is to establish an electronic tracking system for the sale of products containing pseudoephedrine as a base.

The Hawaii Food Industry Association and an individual testified in support of this measure. The Department of the Attorney General and the Department of Public Safety testified in support of the intent of the measure, with proposed amendments. The Legislative Information Services of Hawaii commented on the measure.

Your Committee has amended this measure by:

- (1) Clarifying that a pharmacy or retailer must keep either a written or electronic log of its sales of nonprescription products containing pseudoephedrine;
- (2) Removing the conditions under which electronic information is submitted to, and forwarded from, the National Precursor Log Exchange;
- (3) Clarifying the violation that is subject to a class C felony;
- (4) Clarifying that the requirements in the measure apply to any pharmacy or retailer;

- (5) Authorizing the administrator, rather than the Board of Pharmacy, to grant exemptions from submitting pseudoephedrine sale transactions to the electronic sales tracking system; and
- (6) 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 H.B. No. 1962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1962, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 198-12 Economic Revitalization & Business on H.B. No. 1694

The purpose of this measure is to require the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller.

Retail Merchants of Hawaii and Walgreen Co. testified in support of this measure. The Hawaii Association of REALTORS supported the intent of this measure. Amazon.com testified in opposition to this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee respectfully requests that the Committee on Finance further examine the discussion between an economic nexus and affiliate nexus tax as it relates to this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2112, 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1694, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 199-12 Economic Revitalization & Business on H.B. No. 1969

The purpose of this measure is to shorten the time by which subcontractors are to receive progress and final payments from contractors on government and private construction projects and to provide interest penalties for late payments.

The Ironworkers Stabilization Fund testified in support of this measure. The General Contractors Association of Hawaii and the Department of Design and Construction of the City and County of Honolulu testified in opposition to this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1969, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 200-12 Economic Revitalization & Business on H.B. No. 2013

The purpose of this measure is to amend the definition of mixed martial arts to include the regulation of different disciplines of martial arts that use striking.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs testified in support of this measure. Numerous concerned individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Changing the definition of "mixed martial arts" to a full contact sport where the objective is to physically damage an opponent; and
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2013, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 201-12 Economic Revitalization & Business on H.B. No. 2298

The purpose of this measure is to specify that for purposes of the Uniform Information Practices Act, an individual does not have a significant privacy interest in information regarding complaints made against a professional or vocational licensee if the complaint was referred for legal action and the person was given the opportunity to respond to the complaint.

The Hawaii Association of REALTORS, Roofing Contractors Association of Hawaii, Hawaii Dental Association, Honolulu Board of REALTORS, and Building Industry Association of Hawaii offered testimony in support of this measure. The Hawaii Automobile Dealers Association offered testimony in support of the intent of this measure. Common Cause Hawaii and an individual offered testimony in opposition to this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and the Office of Information Practices provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing language that required the referral of a complaint for legal action as a condition for exemption from otherwise applicable privacy protections; and
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion.

Your Committee respectfully requests that the Committees on Judiciary and Consumer Protection & Commerce further examine the removal of the language concerning the requirement that a complaint be referred for legal action as a condition of exemption from otherwise applicable privacy protections.

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. 2298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2298, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 202-12 Economic Revitalization & Business/Health on H.B. No. 1896

The purpose of this measure is to temporarily raise the allowable health insurance medical loss ratio for managed care plans and rate regulation provisions of the State's Insurance Code.

The Insurance Division of the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association testified in support of the intent of this measure. Kaiser Permanente and University Health Alliance testified in opposition to this measure.

Your Committees have amended this measure by:

- (1) Inserting language to allow the Insurance Commissioner to exempt a managed health care plan from application of the State's higher medical loss ratio if the plan may thereby become insolvent or unable to deliver services adequately;
- (2) Changing the effective date to July 1, 2050, for the purposes of facilitating further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees respectfully request that your Committee on Consumer Protection & Commerce examine the deletion of the language that specifies that health insurance rates shall be reasonable in relation to the costs of the benefits.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1896, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1896, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Mizuno, Ching, Marumoto and Pine.

SCRep. 203-12 Judiciary on H.B. No. 2438

The purpose of this measure is to make emergency appropriations for claims against the State or its officers or employees.

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

During the Regular Session of 2011, appropriations for fiscal year 2010-2011 were requested from the Legislature to satisfy claims against the State. However, that bill was not enacted and the funds were not appropriated. As a consequence, the affected claimants have sought or threatened to

initiate legal action against the State, including garnishing state bank accounts for the amounts due and owing. This emergency measure is intended to avoid further legal action and expense.

Further, pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 190 to the House of Representatives, requested immediate consideration and passage of this measure.

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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2438, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 204-12 Human Services on H.B. No. 2193

The purpose of this measure is to address the challenges Hawaii has encountered in dealing with issues surrounding interstate adult guardianships and protective orders by adopting the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act. Adoption of this Act will establish guidelines to determine which court, in this State or another State, has jurisdiction to appoint a guardian or conservator for an incapacitated adult and to determine the disposition of out-of-state guardianship and protective orders.

The Executive Office on Aging; the Commission to Promote Uniform Legislation; Alzheimer's Association, Aloha Chapter; and a concerned individual supported the measure. The Judiciary offered comments on the measure.

Your Committee notes that there was much testimony in support for the measure. The Commission to Promote Uniform Legislation testified that this measure will provide uniformity and reduce conflicts among the states. The Commission added that approximately 30 jurisdictions including the District of Columbia have adopted the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, and four others, including Hawaii, are considering its adoption this year. The Act is supported by the Council of State Governments, Alzheimer's Association, Conference of Chief Justices, National Academy of Elder Law Attorneys, National College of Probate Judges, and National Guardianship Foundation.

Your Committee also notes that the Judiciary testified that this measure may not be necessary and may subject families and guardians to increased complexity and additional procedures. For example, under Hawaii law, the circuit court has jurisdiction over protective proceedings and the family court has jurisdiction over guardianship proceedings. Hawaii law defines "protective proceeding" as a "proceeding held pursuant to part 4 of article V" of the Uniform Probate Code, Chapter 560, Hawaii Revised Statutes relating to the protection of property of protected persons. Under the uniform law, which is the subject of this measure, however, "protective proceeding" is defined as "a judicial proceeding in which a protective order is sought or has been issued."

The Judiciary testified that families are able to seek guardianship for challenged minors before they reach 18 years of age, thus providing seamless protection after the minor reaches the age of majority. This bill appears to not allow that as it applies only to an "incapacitated person" who is an adult.

In addition, the Judiciary testified that the measure would require changes to court policies, procedures and rules, and this measure might consume valuable and limited staff resources.

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. 2193 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 Pine.

SCRep. 205-12 Human Services on H.B. No. 2351

The purpose of this measure is to appropriate funds for a grant-in-aid to the judiciary for the hiring of two judges and necessary staff in the Family Court of the First Judicial Circuit to conduct jury trials for misdemeanor domestic violence-related cases.

The Department of the Prosecuting Attorney of the City and County of Honolulu, and a concerned individual supported the measure. The Judiciary offered comments on the measure.

The Judiciary noted that during the 2007 Regular Session, the Legislature provided it with two District Family Court judge positions and six support staff positions. However, no funding was released and the Judiciary, having to prioritize its needs in the budget deficit situation, has not pressed the matter. There does remain a need for these permanent positions, in addition to the Judiciary's current budget requests, especially if not tied to a specific calendar to allow flexibility to meet changing conditions in the future.

Your Committee has amended this measure by:

- (1) Removing language designating the appropriation as a grant-in-aid;
- (2) Appropriating an unspecified amount of general revenue funds to fund two judge and six support staff positions in the Family Court of the First Judicial Circuit with responsibilities not limited to domestic violence cases; and
- (3) Changing its effective date to July 1, 2050, and adding a repeal date of July 1, 2014, both to promote 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. 2351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2351, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 206-12 Human Services on H.B. No. 2448

The purpose of this measure is to support education within the State by extending to June 30, 2017, the lapse date of the special purpose revenue bonds authorized to assist Hawaii Preparatory Academy in Act 116, Session Laws of Hawaii 2007.

The Hawaii Association of Independent Schools, Hawaii Preparatory Academy, and several concerned individuals supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2127 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 and Pine.

SCRep. 207-12 Human Services on H.B. No. 2426

The purpose of this measure is to clarify the factors including a child's best interest and the wishes of the child's parents that a court shall consider in awarding grandparents' visitation rights with respect to a minor grandchild.

A concerned individual supported the measure. A concerned individual opposed the measure. The Office of Hawaiian Affairs and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Adding the contents of H.B. No. 2725 which relates to parental custody and visitation rights;
- (2) Establishing a rebuttable presumption that the custodial parent's decision regarding visitation is in the best interests of the child when determining noncustodial parental visitation rights;
- (3) Enumerating the various factors that a court shall consider in awarding parental visitation rights;
- (4) Establishing a rebuttable presumption that joint parental custody should be awarded under certain factors;
- (5) Changing its effective date to July 1, 2050, for the purpose of 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2426, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 208-12 Tourism on H.B. No. 2673

The purpose of this measure is to allow each occupant of a transient accommodation to donate \$1 to be credited to the Department of Land and Natural Resources' State Parks Special Fund.

The Department of Land and Natural Resources and Sierra Club Hawaii Chapter testified in support of the intent of this measure. The Hawaii Lodging and Tourism Association testified in opposition to this measure. The Department of Taxation and Hawaii Tourism Authority provided comments.

Your Committee notes that this measure lacks instruction on how the proposed donations are to be used by the Department of Land and Natural Resources. Thus, a clear nexus between the benefits sought and the charges made upon the users or beneficiaries, as required for special funds under section 37-52.3, Hawaii Revised Statutes, has not been established. The measure requires further discussion to address this concern.

Your Committee has amended this measure by:

- (1) Changing the date on which donations are to be remitted to the twentieth day of each month to conform to Department of Taxation standard practices; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2673, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 209-12 Labor & Public Employment on H.B. No. 2576

The purpose of this measure is to maintain uniformity in the unemployment insurance contribution rate notice appeals process by clarifying that an appeal by an employer of the Department of Labor and Industrial Relations' determination of an unemployment insurance rate contribution must first be appealed to the Employment Security Appeals Referees' Office rather than directly to the circuit court.

The Department of Labor and Industrial Relations testified in support of this measure.

Currently, when an employer is unsatisfied with the Department of Labor and Industrial Relations' unemployment insurance rate contribution calculation, the employer has 15 days after the mailing of the contribution rate notice to file an appeal of the Department's decision with the Employment Security Appeals Referees' Office. If the employer is not satisfied with the decision rendered by the Employment Security Appeals Referees' Office, the employer can then appeal the decision to the circuit court. Your Committee notes that, although this is the procedure currently in place, the Department has stated that current statutory provisions in place have caused some confusion as to whether the initial appeal is made to the Employment Security Appeals Referees' Office or directly to the circuit court. This measure clarifies the appeals process.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2576 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 210-12 Labor & Public Employment on H.B. No. 2096

The purpose of this measure is to adjust the benefit amounts paid to employees from the unemployment insurance trust fund and the contribution rates for employers. Specifically, this measure:

- (1) Maintains the maximum weekly benefit amount for unemployment insurance benefits at 75 percent of the average weekly wage from January 1, 2011, until December 31, 2012;
- (2) Returns the maximum weekly benefit amount for unemployment insurance benefits to 70 percent of the average weekly wage beginning January 1, 2013;
- (3) Maintains the employer contribution rate amount at schedule F for calendar year 2012;
- (4) Makes available, a \$20,000,000 general revenue line of credit for the unemployment compensation fund between March 1, 2012, and June 1, 2013; and
- (5) Requires the repayment of all outstanding general revenue loans made to the unemployment compensation fund by June 29, 2013.

The Hawaii Alliance of Nonprofit Organizations, Hawaii Island Chamber of Commerce, Pacific Paws, Hawaii Coffee Company, Monsanto Hawaii, HMAA, Paia Family Dental, Est8Planning Counsel LLC, Aloha Petroleum, Ltd., Hawaiian Telcom, Ko'olau Women's Healthcare, Inc., Lou's Quality Home Health Care Services, Hawaii Business League, and several concerned individuals testified in support of this measure. The Retail Merchants of Hawaii, Hawaii Credit Union League, Cunningham's Air Systems Cleaning Specialists, LLC, Volcano Art Center, Environ Control, Inc., ProService Hawaii, ALTRES, Inc., Paradise Beverages, Inc., Kona-Kohala Chamber of Commerce, Hawaii Food Industry Association, Dasher Corporation dba Home Instead Senior Care #727, Alii Health Center, Hawaii Forest & Trail Ltd., Kohala Zipline LLC, West Hawaii Electric, Tropical Smiles Dental, Lepika Sportfishing, Lisa L. Wong, M.D., Inc., Ala Moana Dental Care, Kihei Rent A Car, R & M Painting LLC, Martin Steel Design Company, Pacific American Lumber, Inc., No Ka Oi Guard Services, LLC, Edney and Sellers, Limited dba Tropical Dreams Ice Cream, Stoneworks, LLC, Toddler Program, Discount Hotels Hawaii, MW Group, Ltd., T&T Tinting Specialists, Inc., Peake & Levoy, LLC, Cornerstone Building Maintenance, Inc., Professional Contractors Inc., Quintal Farms, Inc., Douglas R. Dauterman Co., Inc., BlackSand Capital LLC, Red Sand Productions, Inc., Kohala Coffee Mill, Houseproud Inc., Kona Kwik Lube, LLC, Turf & Shrub Care Hawaii, Inc., Waiahole Botanicals, Hawaii Vision Clinic, Pacific Western LLC, Chamber of Commerce of Hawaii, Big Island Toyota, Orchid Isle Auto Center, Syngenta Hawaii, LLC, Karen Kline Home Loans, LLC, At Home Animal Hospital And Mobile Veterinary Services, Hawaii Automobile Dealers Association, Resort Management Company LLC, American Savings Bank, Hawaii Restaurant Association, Aloha Glass Recycling, Hawaii Petroleum, Inc., Molokai Chamber of Commerce, and Quindembo Bamboo Nursery testified in support of the intent of this measure. Wailea Golf LLC testified in opposition to this measure. The Department of Labor and Industrial Relations, Department of the Attorney General, and a concerned individual provided comments.

When Hawaii was experiencing low unemployment rates in the mid-2000s, the level of reserves in the Unemployment Trust Fund was high. At that time, the Legislature sought to provide relief for employers from unemployment insurance contribution rates while also increasing benefits for employees. Thus, the Legislature attempted to balance relief for employers and increased benefits for employees against the need to maintain an adequate level of unemployment trust fund reserves. It was believed that this balanced approach would continue economic growth without placing unemployment trust fund reserves in jeopardy.

Unfortunately, the economic downturn that occurred over the past several years resulted in increasing unemployment and, concomitantly, a dwindling reserve in the unemployment trust fund. As such, 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. However, stabilizing unemployment rates as well as efforts by the Department of Labor and Industrial Relations allowed for the loan to be repaid and the unemployment trust fund to realize a positive balance, although the situation is still precarious.

Although economic growth appears to be improving and Hawaii appears to be heading towards an economic recovery, the process is a slow one. Under current law, the rate schedule for unemployment insurance contributions is scheduled to increase. Your Committee finds that maintaining the schedule at its current rate for an additional year will help mitigate the effect of this increase on businesses and provide stability and certainty during this economic recovery period. However, your Committee notes that several concerns were raised by the Department of Labor and Industrial Relations and Department of the Attorney General regarding this measure and has amended this measure by:

- (1) Replacing the language regarding a \$20,000,000 general revenue line of credit with language authorizing the Director of the Department of Labor and Industrial Relations to accept loans from the State Director of Finance or from the federal government under Title XII of the Social Security Act to cover the insolvency of the unemployment compensation fund;
- (2) Specifying that loan monies received under (1) above can only be used for the payment of unemployment insurance benefits and cannot be used for other expenses such as administrative expenses;
- (3) Specifying that the maximum weekly benefit amount shall be 75 percent of the average weekly wage from April 1, 2012, until December 31, 2012, and shall be 70 percent of the average weekly wage from January 1, 2013, onward;
- (4) Inserting language from H.B. No. 2585 authorizing the Director of the Department of Labor and Industrial Relations, for one year, to increase Employment and Training Fund assessments to pay interest due on any loans received from the federal government under Title XII, Section 1202(b) of the Social Security Act;
- (5) Making the measure apply retroactively to January 1, 2012; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2096, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

SCRep. 211-12 Higher Education on H.B. No. 2248

The purpose of this measure is to support higher education in the State by authorizing the issuance of special purpose revenue bonds to assist Hawaii Pacific University and one or more of its not-for-profit affiliates to finance, refinance, and reimburse costs related to the planning, acquisition, and construction of various capital-related projects.

Hawaii Pacific University supported this measure with amendments. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Inserting language to permit Hawaii Pacific University to consolidate small bond issues into a single large transaction with potential multiple-project parties; and
- (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. 2248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2248, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Chang, Okamura, Takumi and Ching.

SCRep. 212-12 Higher Education on H.B. No. 31

The purpose of this measure is to provide additional resources for fundraising and the promotion of alumni relations by increasing the cap on expenditures the Board of Regents may authorize from the University of Hawaii Tuition and Fees Special Fund for these purposes.

The University of Hawaii System, University of Hawaii Alumni Association, and University of Hawaii Foundation supported this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by changing the effective date to July 1, 2012.

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. 31, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 31, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Chang, Okamura, Takumi and Ching.

SCRep. 213-12 Higher Education on H.B. No. 2633

The purpose of this measure is to assist in the modernization and upgrading of the campus center complex at the University of Hawaii at Manoa by authorizing the issuance of general obligation bonds for campus center complex plans, design, and construction.

The General Contractors Association of Hawaii and several concerned individuals supported this measure. The University of Hawaii System 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. 2633 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Chang, Okamura, Takumi and Ching.

SCRep. 214-12 Energy & Environmental Protection on H.B. No. 425

The purpose of this measure is to direct the Public Utilities Commission in performing its duties to consider the need for a diverse portfolio of fossil fuel resources and to maximize the efficiency of utility generation assets to mitigate supply disruptions and cost impacts on electricity ratepayers.

The Public Utilities Commission, the Department of Business, Economic Development, and Tourism, and an individual submitted testimony in support of this measure. Life of the Land, the Blue Planet Foundation, the Hawaii Chapter of the Sierra Club, Windward Ahupua'a Alliance, and four individuals submitted testimony in opposition to this measure.

Your Committee has amended this measure by clarifying that this measure in no way diminishes or subverts the obligation of Hawaii's electric utilities to meet Hawaii's 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 H.B. No. 425, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 425, H.D. 2, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 215-12 Consumer Protection & Commerce on H.B. No. 2503

The purpose of this measure is to maintain Hawaii's position as a major captive insurance domicile by updating and streamlining the captive insurance company law and ensuring that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

The Department of Commerce and Consumer Affairs and Hawaii Captive Insurance Council supported this measure.

Your Committee has amended this bill by:

- (1) Clarifying that captive insurance companies that write direct workers' compensation insurance policies that are subject to Chapter 386 (Workers' Compensation Law), Hawaii Revised Statutes (HRS), are subject to Article 15 (Insurers Supervision, Rehabilitation and Liquidation) of Chapter 431, HRS;
- (2) Clarifying that the Insurance Commissioner may impose a fine on a captive insurance company for violating certain laws pertaining to captive insurance companies, without the requirement for notice to remedy a violation; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2503, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 216-12 Health on H.B. No. 2105

The purpose of this measure is to require health care insurance coverage for fertility preservation procedures for persons who are of reproductive age and are diagnosed with cancer that may or whose treatment may adversely affect their fertility; provided that the covered procedures will include only sperm cryopreservation for men and embryo cryopreservation for women.

The American Cancer Society, RESOLVE: The National Infertility Association, and several concerned individuals testified in support of this measure. The Hawaii Association of Health Plans opposed this measure. The Hawaii Medical Service Association and Department of Commerce and Consumer Affairs commented on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and

- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2105, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.

SCRep. 217-12 Health on H.B. No. 2570

The purpose of this measure is to consolidate the licensing of registered dietitians as healthcare professionals under the Department of Commerce and Consumer Affairs.

The Department of Health and the Department of Commerce and Consumer Affairs testified in support of this measure. Hawaii Dietetic Association and an individual testified in support of the intent of this measure. American Nutrition Association, Alliance for Natural Health USA, Certified Nutritionist Specialists, New Jersey Nutrition Association, New York Nutrition Association, University of Bridgeport, and many individuals testified in opposition to this measure. The Executive Director of the Michigan Nutrition Association and several individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Specifying that no person may, rather than shall, engage in dietetic practice or purport to be a licensed dietitian or use the letters "L.D." without meeting the requirements of licensure;
- (2) Changing its effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2570, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 218-12 Health on H.B. No. 2564

The purpose of this measure is to add pharmacists to the list of volunteer medical assistance personnel who are granted immunity from liability for acts undertaken on behalf of and authorized by the State or a county.

The Department of Health, The Queen's Health Systems, Catholic Charities Hawaii, and two individuals 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 is in accord with the intent and purpose of H.B. No. 2564 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. 219-12 Health on H.B. No. 2664

The purpose of this measure is to establish within the Hawaii Health Systems Corporation a public-private partnership in a county with a population between 100,000 and 170,000 to research, develop, and implement a model health care delivery system and to appropriate funds for this purpose.

The Mayor of the County of Maui; two members of the Maui County Council; Maui Memorial Medical Center; Hale Makua Health Services; the Board of Trustees of Hale Makua Health Services; Hawaii Health Systems Corporation; the United Public Workers, AFSCME, Local 646, AFL-CIO; and many concerned individuals 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 is in accord with the intent and purpose of H.B. No. 2664 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. 220-12 Health on H.B. No. 2406

The purpose of this measure is to authorize the Department of Health to convene a mental health and substance abuse parity working group to determine how the State can comply with federal mental health and substance abuse parity laws and regulations, and enhance existing state mental health parity laws.

The Hawaii Medical Service Association, Hawaii Substance Abuse Coalition, Drug Policy Forum of Hawaii, and several individuals testified in support of the measure. The Department of Health, Department of Commerce and Consumer Affairs, and Legislative Reference Bureau commented on this measure.

Your Committee has amended this measure by:

- (1) Specifying that the working group shall work in conjunction with the Governor's Health Care Transformation Coordinator to accomplish the purposes of this measure;
- (2) Retaining the number of members on the working group, but broadening references to the membership to reflect a representative from a mental health advocacy and support organization and a representative from a clinical service organization;
- (3) Giving the Department of Health Adult Mental Health Division more discretion in appointing an individual to the working group, rather than limiting the appointment to a psychiatrist;
- (4) Specifying that the working group's report to the Legislature shall include findings and recommendations on behavioral health systems with an emphasis on primary and secondary prevention and de-stigmatization of mental health and substance abuse issues;
- (5) Requiring the working group to submit a draft of any proposed legislation to the Legislative Reference Bureau no later than November 1, 2013;
- (6) Including an unspecified appropriation to the Department of Health for purposes of funding the working group created by this measure;
- (7) Changing the effective date to July 1, 2050, to facilitate further discussion; provided that the appropriation contained in section 3 shall take effect on July 1, 2012, consistent with the beginning of the state's fiscal year; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2406, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.

SCRep. 221-12 Health on H.B. No. 2120

The purpose of this measure is to establish specific tax rates for the sale of pipe tobacco.

The American Heart Association testified in support of the intent of this measure. The Hawaii Smokers Alliance and one individual testified in opposition of this measure. The Department of Taxation, the Coalition for a Tobacco-Free Hawaii, and the 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. 2120 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. 222-12 Hawaiian Affairs on H.B. No. 2530

The purpose of this measure is to provide the Department of Hawaiian Home Lands with a supplemental source of income to continue existing programs for native Hawaiians. Specifically, this measure, among other things, specifies the percentage of geothermal royalties and the percentage of revenues from the disposition of state lands to other renewable energy producers that will be transferred to the native Hawaiian Rehabilitation Fund.

The Aha Moku Advisory Committee, the Association of Hawaiian Civic Clubs, the Department of Hawaiian Homelands, Kewalo Hawaiian Homestead Community Association, Waianae Kai Homestead Association, Nanakuli Hawaiian Homestead Community Association, the Sovereign Councils of the Hawaiian Homelands Assembly, and a concerned individual supported the measure. The Office of Hawaiian Affairs supported the measure with amendments. The Department of Land and Natural Resources supported the intent of the measure with amendments.

Your Committee has amended this measure by:

- (1) Requiring that 15 percent of geothermal royalties collected by the State from mining leases executed after July 1, 2012, and 30 percent of all revenues from the disposition of state lands to non-geothermal renewable energy producers made after July 1, 2012, be deposited into the Native Hawaiian Rehabilitation Fund;
- (2) Increasing to 25 percent the county share of royalties received by the State from geothermal mining operations in the county under geothermal mining leases;
- (3) Requiring that 15 percent of the royalties received by the State from geothermal resources produced under a State geothermal resource mining lease made after July 1, 2012, be transferred to the Department of Hawaiian Home Lands and deposited in the Native Hawaiian Rehabilitation Fund;
- (4) Adding a provision that ensures that constitutionally-provided funding for the Office of Hawaiian Affairs would not be diminished by the measure; 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 is in accord with the intent and purpose of H.B. No. 2530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2530, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

Signed by all members of the Committee except Representatives Jordan and Yamane.

SCRep. 223-12 Public Safety & Military Affairs on H.B. No. 2410

The purpose of this measure is to require the Governor to enter into a memorandum of understanding with the United States Department of Defense to provide continued support for the military's presence in Hawaii.

The Military Officers Association of America, Hawaii Chapter and The Chamber of Commerce of Hawaii 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. 2410 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 and Okamura.

SCRep. 224-12 Public Safety & Military Affairs on H.B. No. 2318

The purpose of this measure is to require the procurement policy board to adopt rules for procurement preferences for Hawaii small business, and businesses owned by veterans and disabled veterans.

The State of Hawaii Department of Defense testified supporting the intent of this measure. The City and County of Honolulu testified in opposition to this measure. The Military Officers Association of America, Hawaii Chapter, and Heavenly Hawaiian Farms provided comments.

Your Committee has amended this measure by:

- (1) Specifying that the definition of "Hawaii small business" includes a workforce of fewer than 50 employees;
- (2) Changing the term "disabled veteran" to "service-disabled veteran" for consistency with federal law and programs;
- (3) Clarifying the agencies that can verify a veteran's status;
- (4) Defining "service-disabled veteran" to be consistent with federal law;
- (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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2318, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Luke and Okamura.

SCRep. 225-12 Public Safety & Military Affairs/Health on H.B. No. 1963

The purpose of this measure is to update the law relating to the medical use of marijuana by:

- (1) Requiring the Department of Health to submit a report to the Legislature, including draft legislation, on recommendations to the list of authorized debilitating medical conditions;
- (2) Requiring a separate registration at each principal place of business where the applicant recommends medical marijuana;
- (3) Clarifying definitions with respect to the medical use of marijuana;
- (4) Establishing a suspension period for those who violate medical marijuana program conditions;
- (5) Limiting the amount of marijuana that can be possessed at a location; and
- (6) Increasing the penalties for fraudulent misrepresentations about the medical use of marijuana.

The Department of Public Safety, Honolulu Police Department, Coalition for a Drug-Free Hawaii, and numerous individuals testified in support of the measure. The Department of the Attorney General, County of Maui Department of the Prosecuting Attorney, the Maui Police Department, and the Hawaii Police Department testified in support of the measure, with amendments. The Department of Health and the Hawaii County Office of the Prosecuting Attorney testified in support of the intent of the measure. The Drug Policy Forum of Hawaii, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Big Island Chapter of Americans for Safe Access, Hawaii Medical Association, and numerous individuals commented on the measure.

Your Committees have amended this measure by:

- (1) Requiring a person who recommends the medical use of marijuana to obtain a registration issued by the Department of Public Safety;
- (2) Prohibiting a qualifying patient or caregiver from maintaining or possessing marijuana plants or usable marijuana at a particular address or property with other patients or caregivers, under certain conditions;
- (3) Clarifying the definition of "debilitating medical condition"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1963, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1963, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Okamura, Saiki and Takumi.
(Representatives Hanohano and Souki voted no.)

SCRep. 226-12 Public Safety & Military Affairs/Health on H.B. No. 2600

The purpose of this measure is to update the Uniform Controlled Substances Act. Specifically, this measure amends the listing of Schedule I drugs to conform to controlling federal law and, additionally, establishes a new registration requirement for physicians who prescribe medical marijuana, as authorized pursuant to state law.

The Department of Public Safety, Department of the Prosecuting Attorney of the County of Maui, Hawaii Police Department, Honolulu Police Department, and one individual testified in support of this measure. The Community Alliance on Prisons and numerous individuals testified in opposition of this measure. The American Civil Liberties Union of Hawaii and Drug Policy Forum of Hawaii provided comments.

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 H.B. No. 2600 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, Okamura, Saiki and Takumi.
(Representatives Hanohano and Souki voted no.)

SCRep. 227-12 Public Safety & Military Affairs/Health on H.B. No. 2798

The purpose of this measure is to address the disposition and treatment of criminal cases that involve veterans by establishing a temporary veterans treatment court at the state circuit court level.

The Adjutant General, Mayor of the City and County of Honolulu, Office of Veterans Services, Oahu Veterans Council Legislative Committee, Goodwill Industries of Hawaii, Inc., Papa Ola Lokahi, and the Strategist testified in support of the measure. The Judiciary, Department of Veterans Affairs Pacific Islands Health Care System, and the Vietnam Veterans Post 10583 of the Veterans of Foreign Wars testified in support of the measure, with amendments. The Office of Veterans Services testified in support of the intent of the measure. The Department of Defense State Liaison Office and the Military Officers Association of America, Hawaii Chapter, commented on the measure.

Upon consideration, your Committees have amended this measure by:

- (1) Expanding and clarifying the eligibility of veteran participation in the veterans treatment court to include veterans suffering from substance abuse and chemical dependency; veterans suffering from service-related brain injury, rather than combat-related brain injury; and veterans arrested for or charged with any felony or misdemeanor offense, rather than a felony or misdemeanor that does not involve the use of force or violence;
- (2) Stating the rights of victims to attend the proceedings of the Hawaii veterans treatment court, provide testimony when and if appropriate, and receive full and timely restitution as applicable by the court;
- (3) Expanding the definition of "veteran" by deleting the requirement that a veteran be released honorably; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2798, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2798, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 228-12 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1699

The purpose of this measure is to promote the health and safety of employees by:

- (1) Prohibiting an employer from requiring an employee to work for five or more consecutive hours without providing a rest or meal break period of 30 consecutive minutes, unless a collective bargaining agreement expressly provides otherwise for meal breaks; and
- (2) Imposing penalties for the failure to provide a meal break.

The Labor Caucus Chair of the Democratic Party of Hawaii and a concerned individual testified in support of this measure. The Chamber of Commerce of Hawaii, Hawaii Business League, Retail Merchants of Hawaii, Society for Human Resources Management – Hawaii Chapter, Aloha Glass Recycling, and Building Industry Association of Hawaii testified in opposition to this measure. The Department of Labor and Industrial Relations, Hawaii Transportation Association, and Covanta Energy Corporation provided comments.

Currently, neither state nor federal wage and hour laws require employers to provide employees 16 years of age or older any meal break, regardless of how many consecutive hours they may be required to work, although the provision of meal or rest breaks is a common practice of employers. While your Committees recognize that many employers provide meal breaks to their employees, your Committees find that statutorily requiring employees working for a certain amount of hours to be given a meal break will promote the efficiency and effectiveness of employees, and more importantly may reduce the incidence of worker injuries and will enhance workers' morale.

However, your Committees understand the concerns raised by opponents of the measure that the variability of job demands in certain industries may require that breaks not be given for a continuous, uninterrupted period of time since some employees need to "eat on the run." Your Committees also recognize that employees that are provided meal breaks may currently make arrangements with their employers to take their break at the start of or at the end of the employee's work shift. Your Committees do not wish to restrict in any way an employer from making these types of arrangements with an employee. Nevertheless, this measure deserves further consideration and these questions and concerns can be addressed as the measure makes its way through the legislative process.

Your Committees have amended this measure by:

- (1) Allowing an employee that is scheduled to work a total of six hours to work without a bona fide meal period to complete their scheduled work hours early if the employee so chooses;
- (2) Exempting employers who are operators of a continuously operating facility that is regulated by environmental permits as long as an on-duty meal period is provided;
- (3) Specifying a penalty for the failure to provide meal breaks of one and a half hours of the employee's regular wage at the time the infraction occurred;
- (4) Changing its effective date to December 31, 2057, to facilitate further discussion; 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 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. 1699, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1699, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hashem, Nishimoto and Marumoto.

SCRep. 229-12 Labor & Public Employment on H.B. No. 2655

The purpose of this measure is to assist Hawaii's unemployed and dislocated workers by:

- (1) Requiring the Department of Labor and Industrial Relations to establish and operate a state-funded training program to expand the workforce investment activities administered by the Department under the federal Workforce Investment Act; and
- (2) Appropriating funds to the Department for the establishment of the training program.

ILWU Local 142 testified in support of this measure. The Department of Labor and Industrial Relations testified in support of the intent of this measure.

Currently, under the federal Workforce Investment Act, the Department of Labor and Industrial Relations carries out workforce development activities to assist and train individuals who have been dislocated or have become unemployed due to, among other things, economic changes. These programs prepare workers for new and emerging industries and help them get the education and develop marketable skills to sustain them until retirement. Unfortunately, the workforce development activities of the Department are currently under fiscal constraints due to restrictions arising out of recent federal budget decisions. This has caused even greater challenges for agencies serving unemployed persons and dislocated workers. Your Committee finds that establishing a state-funded training program free from the restrictions and uncertainty of federal funding will augment and expand the reach of the Department's workforce investment activities and improve the overall economic condition of the State.

Your Committee has amended this bill by:

- (1) Providing the Director of Labor and Industrial Relations with rulemaking authority to establish and operate a state-funded training program to expand the workforce investment activities; and
- (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. 2655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2655, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 230-12 Human Services/Labor & Public Employment on H.B. No. 1995

The purpose of this measure is to bring awareness and prevent the crime of human trafficking by:

- (1) Requiring specified establishments to post in a conspicuous place a poster that provides information on human trafficking and the National Human Trafficking Resource Center Hotline;
- (2) Defining the term "establishment";
- (3) Requiring the Department of Labor and Industrial Relations to place an electronic version of the poster on its website; and
- (4) Establishing penalties for any establishment that does not comply with the posting requirements.

Tadia Rice Consulting, and several concerned individuals supported the measure. The Polaris Project, The Pacific Alliance to Stop Slavery, IMUAlliance, and a concerned individual supported the measure with amendments. Harm Reduction Hawaii opposed the measure. The Department of Labor and Industrial Relations offered comments on the measure.

Your Committees have amended this measure by:

- (1) Adding strip clubs and massage parlors to the definition of "establishment";
- (2) Clarifying that the penalties apply to the agents, employees, and representatives of an establishment as well as to the establishment itself for willfully and knowingly failing, neglecting, or refusing to perform any of the required acts;
- (3) Changing its effective date to July 1, 2050, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1995, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1995, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 231-12 Human Services/Health on H.B. No. 1724

The purpose of this measure is to require the Department of Human Services to:

- (1) Provide Medicaid presumptive eligibility to patients who have been waitlisted for long-term care;
- (2) Conduct a study of a computerized Medicaid applications system to address inefficiencies and other problems associated with processing Medicaid applications; and
- (3) Submit findings and recommendations to the Legislature regarding costs and other issues related to Medicaid presumptive eligibility.

This measure also appropriates funds to cover the costs of any reimbursements made to providers or plans for services that are provided during the time waitlisted patients are enrolled but are eventually determined to be ineligible.

Hawaii Health Systems Corporation, The Chamber of Commerce of Hawaii, Hawaii Disability Rights Center, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, and two individuals provided testimony in support of this measure. The Hawaii Primary Care Association provided testimony in support of the intent of this measure. The Department of Human Services provided testimony in opposition to this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1724 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. 232-12 Human Services on H.B. No. 2234

The purpose of this measure is to safeguard minor victims of human trafficking by:

- (1) Establishing the minor victims of prostitution special fund;

- (2) Amending the definition of child abuse or neglect to include acts or omissions of any person or legal entity;
- (3) Requiring mandatory reporting when there is reasonable suspicion of child abuse or neglect;
- (4) Requiring law enforcement to immediately report incidents or suspicion of child prostitution to the Department of Human Services;
- (5) Granting the family court exclusive jurisdiction over any person under eighteen who is charged with an offense of prostitution;
- (6) Amending the statute of limitations under the prostitution coercion liability act;
- (7) Establishing that a person who is under eighteen and suspected of or charged with an offense of prostitution shall be granted immunity from prosecution, and shall be subject to the child protective provisions of chapter 587A, Hawaii Revised Statutes; and
- (8) Establishing a two-year victim services pilot program in the department of human services to address the needs of minor victims of prostitution.

The Tahirih Association, Equality Now, and several concerned individuals supported the measure. The IMUAlliance and The Pacific Alliance to Stop Slavery supported the measure with amendments. The Department of Human Services supported the intent of this measure. The Hawaii Youth Services Network opposed the measure. The Sex Abuse Treatment Center, Planned Parenthood of Hawaii, and a concerned individual offered comments on the measure.

Your Committee notes that the Hawaii Youth Services Network respectfully opposed this measure citing concerns that minor victims of sexual abuse or assault will lose the right to confidential medical care, counseling, and victim support services, which may deter victims from seeking assistance. The Hawaii Youth Services Network added that persons engaged in sex work will be less likely to be tested for HIV or other sexually transmitted infections, which would increase the spread of HIV/AIDS and other sexually-transmitted infections. Furthermore, the Hawaii Youth Services Network said the bill would impede the work of street outreach workers who work with runaway and homeless youth and those who conduct HIV prevention outreach, because the youth will not build relationships with workers or accept help to leave the streets if they know they will be reported for engaging in survival sex in order to obtain food, a safe place to sleep, or other things they need. Your Committee notes these concerns and encourages the interested parties to continue to work together to achieve the goals of this measure in a manner that best protects Hawaii's vulnerable youth.

Your Committee has amended this bill by:

- (1) Replacing the title of section 1 with "Minor victims of prostitution; monetary assessment";
- (2) Clarifying language regarding an offender who has been granted a deferred acceptance of guilty or no contest plea when the offense involves prostitution or promoting prostitution of a person less than eighteen years old;
- (3) Specifying the monetary assessment an offender must pay;
- (4) Replacing the minor victims of prostitution special fund with the domestic violence and sexual assault special fund as the depository fund for the assessment established by this measure;
- (5) Specifying that a person shall report to the police department or Department of Human Services when there is reason to believe, rather than a reasonable suspicion, that child abuse or neglect has occurred or that a substantial risk of child abuse or neglect may occur in the future;
- (6) Amending the statute governing the domestic violence and sexual assault special fund to authorize its use to fund services pursuant to this measure and to include recommendations for further service provisions for victims of prostitution and sex trafficking in its reporting requirements;
- (7) Changing its effective date to July 1, 2050, to promote further 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2234, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 233-12 Human Services on H.B. No. 2571

The purpose of this measure is to help increase access to home- and community-based services by extending the exemption for domestic in-home and community-based services for persons with developmental and intellectual disabilities from the laws relating to unemployment insurance, workers' compensation, temporary disability insurance, and the Prepaid Health Care Act when the services are provided through state-funded medical assistance to individuals who are ineligible for Medicaid.

The Department of Health, Department of Labor and Industrial Relations, State Council on Developmental Disabilities, and a concerned individual supported this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style, including correcting a typographical error in the measure's title.

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. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 234-12 Human Services on H.B. No. 2725

The purpose of this measure is to amend parental visitation rights by:

- (1) Establishing a rebuttable presumption that the custodial parent's decision regarding visitation is in the best interests of the child when determining parental visitation rights; and
- (2) Requiring the court to consider various factors in awarding parental visitation rights.

Several concerned individuals supported the measure. A concerned individual supported the measure with amendments. The Family Law Section of the Hawaii State Bar Association and a concerned individual opposed the measure. The Department of the Attorney General offered comments on the measure.

Your Committee notes the Department of the Attorney General's concern that the title of this bill, "Relating to Child Custody," may not encompass parental visitation rights.

Your Committee has amended this measure by:

- (1) Establishing a rebuttable presumption that joint custody should be awarded if certain factors exist;
- (2) Changing its effective date to July 1, 2050, for the purpose of 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. 2725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2725, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 235-12 Human Services on H.B. No. 2190

The purpose of this measure is to safeguard elders from financial abuse by:

- (1) Requiring financial institutions to report suspected financial abuse of an elder to local law enforcement as well as the Department of Human Services; and
- (2) Mandating the sharing of records between the Department of Human Services and local law enforcement for investigation or prosecution of a financial abuse case.

Child and Family Service, the Consumer Family and Youth Alliance, the Healthcare Association of Hawaii, and two concerned individuals supported the measure. The Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of Human Services, the Department of Commerce and Consumer Affairs, the Hawaii Bankers Association, and the Hawaii Credit Union League supported the measure with amendments.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with the contents of H.B. No. 2545, but requiring financial institutions to report suspected financial abuse of an elder to the appropriate police department, and allowing financial institutions to report the suspected abuse to the Department of Human Services;
- (2) Requiring the Department of Human Services to inform the appropriate police department of all reports received by the Department of Human Services regarding a case of financial abuse of an elder;
- (3) Requiring the Department of Human Services to inform the appropriate police department or office of the prosecuting attorney of any relevant information concerning a case of financial abuse of an elder for an investigation or prosecution of that case;
- (4) Requiring financial institutions to report suspected financial abuse to the appropriate police department by electronic filing;
- (5) Changing the effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2190, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

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

SCRep. 236-12 Human Services on H.B. No. 2536

The purpose of this measure is to require all commercial health care insurers operating in Hawaii to share with the Department of Human Services, on a timely basis, a listing of their members for medicaid eligibility determination.

The Department of Human Services and a concerned individual supported the measure. Papa Ola Lokahi supported the measure with amendments. The Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and Hawaii Association of Health Plans offered comments on the measure.

Your Committee notes that the Hawaii Association of Health Plans testified the transfer of information on enrolled commercial health care members would best be handled if the information was sent to the Hawaii Health Information Exchange and then made available through the Hawaii Health Information Exchange to the Department of Human Services. In this scenario, the Department of Human Services would need to interface with just one entity, and the Hawaii Health Information Exchange could be used by the plans as a central repository to obtain "coordination of benefits" information, a function that is not currently available in Hawaii, that would lower both payer and provider administrative costs.

Your Committee notes that the Hawaii Medical Service Association and the Hawaii Association of Health Plans testified that the eligibility determinations in dual coverage situations are made by the Med-QUEST and not the contracted plans. The Hawaii Medical Service Association added it currently provides to the Department of Human Services information on claims data for members who receive coverage under both QUEST and through private coverage. Finally, the Hawaii Medical Service Association and the Hawaii Association of Health Plans testified that updating Med-QUEST's antiquated eligibility system would help in the transfer of information, and added the Department of Human Services is able to use federal funds to update the system.

Your Committee notes that the Insurance Division of the Department of Commerce and Consumer Affairs took no position on the measure and deferred to the Department of Human Services.

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. 2536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2536, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 237-12 Judiciary on H.B. No. 2476

The purpose of this measure is to make appropriations for claims against the State or its officers or employees.

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

Based on written testimony submitted by the Department of the Attorney General and consultation between the Department and your Committee, it was determined that one claim, *Segundo v. Frederick, et al.*, Civil No. 08-1-0106, Third Circuit, in the amount of \$328,250.00, was duplicative and should be omitted from this measure.

Accordingly, your Committee has amended this measure by:

- (1) Deleting from this bill the Department of Health's Claim against the general fund in the amount of \$328,250.00 concerning *Segundo v. Frederick, et al.*, Civil No. 08-1-0106, Third Circuit;
- (2) Adjusting dollar amounts according to the above deletion; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2476, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 238-12 Judiciary on H.B. No. 2452

The purpose of this measure is to clarify the information that shall be inscribed on notary seals.

Additionally, this measure increases the fees for issuing an initial notary commission and to renew a notary commission.

The Department of the Attorney General 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 H.B. No. 2452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2452, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 239-12 Judiciary on H.B. No. 2343

The purpose of this measure is to amend the Constitution of the State of Hawaii to require the public disclosure of the names of judicial nominees.

The League of Women Voters testified in support of this measure. One concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Changing references to the "judicial selection committee" to "judicial selection commission"; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2343, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 240-12 Water, Land, & Ocean Resources on H.B. No. 2591

The purpose of this measure is to clarify that land accreted after May 20, 2003, shall be public land except as otherwise provided by law.

The Department of Land and Natural Resources and the Attorney General submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2020, in order to promote further discussion on the matter; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2591, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 241-12 Water, Land, & Ocean Resources on H.B. No. 2594

The purpose of this measure is to propose an amendment to the Hawaii State Constitution to authorize the State to issue special purpose revenue bonds and use the proceeds to assist dam and reservoir owners to bring their facilities up to current safety standards.

The Department of Land and Natural Resources, Department of Budget and Finance, Board of Agriculture, Hawaii Cattlemen's Council, Inc., Alexander and Baldwin, Ka'u Farm Bureau, and Hawaii Farm Bureau Federation testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2594, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 242-12 Water, Land, & Ocean Resources on H.B. No. 2463

The purpose of this measure is to make permanent the limitations on liability for public entities based on the duty to warn of dangers on improved public land.

The Department of Land and Natural Resources, the Department of the Attorney General, and the City and County of Honolulu submitted testimony in support of this measure. The Hawaii Association for Justice submitted testimony in opposition of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2020, for the purposes of facilitating 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2463, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2463, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 243-12 Water, Land, & Ocean Resources on H.B. No. 2464

The purpose of this measure is to amend the definition of "land" with respect to landowner liability to include government lands.

The Department of Land and Natural Resources, the Department of the Attorney General, and the Department of the Corporation Counsel of the City and County of Honolulu submitted testimony in support of this measure. The Hawaii Association for Justice submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2020, for the purposes of facilitating 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 244-12 Water, Land, & Ocean Resources/Energy & Environmental Protection/Agriculture on H.B. No. 2671

The purpose of this measure is to require the Office of Planning to convene a working group which may be facilitated by a private contractor, to establish guidelines for the Hawaii Statewide Sustainability Partnership and to appropriate funds for this purpose.

The University of Hawaii, Department of Agriculture, Office of Planning, Office of the Mayor of the County of Maui, the Sustainability Manager of the County of Kauai, Best Practice Planning, Hawaii Green Growth Initiative, The Nature Conservancy of Hawai'i, Ola Hawaii 2020, and several concerned individuals testified in support of this measure. The Land Use Research Foundation opposed this measure. The Chamber of Commerce of Hawaii provided comments.

Your Committees find that although the University of Hawaii Public Policy Center made recommendations to the Legislature in response to Act 181, Session Laws of Hawaii 2011, those comments were not included in the original draft of this measure. In addition, the original draft of this measure failed to restrict the number of members for the working group. Finally, your Committees recognize that in order for Hawaii to become truly sustainable, support for the agricultural industry must occur by ensuring that agricultural activities are allocated adequate water resources.

Accordingly, your Committee has amended this measure by:

- (1) Inserting the major recommendations of the University of Hawaii Public Policy Center, which are to convene a Hawaii Statewide Sustainability Partnership and to appropriate funds to the Office of Planning to support development of statewide sustainability and measures of accountability, including benchmarks, indicators, data, and data sources;
- (2) Limiting the number of members for the Hawaii Statewide Sustainability Partnership to eleven members;
- (3) Outlining the duties of the Hawaii Statewide Sustainability Partnership, which include the design and organization of a collaborative public-private entity that shall be responsible for coordinating the implementation of sustainability guidelines and priorities;
- (4) Reiterating the importance of agriculture to the State and its self-sufficiency objectives, as set forth in the State Constitution and reaffirming that agricultural activities are a public trust use;
- (5) Requiring that the Hawaii State Sustainability Partnership prepare a report containing findings and recommendations, including a finding as to whether water allocations for agriculture are sufficient to support agriculture in the State; and
- (6) 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 Water, Land, & Ocean Resources and 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. 2671, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2671, H.D. 1, and be referred to the Committee on Higher Education.

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

SCRep. 245-12 Transportation/Public Safety & Military Affairs on H.B. No. 2030

The purpose of this measure is to promote highway safety for emergency personnel by:

- (1) Requiring a driver who is passing an emergency vehicle to:
 - (A) Vacate the lane closest to the emergency vehicle when driving on a highway with two or more lanes traveling in the direction of the emergency vehicle; or
 - (B) Slow to a specified safe speed; and
- (2) Making it a misdemeanor to fail to move over to a vacant lane or to slow down.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaii County Police Department, Maui Police Department, Hawaii Transportation Association, Hawaii Government Employees Association, Mothers Against Drunk Driving HAWAII, State of Hawaii Organization of Police Officers, and numerous concerned individuals testified in support of this measure. The Department of Transportation supported the intent of this measure. The Office of the Public Defender testified in opposition to this measure. A concerned individual provided comments.

Public safety and emergency personnel are responsible for the protection and safety of the general public. These individuals often find themselves being placed in harm's way, especially when involved with incidents on the roadway, whether it is during a routine traffic stop, assisting ill or injured motorists, or helping stalled motorists. Nationally, between 1999 and 2010, 164 law enforcement officers were killed after being struck by motor vehicles while assisting motorists. Tragically, two Honolulu Police officers lost their lives in such incidents over the past six months. While your Committees note that this measure may not completely prevent this type of tragedy from occurring, it will raise awareness among motorists and may save a life.

Your Committees have amended this measure by deleting its contents and replacing it with that of H.B. No. 2070, which addresses the same subject matter. As amended, this measure:

- (1) Clarifies that the requirements for slowing down or moving over apply to all stationary emergency vehicles using visual signals on a roadway whether or not assistance is being rendered to another person or vehicle;
- (2) Specifies that the passing driver must continue traveling in the lane the driver has moved over to until the vehicle is safely clear of the stationary emergency vehicle;
- (3) Clarifies that the requirement to move over or slow down before reaching the emergency vehicle is contingent upon the passing driver being able to do so safely and without interfering with vehicular traffic;
- (4) Makes the penalty a petty misdemeanor; and
- (5) Limits the definition of "emergency vehicle" to specified vehicles.

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 Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2030, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2030, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 246-12 Judiciary on H.B. No. 1743

The purpose of this measure is to increase the gross vehicle weight rating allowed for trucks and vans that may be operated by a driver with a category 3 license from 15,000 pounds to 18,000 pounds.

The Hawaii Transportation Association and Penske Truck Leasing testified in support of this measure. The City and County of Honolulu's Division of Motor Vehicle, Licensing and Permits Administration provided comments on the measure.

Your Committee finds that since 2007 truck manufacturers have been upgrading truck engines to comply with federal safety and environmental mandates, thereby making trucks heavier. This measure will allow operators to drive these newly designed trucks with a category 3 license.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1743 and recommends that it pass Third Reading.

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

SCRep. 247-12 Hawaiian Affairs on H.B. No. 2806

The purpose of this measure is to protect Hawaii's environment, to promote sustainability in Hawaii, and to preserve the Hawaiian culture by:

- (1) Establishing the Aha Moku Advisory Committee within the Department of Land and Natural Resources;
- (2) Allowing the Committee to advise the chairperson of the Board of Land and Natural Resources on issues related to land and natural resources management through the Aha Moku System, which is a system of best practices that is based upon the indigenous resource management practices of moku (regional) boundaries, that acknowledges the natural contours of land, the specific resources located within those areas, and the methodology necessary to sustain resources and the community;
- (3) Establishing requirements relating to the appointment, composition, and responsibilities of the Committee;
- (4) Requiring the Committee to produce an annual report that includes a list of recommendations made by the Committee and the resulting action taken by the Department of Land and Natural Resources, and to submit that report to the Legislature and the chairperson of the Board of Land and Natural Resources; and
- (5) Appropriating \$153,000 for the Committee's administrative costs.

The Sovereign Councils of the Hawaiian Homelands Assembly, Maunaloa Hawaiian Civic Club, the Aha Moku Representative of Kauai, Oahu Council-Association of Hawaiian Civic Clubs, Aha Moku Advisory Committee, Association of Hawaiian Civic Clubs, Koolaupoko Hawaiian Civic Club, Nanakuli Hawaiian Homestead Community Association, Mokupuni O Oahu, Kewalo Hawaiian Homestead Community Association, Waianae Kai Homestead Community Association, and many individuals supported the measure. The Office of Hawaiian Affairs supported the measure with amendments. The Department of Land and Natural Resources and the Department of Hawaiian Home Lands supported the intent of the measure. Several concerned individuals opposed the measure. A concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Clarifying that the Aha Moku Advisory Committee may hire its own executive director, rather than provide hiring advice;
- (2) Increasing the Committee's members to nine from eight members; 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. 2806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2806, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 248-12 Hawaiian Affairs on H.B. No. 2807

The purpose of this measure is to require the Auditor to conduct a financial audit of the Department of Hawaiian Home Lands for fiscal year 2011-2012, focusing on grants provided and contracts entered into and administered by the Department.

A concerned individual supported the measure. The Department of Hawaiian Home Lands supported the intent of the measure. The Sovereign Councils of the Hawaiian Homelands Assembly offered comments on the 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. 2807 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 Belatti, C. Lee and Pine.

SCRep. 249-12 Hawaiian Affairs on H.B. No. 2808

The purpose of this measure is to provide the lessees of the Kikala-Keokea homestead an additional period of ten years to construct dwellings in order to comply with the terms of their long-term land leases with the Department of Land and Natural Resources.

Na Ohana O Kalapana, Mokupuni O Oahu, Sovereign Councils of the Hawaiian Homelands Assembly, Nanakuli Hawaiian Homestead Community Association, Waianae Kai Homestead Community Association, Kewalo Hawaiian Homestead Community Association, and many concerned individuals supported this measure. The Department of Land and Natural Resources offered comments on the 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. 2808 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 250-12 Hawaiian Affairs on H.B. No. 2875

The purpose of this measure is to further the education of third through sixth grade students in the Hawaiian Language Immersion Program by requiring:

- (1) The Department of Education to cease the administering of Hawaiian translations of reading, math, science, and other general state assessment tests for students in those grade levels;
- (2) The Department of Education to develop parallel reading, math, science, and other assessment tests in the original Hawaiian language for students in those grade levels;
- (3) The Board of Education to adopt rules establishing procedures for developing the assessment tests in collaboration with the Hawaiian language community; and
- (4) The Department of Education to submit annual status reports on the development and administration of the assessment tests in the original Hawaiian language for students in those grade levels.

The Office of Hawaiian Affairs, The Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, Nanakuli Hawaiian Homestead Community Association, Mokupuni O Oahu, Waianae Kai Homestead Community Association, Kewalo Hawaiian Homestead Community Association, Na Leo Kakoo Executive Board, Anuenue School, and many concerned individuals supported the measure. Ke Kula O Nawahiokalaniopuu Laboratory Public Charter School supported the measure with amendments. The Department of Education and two concerned individuals offered comments on the 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. 2875 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 251-12 Tourism on H.B. No. 1707

The purpose of this measure is to ensure that nonresident owners of rental property that is rented for 30 days or less pay their fair share of general excise taxes on the rental income by requiring:

- (1) The rental transaction to be performed by licensed real estate brokers and salespersons;
- (2) The real estate licensees to collect the rental proceeds and remit the appropriate tax amount to the Department of Taxation; and
- (3) The Real Estate Commission to give non-complying owners seven-day notice to comply with requirements and providing for a non-compliance penalty.

The Department of Planning and Permitting of the City and County of Honolulu; Exclusive Getaways; the Kailua Neighborhood Board; ResorticaHawaii.com, Inc.; and numerous individuals testified in support of this measure. The Hawai'i Association of REALTORS testified in support of the intent of this measure. The Hawaii Real Estate Commission testified in opposition to this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and the Hawaii Tourism Authority provided comments.

Your Committee has amended this measure by:

- (1) Placing the new statutory section created by this measure in Chapter 237D, Hawaii Revised Statutes, relating to the transient accommodations tax;
- (2) Deleting references to the term "condominium unit";
- (3) Requiring the real estate broker or salesperson to collect and pay the transient accommodations tax and general excise tax, if authorized by the nonresident owner;
- (4) Changing the enforcement agency from the Real Estate Commission to the Department of Taxation;
- (5) Including a property owner residing on a different island in the definition of "nonresident owner"; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes the following concerns to inform the Committees on Consumer Protection & Commerce and on Judiciary:

- (1) That the term "transient accommodations", as defined in section 237D-1, Hawaii Revised Statutes, is a property that is customarily occupied by a transient for less than 180 days. This measure refers to transient accommodations that are occupied for 30 days or less; and
- (2) That references to "condominium unit" have been deleted from this measure; however, a single-family dwelling, apartment, or townhouse could fall within the definition of a "condominium" pursuant to sections 502C-1, 514A-3, and 514B-3, Hawaii Revised Statutes.

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. 1707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1707, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 252-12 Labor & Public Employment on H.B. No. 2859

The purpose of this measure is to promote the ability of individuals to organize and collectively bargain the terms of employment by removing student help from the list of state employees statutorily barred from inclusion in any appropriate collective bargaining unit.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, University of Hawaii at Manoa Graduate Student Organization, and numerous concerned individuals testified in support of this measure. Several concerned individuals testified in opposition to this measure. The University of Hawaii provided comments.

Hawaii has always been known as a state that supports the idea of collective bargaining, even going so far as establishing the right to collective bargaining in the Constitution of the State of Hawaii. However, certain categorizes of individuals, including graduate student workers, are currently exempt from Hawaii's collective bargaining law.

While other universities across the United States enjoy positive working relationships with graduate student unions that advocate on behalf of graduate student workers, graduate student workers at the University of Hawaii are not able to organize to advocate for their rights. According to these graduate student workers, the right to organize is necessary because they have encountered numerous issues over the past few years including no salary increase since 2004, system-wide budget cutbacks, increases in class size and workload, and an ever-increasing cost of living in Hawaii. Without a dependable and accessible avenue for obtaining help with a grievance, the employment issues faced by graduate assistant academic workers go unattended. Your Committee finds that graduate student workers should have the right to unionize.

Although your Committee understands the concerns raised by the University of Hawaii regarding the impact this proposal may have on the University, 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. 2859 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 253-12 Labor & Public Employment on H.B. No. 2573

The purpose of this measure is to amend the State apprenticeship law to conform to the new federal regulations on apprenticeship programs.

The Department of Labor and Industrial Relations, Hawaii Laborers' Union, and Pacific Resource Partnership testified in support of this measure.

Hawaii's Department of Labor and Industrial Relations is currently recognized as a State Apprenticeship Agency by the Office of Apprenticeship of the United States Department of Labor. The Department has been charged with the responsibility to register and oversee apprenticeship programs. In 2008, the United States Department of Labor published final rules to modernize the national apprenticeship system. These new rules recognized that technological advances, demographic changes, and globalization have significantly altered the context in which apprenticeship programs operate and contained new concepts, such as competency-based training and provisional approvals of new apprenticeship programs.

The United States Department of Labor provided State Apprenticeship Agencies with two years to implement the necessary changes to conform state laws to the new federal rules. Hawaii requested and received a two year extension from the Office of Apprenticeship to conform its laws to the new federal rules. According to the Department of Labor and Industrial Relations, changes in state law, Hawaii Administrative Rules, and agency policies must be in place by December 31, 2012, to conform to the federal requirements.

Your Committee finds that apprenticeship programs provide participants with an invaluable educational experience and outstanding benefits. Apprenticeship programs also help to develop and apply industry standards to training programs, which increases the productivity and improves the quality of the workforce. Your Committee notes that this measure is necessary for the continuation of these valuable apprenticeship programs.

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. 2573 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254-12 Culture & the Arts on H.B. No. 2062

The purpose of this measure is to foster the professional development of music therapists by establishing a Music Therapy Board within the Department of Commerce and Consumer Affairs and requiring licensure to use the title of "music therapist" or practice music therapy in the State.

Sounding Joy Music Therapy, Inc. and numerous individuals testified in support of this measure. One individual testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division and numerous individuals provided comments.

Your Committee notes the testimony of the Department of Commerce and Consumer Affairs that states that a sunrise analysis by the Auditor is needed on the proposed regulation of music therapists, pursuant to section 26H-6, Hawaii Revised Statutes. However, it is not difficult to see that given the therapeutic relationship involved between a music therapist and a client, abuses may occur if therapy is administered by persons who do not have the appropriate credentials. Regulation is reasonably necessary to ensure that the consumer and public health, welfare, and safety are protected.

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 is in accord with the intent and purpose of H.B. No. 2062 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. 255-12 Culture & the Arts on H.B. No. 2407

The purpose of this measure is to support fine arts education in schools from grades K-12 by appropriating funds to the State Foundation on Culture and the Arts to:

- (1) Provide training and professional development for arts educators; and
- (2) Fund the Artists in the Schools program.

The Department of Education, Hawaii Community Foundation, Bare & Core Expression, Artists in the Schools Program, State Foundation on Culture and the Arts, Hawaii Arts Alliance, Maui Arts & Cultural Center, and numerous individuals testified in support of this measure. The Hawaii Arts Alliance and one individual provided comments.

Your Committee has amended this measure by:

- (1) Revising the preamble to the measure;
- (2) Specifying that the appropriation for the training and professional development of arts educators are for those employed at public schools and public charter schools; 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 Culture & the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2407, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 256-12 Culture & the Arts on H.B. No. 2435

The purpose of this measure is to transfer the State Foundation on Culture and the Arts from the Department of Accounting and General Services to the Department of Business, Economic Development, and Tourism.

The Department of Accounting and General Services testified in support of this measure. The Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. The State Foundation on Culture and the Arts, Department of Human Resources Development, and State of Hawaii Film Office, Arts and Culture Development Branch provided 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 Culture & the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2435, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 257-12 Culture & the Arts on H.B. No. 2650

The purpose of this measure is to support culture and the arts in Hawaii by establishing the Foundation on Culture and the Arts Donation Special Fund and by allowing each resident to donate funds to be credited to the Special Fund through:

- (1) The motor vehicle registration process; and
- (2) The filing of state income tax returns.

The State Foundation on Culture and the Arts and one individual testified in support of this measure. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Deleting the establishment of the Foundation on Culture and the Arts Donation Special Fund;
- (2) Deleting the collection of donations through motor vehicle registration;
- (3) Specifying that funds received through state income tax returns shall be deposited into the general fund of the state and designated for use by the State Foundation on Culture and the Arts;
- (4) Specifying that this measure shall be applicable to taxable years beginning after December 31, 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 Culture & the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2650, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 258-12 Agriculture on H.B. No. 2421

The purpose of this measure is to award a grant to the Oceanic Institute for the construction of the feeds research and pilot production facility and require the Oceanic Institute to report to the legislature on the progress of the project.

The Department of Agriculture, Oceanic Institute, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Environmental Caucus of the Democratic Party of Hawaii, Hawaii Aquaculture and Aquaponics Association, and Hawaii Cattlemen's Council, Inc. submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Removing the requirement that the appropriated funds be held until the funds are matched by private funds;
- (2) Requiring the report to the Legislature by the Oceanic Institute to include information on the use of federal and other monies to fund the project;
- (3) Changing the effective date to July 1, 2050, for the purposes of facilitating further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259-12 Agriculture on H.B. No. 2431

The purpose of this measure is to make the purchase of locally grown products an objective, policy, and priority guideline under the Hawaii State Planning Act.

The State of Hawaii Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Farmers Union, Sierra Club, Haleiwa Farmers Market, and Poamoho Organic Produce testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, for the purposes of facilitating 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2431, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260-12 Agriculture on H.B. No. 2433

The purpose of this measure is to require and appropriate funds to the Department of Agriculture to create a livestock feed feasibility pilot project to investigate the viability of a livestock feed program on department land.

The Department of Agriculture, Hawaii Farm Bureau Federation, Environmental Caucus of Democratic Party of Hawaii, Hawaii Cattlemen's Council, and Monsanto Company testified in support of this measure. West County Farm Bureau testified in support of the intent of this measure. Hawaii Aquaculture and Aquaponics Association testified in support of this measure with amendments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2112, for the purposes of facilitating 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2433, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261-12 Agriculture on H.B. No. 2703

The purpose of this measure is to require the Department of Agriculture to develop a food sustainability standard to promote local food production to help diversify the local economy.

Honaunau Farm, United States Green Building Council at the University of Hawaii at Manoa, Slow Food Oahu, Hana Health, Hawaii Agritourism Association, Alii Kula Lavender, Coastalzone.com, Kailua Hawaiian Civic Club, Sierra Club, Kewalo Hawaiian Homestead Community Association, and numerous concerned individuals offered testimony in support of this measure. The Land Use Research Foundation and a few individuals offered testimony in opposition of this measure. The Department of Agriculture, Hawaii Farm Bureau Federation, M&H Kaneshiro farms, and an individual provided comments on this measure.

Your Committee respectfully requests that the Committee on Finance examine the possibility of providing funding to the Department of Agriculture for the data collection and reporting requirements established pursuant to this measure. Additionally, your Committee respectfully requests that the Committee on Finance examine the figures used in the preamble to the measure concerning imported food.

Your Committee has amended this measure by:

- (1) Removing the language that prohibits discretionary approvals if food sustainability standards are not achieved; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2703, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262-12 Housing on H.B. No. 1884

The purpose of this measure, as received by your Committee, is to authorize the Hawaii Public Housing Authority Board of Directors to determine the salary of the Hawaii Public Housing Authority executive director, with the following considerations: compensation provided to public housing authority executive directors with comparable duties and responsibilities, comparable state and local officials, and comparable private sector executives.

The Hawaii Public Housing Authority testified in support of this measure. The United States Department of Housing and Urban Development commented on this measure.

Upon consideration, your Committee has amended this measure by deleting its contents and replacing it with the requirement that the Hawaii Public Housing Authority shall:

- (1) Conduct a study on the wages and compensation of other public housing authorities in the United States that are comparable in size to the Hawaii Public Housing Authority and comparable in their scope of duties and responsibilities to the Hawaii Public Housing Authority executive director; and
- (2) Submit a report to the United States Department of Housing and Urban Development on the wages and compensation of each of the five highest paid public housing authority executive directors of other comparable states or jurisdictions.

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. 1884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1884, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 263-12 Housing on H.B. No. 2507

The purpose of this measure is to make it easier for Hawaii homeowners to purchase homeowners insurance by:

- (1) Requiring the Insurance Commissioner to:
 - (A) Publish annually, a listing of homeowners insurers and homeowners insurance premium rates in a newspaper of general circulation in the State;
 - (B) Make information on homeowners insurance premiums available to the public by request; and
 - (C) Specify on a notice of disapproval of a rate filing the actuarial, statutory, and regulatory basis for disapproving the filing;
- (2) Authorizing the Insurance Commissioner to establish interim rates to protect the interests of the insurer and its policyholders and ensure the solvency of the insurer when the Insurance Commissioner issues a written notice of disapproval of a filing;
- (3) Authorizing an insurer to petition for a contested administrative hearing after disapproval of a rate filing; and
- (4) Authorizing an advisory organization to make rate filings and otherwise act on behalf of an insurer.

The Department of Commerce and Consumer Affairs testified in support of this measure. Actuarial Services for Island Insurance Companies, American Insurance Association, the Property Casualty Insurers Association of America, and the National Association of Mutual Insurance Companies opposed this measure. State Farm Insurance Companies, Hawaii Insurers Council, and First Insurance Company of Hawaii, Ltd., commented on this measure.

Your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to publish by electronic means, a listing of homeowners insurers and homeowners insurance premium rates;
- (2) Requiring motor vehicle insurers to provide, upon the Insurance Commissioner's request, motor vehicle insurance premium information to the Insurance Commissioner within 30 days of the request and requiring the Insurance Commissioner to publish this information by electronic means;
- (3) Authorizing the Insurance Commissioner to adjust filed rates upon a finding that a rate is excessive, inadequate or unfairly discriminatory, subject to specified notice and hearing requirements;
- (4) Repealing the authority of the Insurance Commissioner to reduce and adjust rates prospectively for any class or type of mandatory coverage or optional additional motor vehicle insurance coverage for any insurer or group of insurers if the rates are excessive, inadequate, or unfairly discriminatory; 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. 2507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2507, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 264-12 Housing on H.B. No. 1746

The purpose of this measure is to allow an association of apartment owners and a unit owners' association to authorize the installation of utility meters to determine utility use by each of the residential and commercial apartments and units in a condominium; provided that the association bears the cost of installing the utility meters.

Meridian East Condominium AOA and an individual testified in support of the measure. The Hawai'i Legislative Action Committee of the Community Associations Institute commented on the measure.

Your Committee has amended this measure by:

- (1) Applying the existing requirement that condominiums separately meter utility consumption by residential and nonresidential units within a project to all condominium projects, irrespective of the date of construction;
- (2) Clarifying that the associations of all condominium projects may institute separate metering of each unit within the project if the association pays the cost of installing the necessary meters; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1746, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Carroll, Coffman, Kawakami, Pine and Thielen.

SCRep. 265-12 Health on H.B. No. 2097

The purpose of this measure is to extend the lapse date of the authorization to issue special purpose revenue bonds to assist the Queen's Health Systems.

The Queen's Health Systems, Healthcare Association of Hawaii, Hawaii Government Employees Association, and one individual testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2050, 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 H.B. No. 2097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2097, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 266-12 Health on H.B. No. 2116

The purpose of this measure is to support nonprofit community health centers who provide health care services to an increasing number of uninsured individuals by appropriating an unspecified sum to address the urgent needs of these health centers.

The Healthcare Association of Hawaii, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, Hoola Lahui Hawaii, Lanai Community Health Center, Kalihi-Palama Health Center, Waikiki Health Center, Waimanalo Health Center, Kookaa Kalihi Valley, West Hawaii Community Health Center, and two individuals testified in support of this measure. The Department of Health testified in support of the intent of this measure.

Your Committee recognizes that there is a growing number of uninsured in Hawaii and this is an issue that needs to be addressed. The uninsured are more costly to the State than providing basic coverage. Providing funding to community health centers, which serve many of the uninsured, will keep communities healthy and reduce state costs.

Your Committee has amended this measure by:

- (1) Specifying the amount of \$5,500,000 as the sum of the appropriation to carry out the purposes of this measure; and
- (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. 2116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2116, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 267-12 Health on H.B. No. 1926

The purpose of this measure is to amend the offense of assault in the second degree to include persons who intentionally or knowingly cause bodily injury to any medical services provider who is engaged in the performance of duty.

Specifically, this measure includes in the definition of "medical services provider" certain health care providers providing services in a medical clinic or federally-qualified health center.

Pali Momi Medical Center; Hawaii Chapter, American Physical Therapy Association; American Organization of Nurse Executives, Hawaii Chapter; Hawaii Association of Professional Nurses; and numerous individuals testified in support of this measure. Kaiser Permanente Hawaii and Healthcare Association of Hawaii testified in support of this measure, with comments. Two individuals also submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Expanding the definition of "medical services provider" to include physical therapists and other licensed medical professionals involved in the direct care of patients at locations including long-term care facilities and specialized nursing facilities;
- (2) Changing its effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1926, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan and Wooley.

SCRep. 268-12 Public Safety & Military Affairs on H.B. No. 2848

The purpose of this measure is to reduce recidivism, prevent crime, and ensure long-term positive change by developing a plan to create a wellness center that reestablishes highly-recognized native Hawaiian cultural practices to restore the overall well-being of individuals, families, and the native Hawaiian community.

The Representative from the 4th Representative District, Community Alliance on Prisons, Ohana Hoopakele, and three individuals testified in support of this measure. The Department of Public Safety testified in support of the intent of this measure. The Department of Land and Natural Resources and Office of Hawaiian Affairs commented on this measure.

Your Committee has amended this measure by:

- (1) Allowing the Department of Public Safety to consider site options on all islands in determining a viable and ideal location for the wellness center;
- (2) Requiring the Department of Public Safety to seek the input of the Department of Human Services, Department of Health, Department of Hawaiian Home Lands, and Office of Hawaiian Affairs in its planning and in determining a site for the wellness center; 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. 2848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2848, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 269-12 Public Safety & Military Affairs on H.B. No. 2601

The purpose of this measure is to make more efficient use of Department of Public Safety resources by authorizing persons authorized by the rules of court to serve legal process, except criminal process, and execute certain specified court orders.

The Department of Public Safety supported 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. 2601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2601, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 270-12 Public Safety & Military Affairs on H.B. No. 2474

The purpose of this measure is to create state law that is equivalent to a portion of the Prison Litigation Reform Act of 1995, and that relates specifically to portions of the federal law that impose certain limitations and conditions on in forma pauperis prisoner lawsuits.

The Department of Public Safety and the Department of the Attorney General testified in support of this measure. The State Representative of District 4 and the Community Alliance on Prisons testified in opposition to 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2474, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 271-12 Public Safety & Military Affairs on H.B. No. 2226

The purpose of this measure is to establish the crime victim notification system special fund and require that a four per cent surcharge on all inmate commissary purchases and commission revenue on inmate telephone usage be deposited into the fund.

The Department of Public Safety, Department of the Attorney General, Hawaii Paroling Authority, Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, Department of the Prosecuting Attorney of the City and County of Honolulu, Witness Assistance Division of the Department of the Prosecuting Attorney of the County of Maui, Hawaii State Coalition Against Domestic Violence, Sex Abuse Treatment Center of the Kapiolani Medical Center for Women and Children, Parents and Children Together, and four individuals testified in support of this measure. The Representative of the fourth representative district of the State of Hawaii testified in opposition to this measure. The Department of Budget and Finance, Community Alliance on Prisons, and six individuals submitted comments on this measure.

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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2226, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 272-12 Public Safety & Military Affairs on H.B. No. 2514

The purpose of this measure is to implement recommendations of the Justice Reinvestment Working Group relating to improvements in the pre-trial process, parole, restitution, and availability of services in the criminal justice system and Department of Public Safety.

The Governor, Department of Public Safety, Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, Community Alliance on Prisons, Drug Policy Forum of Hawaii, Hawaii Government Employees Association, Hawaii Substance Abuse Coalition, a member of the Maui County Council, and two individuals testified in support of this measure. The Council of State Governments Justice Center, Hawaii Paroling Authority, Department of the Prosecuting Attorney of the City and County of Honolulu, and American Civil Liberties Union of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Stating its intent to reduce costly inefficiencies, hold offenders more accountable, and reinvest savings in more effective public safety strategies;
- (2) Clarifying that persons subject to local or state, but not federal, detainers or holds shall not be eligible for pre-trial assessments pursuant to this measure;
- (3) Clarifying that persons subject to local, state, or federal detainers or holds shall be eligible for parole upon completion of the person's minimum sentence;
- (4) Increasing the membership of the Hawaii Paroling Authority to five members and specifying that four shall serve on a part-time basis;
- (5) Specifying that an inmate who is determined by the Hawaii Paroling Authority Board to currently constitute a significant risk to the safety or property of other persons that can only be mitigated by additional incapacitation shall not be eligible for parole;
- (6) Making appropriations for various positions in the Department of Public Safety from savings realized by reducing the incarcerated population and for the purpose of realizing the goals of the justice reinvestment initiatives;
- (7) Changing its effective date to July 1, 2050, to facilitate continued discussion on this measure; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2514, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 273-12 Public Safety & Military Affairs on H.B. No. 2515

The purpose of this measure is to help strengthen the State's public safety and corrections system by:

- (1) Permitting a sentence of probation for certain second-time drug offenders;
- (2) Permitting a three-year probation term for individuals convicted for class B and class C felonies that are not sexual or child abuse offenses;
- (3) Establishing a provision for incentive time credit for probationers following certain specified criteria; and
- (4) Increasing the threshold valuation for theft in the second degree to more than \$750 from more than \$300.

The Governor, Department of Public Safety, Office of the Public Defender, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, and a concerned individual supported this measure. The Crime Victim Compensation Commission supported this measure with amendments. The Judiciary, Department of the Prosecuting Attorney of the City and County of Honolulu, Council of State Governments Justice Center, and American Civil Liberties Union of Hawaii provided comments.

Your Committee notes that the increase in the threshold for property and services value for theft in the second degree may raise concerns among business owners and therefore respectfully requests the Committee on Judiciary to consider the potential impact of this increase on the business community should this measure move forward.

Your Committee has amended this measure by:

- (1) Excluding individuals convicted of class B or class C felonies related to criminal homicide, offenses against the family and against incompetents, and prostitution offenses from those eligible to receive a reduced, three-year term of probation;
- (2) Removing the earned time credit for probationers; 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. 2515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2515, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 274-12 Human Services on H.B. No. 2780

The purpose of this measure is to allow family court plaintiffs and petitioners who are unable to afford publication to serve notice to an opposing party who cannot be located for personal service after a diligent search by posting pleadings at the courthouse and mailing the pleading to the defendant's or respondent's last known address or closest known relative.

The Legal Aid Society of Hawaii supported the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2780 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 275-12 Human Services/Labor & Public Employment on H.B. No. 1994

The purpose of this measure is to provide social services for the survivors and victims of human trafficking by:

- (1) Requiring the Office of Community Services to coordinate with relevant federal, state, and county agencies to assist human trafficking survivors, and authorizing the Office to enter into contracts with nongovernmental organizations to provide social services, and other services for victims;
- (2) Providing notification, assessment, and certification procedures to identify human trafficking survivors who are eligible for services;
- (3) Requiring certain government entities to provide a United States Citizenship and Immigration Service Form I-914 Supplement B Declaration of Law Enforcement Officer for Survivor of Trafficking in Persons to a human trafficking survivor upon request;
- (4) Authorizing the Director of Labor and Industrial Relations to adopt rules to implement and enforce the mandated services for survivors of human trafficking; and
- (5) Appropriating funds to be expended by the Department of Labor and Industrial Relations to assist survivors and victims of human trafficking.

Equality Now, Rice Consulting, and many concerned individuals supported the measure. The Polaris Project, IMUAlliance, and The Pacific Alliance to Stop Slavery supported the measure with amendments. The Department of Human Services supported the intent of the measure. The Department of the Prosecuting Attorney of the City and County of Honolulu opposed the measure. The Office of Community Services of the Department of Labor and Industrial Relations, the Hawaii State Coalition Against Domestic Violence, and Harm Reduction Hawaii offered comments on the measure.

Your Committees have amended this measure by:

- (1) Rather than granting contractual authority, requiring the Office of Community Services to develop a plan for the delivery of services, including legal services, to pre-certified victims of human trafficking;
- (2) Deleting the provision that relates to supplementary funds and services, and the duplication of benefits provided by federal government to survivors of human trafficking;
- (3) Specifying requirements of the plan that would provide services to victims of human trafficking, and requiring the plan to be approved and periodically reviewed by the Department of Human Services;
- (4) Deleting the rulemaking authority of the Director of Labor and Industrial Relations as to implementing and enforcing the mandated services for survivors of human trafficking;
- (5) Deleting appropriation language;
- (6) Changing its effective date to July 1, 2050, to promote further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1994, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1994, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 276-12 Human Services/Health on H.B. No. 2115

The purpose of this measure is to establish the Hawaii Colorectal Cancer Screening Program to assist individuals with the detection and care of colorectal cancer.

The Hawaii Medical Service Association, The Queen's Medical Center, and the American Cancer Society provided testimony in support of this measure. The Department of Human Services provided testimony in support of the intent of this measure. The Department of Health provided comments on this measure.

Your Committees have amended this measure by:

- (1) Requiring that the Department of Human Services provide state-funded medical assistance under the Hawaii colorectal cancer screening program, as available to educate both men and women of the risks associated with colorectal cancer; and
- (2) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2115, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2115, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 277-12 Human Services/Public Safety & Military Affairs on H.B. No. 1917

The purpose of this measure is to require state and county law enforcement agencies to address domestic violence within their ranks by:

- (1) Directing state and county agencies that employ law enforcement officers to adopt and implement a written policy on domestic violence committed or allegedly committed by law enforcement officers of the agency by January 1, 2013;
- (2) Specifying minimum policy standards that must be met by the agency;
- (3) Establishing policy training and reporting deadlines; and
- (4) Appropriating an unspecified dollar amount to assist the state and county agencies in implementing the policy.

The Maui Police Department opposed the measure. The Department of Public Safety and the Hawaii State Coalition Against Domestic Violence offered comments on the measure.

Your Committees have noted that the Hawaii State Coalition Against Domestic Violence testified that the problem of domestic violence in the ranks of law enforcement deserves careful attention. The Coalition added that dismissal and disciplinary action for law enforcement officers who are involved in domestic violence must be integrated into a broader policy that reflects a continuum of action.

Your Committees have amended this measure by:

- (1) Expanding the definition of "law enforcement officer" to include all positions that require the possession of firearms;
- (2) Adding language to codify relevant provisions of federal law and collective bargaining agreements;
- (3) Adding appropriations for relevant state agencies to assist in implementing the policy;
- (4) Changing its effective date to July 1, 2050, to promote further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1917, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1917, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives C. Lee, M. Lee, Saiki, Souki, Takai, Takumi, Wooley, Ching and Pine.

SCRep. 278-12 Economic Revitalization & Business/Housing on H.B. No. 2103

The purpose of this measure is to establish the bank of the State of Hawaii in order to develop a program to acquire residential property in situations where the mortgagor is an owner-occupant who has defaulted on a mortgage or been denied a mortgage loan modification and the mortgagee is a securitized trust that cannot adequately demonstrate that it is a holder in due course.

Faith Action for Community Equity, IMUAlliance, and numerous individuals testified in support of this measure. The Department of Budget and Finance and Legal Aid Society of Hawai'i testified in support of the intent of this measure. The Hawaii Bankers Association, Hawaii Credit Union League, and the Mortgage Bankers Association of Hawaii testified in opposition to this measure. The Department of Commerce and Consumer Affairs and Office of Information Practices provided comments on this measure.

Your Committees respectfully request that the Committee on Consumer Protection & Commerce examine the concerns expressed by the Department of Commerce and Consumer Affairs over the qualifications of the board of directors. Your Committees further request that the Committee on Consumer Protection & Commerce examine making the acquisition of affordable housing for persons who have experienced wrongful and fraudulent foreclosures the priority of the bank of the State of Hawaii.

Your Committees have amended this measure by:

- (1) Expanding the scope of the bank of the State of Hawaii's purchase program so that it is not limited to assisting only in the case of mortgages held by securitized trusts;
- (2) Inserting language to allow officers of banks and credit unions incorporated in the State to serve the advisory board;
- (3) Clarifying that advisory board members' participation on loan committees shall be pursuant to rules adopted by the board;
- (4) Clarifying that the bank of the State of Hawaii is not meant to compete with local banks by removing a reference to offering financial products to a state agency on a competitive basis;
- (5) Clarifying that the bank of the State of Hawaii's power to purchase participation interest in loans must meet underwriting standards established by the board of the bank of the State of Hawaii;
- (6) Renaming the short sale program to the purchase program for distressed residential properties encumbered by problematic mortgages;
- (7) Inserting language to clarify that the bank of the State of Hawaii has forty-five days to review a homeowner's application for consideration for the purchase program;
- (8) Inserting language to allow the bank of the State of Hawaii to re-sell the home back to the previous homeowner without a mortgage;
- (9) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (10) 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 Economic Revitalization & Business and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2103, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2103, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Kawakami, Pine and Thielen.
(Representative Marumoto voted no.)

SCRep. 279-12 Economic Revitalization & Business on H.B. No. 2267

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure throughout the State.

ClearCom, Inc., ControlPoint Surveying, Inc., and Mid-State Consultants, Inc., testified in support of this measure. The Department of Budget and Finance, AT&T, and Hawaiian Telcom provided comments on this measure.

Your Committee notes the concerns of some of the testifiers, and respectfully requests that your Committee on Finance further examine the specificity of the projects for which the bonds are being sought.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of 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. 2267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280-12 Economic Revitalization & Business on H.B. No. 2872

The purpose of this measure is to create aerospace high technology districts in Hawaii and to allow geothermal resource subzones to be designated within those districts, provided that geothermal energy producers provide a specified percentage of their energy output to any aerospace high technology facility within the district at no cost.

An individual submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents;
- (2) Including a purpose section to clarify the intent of the measure;
- (3) Specifying that aerospace high technology parks are a permissible use within an agricultural district on land with certain soil classifications; and
- (4) Changing the effective date to July 1, 2112, to facilitate further discussion of 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. 2872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2872, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 281-12 Economic Revitalization & Business on H.B. No. 2324

The purpose of this measure is to temporarily exempt the upgrading and new construction of broadband facilities on state and county property from state and county permitting processes.

Sandwich Isles Communications, Incorporated testified in support of this measure. The Department of Transportation; Department of Business, Economic Development and Tourism; Office of Planning; and Department of Commerce and Consumer Affairs testified in support of the intent of this measure. Hawaiian Telcom testified in support of this measure with amendments. The Office of Environmental Quality Control, Department of Information Technology of the City and County of Honolulu, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in opposition to this measure. The Department of Land and Natural Resources provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing all broadband facilities on county property from the exemption;
- (2) Clarifying the sunset date of June 30, 2012; and
- (3) Changing the effective date to July 1, 2112, for the purposes of facilitating 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. 2324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2324, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 282-12 Economic Revitalization & Business on H.B. No. 2645

The purpose of this measure is to facilitate regulation of professional employer organizations by the Department of Labor and Industrial Relations by:

- (1) Establishing the Professional Employer Special Fund;
- (2) Authorizing the Director of Labor and Industrial Relations to make rules and impose penalties against professional employer organizations for noncompliance with chapter 373L, Hawaii Revised Statutes, or the rules of the Director;
- (3) Making conforming amendments to existing sections of the Hawaii Revised Statutes to promote conformity across statutory chapters;
- (4) Specifying bond amounts required for professional employer organizations; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

The Department of Labor and Industrial Relations and Department of Commerce and Consumer Affairs testified in support of this measure. ProService Hawaii testified in support of the intent of this measure. Employer Services Assurance Corporation and National Association of Professional Employer Organizations provided comments on this measure.

Your Committee has amended this measure by among other things:

- (1) Amending the sources of funding for the Professional Employer Organization Special Fund;
- (2) Adding a definition for "controlling persons";
- (3) Allowing the Director of Labor and Industrial Relations to fine a professional employer organization and its controlling persons for failing to meet the requirements of the chapter;
- (4) Removing the language that specifies that the Director shall ensure the segregation of accounts through client trust accounts and establishing grounds for disciplinary action and practices;
- (5) Deleting provisions relating to the Director's authority to issue cease and desist orders and the procedures therefor, for specified acts and practices that violate the professional employer organization laws;
- (6) Specifying that professional employer organizations shall be responsible for all obligations of assigned employees at the client companies worksites for purposes of Hawaii Revised Statutes, chapter 383, relating to the State's unemployment laws; chapter 386, relating to Workers' Compensation laws; chapter 392, relating to temporary disability insurance; and chapter 393, relating to Hawaii Prepaid Health Care Act;
- (7) Specifying that professional employer organization registration shall expire on June 30 of each even-numbered year;
- (8) Including language to explain how a professional employer organization may restore a forfeited registration;
- (9) Changing the effective date to July 1, 2112, to facilitate further discussion;
- (10) Making conforming amendments to ensure consistency throughout the Hawaii Revised Statutes; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2645, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 283-12 Economic Revitalization & Business on H.B. No. 2161

The purpose of this measure is to protect both dogs and purchasers by:

- (1) Requiring sellers of dogs to provide certain information to purchasers at the time of purchase;
- (2) Providing remedies in case a dog purchased from a seller is unfit for purchase due to disease, deformity, injury, physical condition, illness, or defect; and
- (3) Establishing duties of notice and disclosure for both dog sellers and purchasers of dogs.

The Hawaiian Humane Society testified in support of this measure. The Humane Society of the United States testified in support of the intent of this measure. Poi Dogs & Popoki testified in support of this measure with amendments. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Boxer Club of Hawaii, and Koolau Pets, Inc., testified in opposition to this measure. A concerned individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the definition of a seller to a person who sells ten or more dogs per year, whether through a kennel, pet shop, or directly to the public;
- (2) Specifying that a dog's health record provided by a seller shall include the name and address of the dog's breeder and the breeder's license information if licensed by the United States Department of Agriculture;
- (3) Clarifying that the health certificate issued by a veterinarian and produced by a seller at the time of sale must be based on a physical examination;
- (4) Removing language that authorizes a seller to provide a written guarantee of the dog's good health, subject to specified warranties, in lieu of a veterinarian's health certificate;
- (5) Extending the period during which the purchaser of a dog may exercise specified remedies to twenty-one business days if a veterinarian determines that the dog is unfit for purchase due to disease, deformity, physical condition, or illness or twenty-four months if unfitness is due to a congenital or hereditary defect;
- (6) Clarifying that a purchaser's remedies may include reimbursement of the purchase price plus general excise tax, or a replacement dog of the purchaser's choice of comparable value, which shall be eligible for all available remedies;

- (7) Including language to allow the purchaser to receive remedies for addressing the suffering of an affected dog;
- (8) Removing language that limits the remedies for a purchaser of a dog who suffers from an incurable illness;
- (9) Including language that a seller shall not be subject to remedies for conditions which the seller disclosed through a written health certificate at the time of sale;
- (10) Specifying that a purchaser seeking remedy for a dog that is unfit for purchase shall notify the seller by registered mail within five business days of a veterinary examination that certifies the illness, defect, or death of a dog purchased from the seller and produce the dog within five business days upon proper request from the seller;
- (11) Amending the requirements for the notice of rights that a seller is required to provide to a purchaser at the time of purchase;
- (12) Changing the effective date to July 1, 2012, for the purposes of facilitating further discussion; and
- (13) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2161, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 284-12 Economic Revitalization & Business on H.B. No. 2325

The purpose of this measure is to require the State and counties to approve, approve with modification, or disapprove all broadband-related permit applications within forty-five days.

The Department of Transportation, the Department of Commerce and Consumer Affairs, and Sandwich Isles Communications, Inc. testified in support of this measure. The Department of Business, Economic Development, and Tourism and the Office of Planning of the Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. The Department of Information Technology of the City and County of Honolulu and Hawaiian Electric Co. and its subsidiaries, Hawaii Electric Light Co. and Maui Electric Co., testified in opposition to this measure. The Department of Land and Natural Resources submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Requiring state and county agencies to notify applicants in writing within ten days of submission of an application if the application is incomplete;
- (2) Requiring the notice of incomplete application to set forth the specific requirements necessary to complete the application;
- (3) Requiring the submittal of a complete application within five days of receiving a notice of incomplete application in order for forty-five-day automatic approval provisions to continue to apply;
- (4) Inserting a repeal date of June 30, 2017; and
- (5) 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2325, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 285-12 Economic Revitalization & Business on H.B. No. 2524

The purpose of this measure is to further the State's effort to implement the Hawaii Broadband initiative by:

- (1) Establishing the Communications Division within the Department of Commerce and Consumer Affairs;
- (2) Establishing the Office of Communications Commissioner to head the Communications Division and to be responsible for the development of the State's communications programs and services;
- (3) Transferring certain regulatory functions related to telecommunications from the Public Utilities Commission to the Communications Division;
- (4) Authorizing the Communications Commissioner to issue and regulate cable franchises;
- (5) Making provisions for a transition period from the current regulatory structure to that provided in this measure; and
- (6) Making conforming amendments to existing statutes.

The Office of the Governor; Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; and Public Utilities Commission testified in support of this measure. tw telecom of hawaii lp supported the intent of this measure. The State Procurement Office and Verizon opposed this measure. The Department of Human Resources Development, AT&T, Oceanic Time Warner Cable, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Hawaiian Telcom provided comments.

Your Committee has amended this measure by:

- (1) Removing provisions that would have established a Consumer Advocate position within the Communications Division;
- (2) Clarifying that the Communications Commissioner may also conduct investigations on a person acting or engaging in business as a telecommunications carrier without a franchise or charter enacted or granted by the legislative or executive authority of the State or its predecessor governments;
- (3) Clarifying that the arbitration that may be required by the Communications Commissioner as a form of alternative dispute resolution be non-binding;
- (4) Clarifying that the regulatory fee charged by the Communications Commissioner be used for the administration of telecommunication regulatory duties of the Communications Division and not be subject to recoupment by a carrier through a surcharge imposed on consumers;
- (5) Specifying that certain confidential and proprietary information contained in telecommunications carriers' annual reports remain confidential to the Communications Commissioner;
- (6) Clarifying certain references to basic exchange services with regard to ratemaking and the Commissioner's authority to allow pricing flexibility for certain services;
- (7) Removing the requirement that the Communications Commissioner receive the results of certain federal and state audits;
- (8) Deleting provisions relating to the issuance of securities, issuance of voting stock, acquirement of stock of another telecommunications carrier, and the merger and consolidation of telecommunications carriers;
- (9) Removing the authorization that would have allowed certain fees paid to the Public Utilities Commission as directed by the Communications Commissioner to be used for administrative costs of the Public Utilities Commission;
- (10) Removing references to local exchange service providers with regard to the receipt of subsidies;
- (11) Removing references to broadband service providers with regard to contributions for the universal service program;
- (12) Clarifying certain references to telecommunications carriers and telecommunications common carriers and specifying that certain public utilities fees not apply to those carriers;
- (13) Clarifying provisions relating to the transfer of functions between the Public Utilities Commission, Department of Commerce and Consumer Affairs, and the Communications Commissioner;
- (14) Specifying that telecommunications carriers and telecommunications common carriers not be public utilities subject to regulation by the Public Utilities Commission;
- (15) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2524, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 286-12 Economic Revitalization & Business on H.B. No. 2653

The purpose of this measure is to:

- (1) Exempt the upgrading of existing wireless broadband facilities from state and county permitting processes; and
- (2) Require the State and counties to give under certain circumstances the final approval for new wireless infrastructure within 120 days for high-speed broadband siting and 45 days for new tower or antenna support structure permits.

The Department of Commerce and Consumer Affairs, AT&T, Verizon Wireless, and Sandwich Isles Communications, Incorporated testified in support of this measure. The Department of Transportation, Department of Business, Economic Development and Tourism, and Office of Planning testified in support of the intent of this measure. The Office of Environmental Quality Control and Department of Information Technology of the City and County of Honolulu testified in opposition to this measure. The Department of Land and Natural Resources and Hawaiian Electric Company, Hawaiian Electric Light Company, and Maui Electric Company provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing the language that specifies high-speed wireless broadband and replacing it with wireless telecommunications;
- (2) Identifying certain components of wireless telecommunications facilities that would be included in the exemption from county permitting requirements and state permitting and approval requirements;
- (3) Including language that requires the State or county agency to notify an applicant of an incomplete application;
- (4) Changing the effective date to July 1, 2012, and providing a sunset date of June 30, 2017, for the purposes of facilitating 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2653, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 287-12 Transportation/Public Safety & Military Affairs on H.B. No. 2615

The purpose of this measure is to improve the efficiency of the State Department of Transportation's Harbors Division by repealing the statutory requirement that the Department of Transportation reimburse the City and County of Honolulu for the operation and maintenance of the State fire boat to allow for more economical management and more comprehensive marine incident response and operational capabilities.

The Department of Transportation testified in support of this measure.

In 1951, harbor fire boat operations and maintenance were turned over to the City and County of Honolulu with the Department of Transportation paying for the operational and maintenance costs of the fire boat with moneys from the Harbor Special Fund. While the fire boat is an important component in responding to a landside fire in the harbor vicinity as well as participating in any marine incident response, the United States Coast Guard recently updated its marine firefighting and salvage regulations with which commercial vessel owners and operators must comply. As marine firefighting requires different training and techniques than landside structure firefighting, the Department of Transportation needs the flexibility to establish a more comprehensive response program and achieve cost savings through economies of scale and expertise of the marine response community.

Your Committees note that this measure does not cease operations of the fire boat but merely allows the Harbors Division to pursue fire boat management alternatives ranging from contracting out for management services to entering into an agreement with an existing marine casualty response organization.

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 H.B. No. 2615 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 288-12 Education on H.B. No. 1667

The purpose of this measure is to assist teachers with out-of-pocket expenses for school supplies by authorizing a state income tax credit for certain expenses paid or incurred by a teacher.

The Hawaii State Teachers Association, IMUAlliance, and three concerned individuals supported 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1667 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 289-12 Consumer Protection & Commerce on H.B. No. 2505

The purpose of this measure is to update the laws governing guaranty associations in conformity with the National Association of Insurance Commissioners' (NAIC) Property and Casualty Insurance Guaranty Association Model Act and the NAIC Life and Health Insurance Guaranty Association Model Act.

The Department of Commerce and Consumer Affairs, Hawaii Life and Disability Insurance Guaranty Association, and Hawaii Insurance Guaranty Association supported this bill. The American Council of Life Insurers submitted comments.

After careful consideration, your Committee has amended this bill by adding provisions that, among other things:

- (1) Release the Hawaii Life and Disability Insurance Guaranty Association (HLDIGA) and the reinsurer from any rights or obligations under reinsurance contracts that HLDIGA has the right to assume under certain conditions, whether for periods prior to or after the date of the order of liquidation;
- (2) Require the reinsurer, receiver, and HLDIGA to provide each other, to the extent practicable, data and records reasonably requested;
- (3) If HLDIGA does not elect to assume a reinsurance contract by the election date under certain conditions, release HLDIGA from rights and obligations, in each case for periods both before and after the date of the order of liquidation, with respect to the reinsurance contract;
- (4) When policies or annuities, or covered obligations with respect thereto, are transferred to an assuming insurer, allow reinsurance on the policies or annuities to also be transferred by HLDIGA under certain conditions;
- (5) Mandate the supersession of any law or any affected reinsurance contract that provides for or requires any payment of reinsurance proceeds, on account of losses or events that occur in periods after the date of the order of liquidation, to the receiver of the insolvent insurer or any other person;
- (6) Allow the receiver to remain entitled to any amounts payable by the reinsurer under the reinsurance contracts with respect to losses or events that occur in periods prior to the date of the order of liquidation, subject to applicable setoff provisions; and
- (7) Prevent the alteration or modification of terms and conditions of any reinsurance contract, except as otherwise provided by law.

Technical, nonsubstantive amendments were also made for the purposes of 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. 2505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2505, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 290-12 Transportation on H.B. No. 2636

The purpose of this measure is to protect the confidentiality of motor vehicle operator records by:

- (1) Requiring district courts to delete records of moving violations for which the disposition was "dismissed with prejudice" or "not guilty", or that are more than ten years old from a certified abstract beginning on December 1, 2012, and to maintain the confidentiality of information subject to deletion;
- (2) Prohibiting the traffic violations bureau of the district courts from granting access to a traffic violation record of any person without presentation of the state driver's license number or social security number of the person whose record is sought;
- (3) Exempting information related to alleged moving violations committed by commercial drivers from nondisclosure and confidentiality provisions; and
- (4) Providing civil penalties for violations of confidentiality and authorizing the Department of the Attorney General to investigate suspected violations.

Several concerned individuals testified in support of this measure. The Judiciary provided comments.

Under current law, a certified traffic abstract is required to show all alleged moving violations, no matter their disposition, and any convictions resulting therefrom. According to the Judiciary, alleged moving violations include traffic infractions and traffic crimes, as well as administrative driver's license revocation cases. As the law currently contains no time limitations for maintaining this information, the Judiciary retains and continues to report all such information in the Judiciary's active database. Your Committee has been informed that this has caused problems for individuals whose traffic infraction cases have been dismissed. This measure attempts to address this issue.

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

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 291-12 Transportation on H.B. No. 2552

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

The Disability and Communication Access Board, Department of Customer Services of the City and County of Honolulu, Policy Advisory Board for Elder Affairs, and a concerned individual testified in support of this measure. The Tax Foundation of Hawaii provided comments.

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

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. 2552 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 Takumi.

SCRep. 292-12 Agriculture on H.B. No. 1942

The purpose of this measure is to allow monies in the Pest Inspection, Quarantine, and Eradication Fund to be expended for the Electronic Importer Manifest Program and to make an appropriation for the implementation of the Program.

The Department of Agriculture, Hawaii Farm Bureau Federation, The Nature Conservancy, Coordinating Group on Alien Pest Species, and Hawaii Crop Improvement Association offered testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Appropriating \$200,000 for the implementation of the Electronic Importer Manifest Program; and
- (2) Changing the effective date to July 1, 2050, for the purposes of facilitating 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. 1942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293-12 Culture & the Arts on H.B. No. 1556

The purpose of this measure is to effectuate its title.

H.B. No. 1556 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.

One individual testified in support of this measure.

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 is in accord with the action to report out H.B. No. 1556, as amended herein, and recommends that it be recommitted to the Committee on Culture & the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1556, H.D. 1.

Signed by all members of the Committee.

SCRep. 294-12 Culture & the Arts on H.B. No. 1557

The purpose of this bill is to effectuate its title.

H.B. No. 1557 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 Culture & the Arts that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1557, as amended herein, and recommends that it be recommitted to the Committee on Culture & the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1557, H.D. 1.

Signed by all members of the Committee.

SCRep. 295-12 Agriculture on H.B. No. 280

The purpose of this bill is to effectuate its title.

H.B. No. 280 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 Agriculture that is attached to this report, your Committee is in accord with the action to report out H.B. No. 280, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 280, H.D. 1.

Signed by all members of the Committee.

SCRep. 296-12 Finance on H.B. No. 2438

The purpose of this measure is to make emergency appropriations for claims against the State or its officers or employees.

The Department of the Attorney General testified in support of this bill. The Judiciary 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. 190 to the House of Representatives, requested immediate consideration and passage of this bill.

Your Committee has amended this measure by:

- (1) Clarifying the proper name of the State Harbor Special Fund; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2438, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2438, H.D. 2.

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

SCRep. 297-12 Finance on H.B. No. 2437

The purpose of this measure is to ensure compliance with federal law by making an emergency appropriation of \$1,725,000 for fiscal year 2011-2012 to fund the voting system contract for the 2012 elections.

The Office of Elections, Office of the County Clerk of the County of Kaua'i, Office of the County Clerk of the County of Maui, Disability and Communication Access Board, and Democratic Party of Hawai'i 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. 189 to the House of Representatives, requested immediate consideration and passage 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. 2437, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 298-12 Finance on H.B. No. 2096

The purpose of this measure is to adjust the benefit amounts paid to employees from the Unemployment Insurance Trust Fund and the contribution rates for employers. Specifically, this measure:

- (1) Maintains the maximum weekly benefit amount for unemployment insurance benefits at 70 percent of the average weekly wage from January 1, 2012, until March 31, 2012, and beginning again on January 1, 2013;
- (2) Temporarily increases the maximum benefit amount for unemployment insurance benefits to 75 percent of the average weekly wage from April 1, 2012 to December 31, 2012;
- (3) Maintains the employer contribution rate amount at schedule F for calendar year 2012;
- (4) Authorizes, for one year, funds in the Employment and Training Fund to be used for the payment of interest due on Title XII advances made under section 1202(b) of the Social Security Act, as amended, to the Unemployment Compensation Fund;
- (5) Authorizes the Director of Labor and Industrial Relations to determine the employment and training assessment rate for the 2012 calendar year if any interest is due on a Title XII advance;
- (6) Specifies the amounts collected but not applied to interest payments due in 2012 remain in the Employment and Training Fund; and
- (7) Authorizes the Director of Labor and Industrial Relations to borrow moneys from the federal government to cover the insolvency of the Unemployment Compensation Fund and to use the loan proceeds only to pay unemployment benefits.

The Hawaii Island Chamber of Commerce, Hawaii Food Industry Association, ABC Stores, Monsanto Hawaii, The Chamber of Commerce of Hawaii, and a concerned individual testified in support of this measure. A concerned individual opposed this measure. The Department of Labor and Industrial Relations; ILWU Local 142; United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Business League; Stoneworks LLC; ProService

Hawaii; BB Embroidery; Retail Merchants of Hawaii; Environ Control, Inc.; Donna's Cookies Inc.; Ala Moana Dental Care; Hawaii Vision Clinic; Pomaika'i Construction; At Home Mobile Veterinary Services; Discount Hotels Hawaii; Global Technology Corporation; Hawaii Forest & Trail Ltd.; Kohala Zipline LLC; Bubbies Homemade Ice Cream and Desserts; Home Instead Senior Care; and Professional Contractors Inc., provided comments.

Your Committee acknowledges that, pursuant to section 103-6, Hawaii Revised Statutes, there was a memorandum of understanding between the Department of Labor and Industrial Relations and the Department of Budget and Finance in 2011 that essentially extended a line of credit to the Department of Labor and Industrial Relations if it was needed to address any insolvency issues of the Unemployment Compensation Fund. Should the Unemployment Compensation Fund face similar fiscal challenges due to this measure, your Committee recommends that the state's financial plan account for a potential liability of \$20,000,000.

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. 2096, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 299-12 Education on H.B. No. 2007

The purpose of this measure is to help ensure that students receive quality instructional time by:

- (1) Requiring the Department of Education to devise up to four standard bell schedules for each grade level and allowing individual schools the discretion to implement one of the available schedules; and
- (2) Repealing the general requirement that all public schools except charter schools and multi-track public schools include 1080 student instructional hours.

Two concerned individuals supported the intent of this measure. The Department of Education supported this measure with amendments. The Hawaii State Teachers Association and a concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Requiring the Department of Education to adopt the standard bell schedules for elementary, middle, and high schools, rather than for each grade level;
- (2) Amending the definition of "student instructional time" for additional clarity and specificity; 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. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2007, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 300-12 Education on H.B. No. 2816

The purpose of this measure is to support quality education in Hawaii by authorizing the issuance of special purpose revenue bonds to assist Le Jardin Academy to finance and refinance the construction, improvement, and equipping of its educational facilities.

The Hawaii Association of Independent Schools and Le Jardin Academy supported this measure. Two concerned individuals opposed this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Inserting language that will allow Le Jardin Academy additional flexibility to take advantage of economies of scale that are achievable by consolidating small bond issues into a single large transaction with potential multiple-project parties as provided by law;
- (2) Changing the effective date to July 1, 2012; 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. 2816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2816, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 301-12 Education on H.B. No. 2273

The purpose of this measure is to help protect the health and safety of student athletes by requiring the Department of Education and Hawaii High School Athletic Association to develop a concussion educational program.

The Department of Education, Department of Health, Hawaii Medical Association, Athletic Directors and Coaches Association, Keiki Injury Prevention Coalition, Hawaii Athletic Trainers Association, Hawaii Chapter of the American Physical Therapy Association, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273 and recommends that it be referred to the Committee on Finance.

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

SCRep. 302-12 Education on H.B. No. 2416

The purpose of this measure is to help develop comprehensive solutions that address the underlying causes of school absenteeism by requiring the Department of Education to establish a school attendance working group. This measure also appropriates funds to the Department of Education for the purposes of the working group.

The Office of Hawaiian Affairs and Hawaii Farmers Union United supported this measure. The Department of Education provided comments.

Your Committee has amended this bill by:

- (1) Including the chief executive officer of the Office of Hawaiian Affairs as a member of the working group; and
- (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. 2416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2416, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 303-12 Education on H.B. No. 1683

The purpose of this measure is to provide early learning opportunities in the State more efficiently by eliminating junior kindergarten beginning with the 2014-2015 school year.

The Department of Education supported this measure. BeMyVoice! Hawaii supported the intent of this measure. The Hawaii Educational Policy Center and a concerned individual opposed this measure. The Department of Human Services, Early Learning Council, Hawaii State Teachers Association, League of Women Voters-Hawaii, and 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 H.B. No. 1683 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 Saiki.

SCRep. 304-12 Education on H.B. No. 2008

The purpose of this measure is to strengthen Hawaii's charter school authority, governance, and accountability infrastructure by requiring the Board of Education to contract for an implementation and transition coordinator to assist with implementing the recommendations of the Charter School Governance, Accountability, and Authority Task Force. This measure also appropriates funds to the Department of Education to contract for the implementation and transition coordinator.

The Governor supported this measure. The Charter School Administrative Office, Hawaii Public Charter Schools Network, Hawaii Educational Policy Center, and a concerned individual supported the intent of this measure. Ho'okāko'o Corporation 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. 2008 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 305-12 Education on H.B. No. 2091

The purpose of this measure is to better prepare students for future success by directing the Department of Education to establish a three-year pilot project that implements a comprehensive assessment program for certain students in grades seven, eight, and nine. This measure also appropriates general funds to support the pilot project.

A concerned individual supported this bill. The Department of Education opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2091 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 and Saiki.

SCRep. 306-12 Education on H.B. No. 2127

The purpose of this measure is to support education within the State by extending to June 30, 2017, the lapse date of the special purpose revenue bonds authorized to assist Hawaii Preparatory Academy in Act 116, Session Laws of Hawaii 2007.

The Hawaii Association of Independent Schools, Hawaii Preparatory Academy, and several concerned individuals supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2127 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 307-12 Education on H.B. No. 2728

The purpose of this measure is to continue to support early learning in the State by permitting taxpayers to designate \$25 of their state tax refund to be deposited into the Early Learning Trust Fund.

The Early Learning Council, Hawaii State Teachers Association, Institute for Native Pacific Education and Culture, and Leadership Council of BeMyVoice! Hawaii supported this measure. The Department of Human Services supported the intent of this measure. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii provided 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2728, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 308-12 Education/Labor & Public Employment on H.B. No. 2513

The purpose of this measure is to provide the Department of Education with flexibility in the implementation of student health programs by repealing certain operational requirements established for a 1970 pilot project for health services.

The Department of Education supported this measure. The Hawaii Government Employees Association opposed 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 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. 2513, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2513, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 309-12 Education/Human Services on H.B. No. 2519

The purpose of this measure is to support early learning in the State by making an unspecified appropriation for, among other things, the Early Learning Council and the Governor's Early Childhood Coordinator to further develop and implement the components of a comprehensive early childhood system.

The Governor, Department of Education, Department of Human Services, Early Learning Council, Hawaii State Teachers Association, Special Education Advisory Council, the 17 Community Children's Councils, and a concerned individual supported this measure. The Good Beginnings Alliance provided comments.

Your Committee has amended this measure by:

- (1) Specifying an appropriation amount of \$500,000; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2519, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Chang, Saiki, Yamane and Pine.

SCRep. 310-12 Tourism on H.B. No. 2078

The purpose of this measure is to enforce transient accommodations tax compliance by requiring all advertisements and solicitations for transient accommodations to display the registration identification number for the subject property.

The Hawaii Tourism Authority, Department of Taxation, Department of Planning and Permitting of the City and County of Honolulu, and two individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Specifying that an advertisement or solicitation, including an operator-maintained website, regarding transient accommodations shall display the operator or plan manager's tax registration identification numbers;
- (2) Requiring that any advertisement or solicitation for transient accommodations shall provide contact information for an agent residing on the same island as the transient accommodations if the operator resides out-of-state or on another island; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2078, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 311-12 Hawaiian Affairs on H.B. No. 2531

The purpose of this measure is to authorize the chairman of the Hawaiian Homes Commission, with unanimous consent from the commission, to suspend administrative rules and award a homestead lease to any native Hawaiian who has been on the Hawaiian Home Lands waitlist for at least 20 years.

The Department of Hawaiian Home Lands, Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Community Association, Sovereign Mokupuni O Oahu, Nanakuli Hawaiian Homestead Community Association, Aha Moku Advisory Committee, Kuakini Hawaiian Civic Club of Kona, and several concerned individuals supported the measure. The Office of Hawaiian Affairs offered comments on the measure.

Your Committee notes that the Department of Hawaiian Home Lands testified in strong support of the measure and added that of the 21,151 residential applicants on the Hawaiian Home Lands waitlist, 6,740 have been on the waitlist for at least 20 years. The Department added that the measure targets nearly one-third of the native Hawaiians who are waiting for a lease and who may otherwise never be able to accept the lease award.

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. 2531 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 and Yamane.

SCRep. 312-12 Hawaiian Affairs on H.B. No. 2809

The purpose of this measure is to designate the month of October as "Kalo Appreciation Month."

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Community Association, Mokupuni O Oahu, Waianae Kai Homestead Community Association, Nanakuli Hawaiian Homestead Community Association and several concerned individuals supported the measure. One concerned individual opposed the 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. 2809 and recommends that it pass Second Reading and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 313-12 Energy & Environmental Protection on H.B. No. 2042

The purpose of this measure is to require that the renewable portfolio standards shall be met by requiring that renewable energy whose sources are biogas, biomass, biofuels, or hydrogen shall be locally produced.

The Blue Planet Foundation and an individual submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this measure. Windward Ahupua'a Alliance submitted testimony in support of this measure with amendments. Hawaiian Electric Co., and its subsidiary utilities Maui Electric Co., and Hawaii Electric Light Co., submitted testimony in opposition to this measure. The Public Utilities Commission and Life of the Land submitted comments on this measure.

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. 2042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2042, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 314-12 Energy & Environmental Protection on H.B. No. 2483

The purpose of this measure is to encourage collaboration and cooperation among county, state, and federal agencies, policy makers, businesses, and other community partners to plan for the impacts of climate change and avoid, minimize, or mitigate the loss of life, land, and property of future generations.

The Office of Planning of the Department of Business, Economic Development, and Tourism; The Nature Conservancy; the Sierra Club, Hawaii Chapter; Windward Ahupua'a Alliance; and four individuals submitted testimony in support of this measure. The Chamber of Commerce of Hawaii and the Building Industry Association of Hawaii submitted testimony in support of the intent of this measure.

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

As affirmed by the record of votes of the 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. 2483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2483, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 315-12 Energy & Environmental Protection on H.B. No. 2259

The purpose of this measure is to make the National Fire Protection Association's Hydrogen Technologies Code apply to all aspects of hydrogen production, storage, use, and handling in the State for stationary and portable applications.

Additionally, this measure appropriates funds to the Department of Health to administer and implement the code.

The Renewable Energy Working Group of the Hawaii Energy Policy Forum; H2 Technologies, Inc.; Select Engineering Services; RealGreen Power, Inc.; the Blue Planet Foundation; and an individual submitted testimony in support of this measure. The Department of Health submitted testimony supporting the intent of this measure. Life of the Land submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2259 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 and Nakashima.

SCRep. 316-12 Energy & Environmental Protection on H.B. No. 2484

The purpose of this measure is to continue to incentivize the use of electric vehicles and make the existing laws pertaining to electric vehicles more readily accessible to the general public by generally codifying the incentives for registration, licensing, parking, and the operation of electric vehicles which were established under Act 290, Session Laws of Hawaii 1997.

The Department of Transportation, the Department of Business, Economic Development, and Tourism, the Department of Accounting and General Services, and the Blue Planet Foundation submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Establishing a sunset date of December 31, 2019; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the language of this measure may create confusion as to whether an electric vehicle parked at an electric vehicle charging station must be actively charging to be exempt from payment of parking fees.

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. 2484, 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. 2484, H.D. 2.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 317-12 Energy & Environmental Protection on H.B. No. 2740

The purpose of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by making permanent the temporary reduction of the fuel tax on naphtha used in a power-generating facility.

The Public Utilities Commission and Kauai Island Utility Cooperative testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 318-12 Transportation on H.B. No. 2004

The purpose of this measure is to provide limited economic relief to airport concessionaires by providing the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to extend the term of the concession and to modify and amend terms of any concession lease or contract in exchange for revenue-enhancing improvements that are made or paid for by the concession.

The Department of Transportation testified in support of this measure. The Airport Concessionaires Committee, Greeters of Hawaii, Ltd., HMSHost, and Island Shoppers, Inc., testified in support of this measure with amendments. The Office of Hawaiian Affairs testified in opposition to this measure.

Although economic conditions appear to be rebounding nationally, as well as in Hawaii, the recovery is slow and precarious. While businesses throughout the islands have experienced financial difficulties, these hardships were compounded for concessions at Hawaii's airports because of security measures put into place after the attacks of September 11, 2001. These security changes restrict access to many of the airport concessions to ticketed passengers only and therefore severely restrict a concession's market share. In addition, the spiraling economy resulted in a decrease in the number of visitor arrivals, which has resulted in greater economic losses for airport concessions. Your Committee notes that as a result, the Legislature provided limited economic relief to airport concessions in the past.

Your Committee also finds that improvements at Hawaii's airports concessions have not kept pace with passenger needs and demands. A recent study by the State indicates that various areas at our public airports are lacking in concession space by as much as 40 percent. In addition, the study indicates that Hawaii's public airports are not maximizing the revenues they could be receiving from airport concession operations if additional concession spaces were provided and concession locations were also improved. These improvements reportedly would not only pay for themselves but would also generate additional revenues for Hawaii's public airports.

Responding to these needs, the Department of Transportation has begun to fast-track the addition of over 80,000 square feet of concession space at Hawaii's public airports, which will not only benefit Hawaii's public airports but also provide critical jobs and help stimulate Hawaii's economy. However, concerns have been raised that this fast-tracking of construction projects will result in hardship to existing airport concessions with inconveniences such as temporary barricades, re-routing of passengers, and temporary relocation of concession operations, among other issues. Moreover, airport concessions are currently responsible for building out their spaces and providing the fixtures and merchandise to operate their concession. The airport concessions may face additional financial hardship when asked by the Department to make and pay for improvements to these newly-added concession spaces or improved areas especially if the existing or remaining term of a concession lease, contract, or permit is too short. This measure attempts to address this issue.

Your Committee has amended this measure by clarifying that the Department of Transportation may extend, modify, alter, or amend the terms of a concession contract, as well as a concession lease or permit.

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. 2004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 319-12 Transportation on H.B. No. 2005

The purpose of this measure is to improve the effectiveness and efficiency of present security practices at Hawaii's airports and harbors by providing funding to the Department of Transportation to hire a consultant to conduct a study and make recommendations to the Department about systems and technologies the Department can implement to enhance present security practices that provide cost savings by using the latest security systems and technologies.

A concerned individual testified in support of this measure. The Department of Transportation testified in opposition to this measure.

As an island state, and one of the most isolated land masses in the world, Hawaii relies on its airports and harbors to serve as a lifeline for the transportation of people and commerce between our State and the rest of the world. Unlike most areas in the continental United States, long-distance, land based transportation of people and goods is not an option in Hawaii. As such, Hawaii's airports and harbors play a vital role in the State's economy. This is particularly true with Hawaii's primary economic driver, tourism.

As a result of the September 11th attacks on the United States, there were, and continue to be, efforts made to improve and increase security at airports and harbors nationwide. While your Committee notes that the Hawaii Department of Transportation currently works with a number of stakeholders in maintaining and enforcing security of the airports and harbors, it is critically important that the Department be proactive in seeking to ensure its use of the best and latest technology to enhance present security practices. This will help to deter and detect possible terrorist attacks and also protect Hawaii's image as a safe visitor and business destination. Your Committee also finds that in implementing the latest security technology, the Department may realize economic benefits as well, since more advanced and efficient security systems may lower security costs while maintaining appropriate security coverage.

However, your Committee understands the concerns raised regarding the spending of funds for a study to be completed during these austere economic times. Accordingly, your Committee has amended this measure by deleting the funds appropriated to hire a consultant to conduct a study and make recommendations to the Department about systems and technologies the Department can implement to enhance present security practices at lower costs. As amended, the Department, with the assistance of a security consultant if the Department so chooses, would simply be required to submit a report to the Legislature on providing the latest and best security technology at Hawaii's harbors and airports to detect and prevent terrorist activity.

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. 2005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2005, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 320-12 Transportation on H.B. No. 1791

The purpose of this measure is to increase highway safety by:

- (1) Requiring driver's license revocations of up to ten years upon a conviction of a driver of manslaughter resulting from the operation of a motor vehicle;
- (2) Requiring driver's license revocations of up to five years upon convictions for negligent homicide in either the first or second degree;
- (3) Making imprisonment of up to two years a discretionary condition of probation for manslaughter convictions; and
- (4) Clarifying that probation is an available sentence for manslaughter.

The Department of Transportation and Department of the Prosecuting Attorney of the County of Maui testified in support of this measure.

Presently, when a driver is convicted of manslaughter resulting from the operation of a motor vehicle, a court is required to revoke the driver's license to operate a motor vehicle. However, the length of time of the revocation remains unclear. Furthermore, there is no such license revocation provision for drivers convicted of negligent homicide in the first or second degree. Allowing the courts the discretion to impose license revocation periods up to a maximum revocation period would help to ensure the safety of Hawaii's roadways.

Your Committee also notes that, according to the Prosecuting Attorney of the County of Maui, current law is not clear about whether a sentence of probation is possible for a manslaughter conviction and if probation is imposed, the amount of jail time a court may impose as a condition of probation. This lack of clarity has led to courts and prosecutors throughout the State interpreting the law differently. This measure attempts to clarify this confusion.

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. 1791 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 321-12 Transportation on H.B. No. 2309

The purpose of this measure is to protect personal information while providing reasonable access to this information in certain circumstances by allowing the scanning and retention of personal information contained in a state identification card or driver's license for limited purposes.

The Retail Merchants of Hawaii and American Civil Liberties Union of Hawaii testified in support of this measure. The Office of Consumer Protection supported the intent of this measure. Verizon testified in opposition to this measure. The Consumer Data Industry Association, AT&T Services Inc., and Hawaii Automobile Dealers Association and Hawaii's Franchised New Car Dealers provided comments.

The recently increasing practice of private businesses scanning the bar codes on customer driver's licenses or state identification cards for all manner of purchases has raised privacy concerns. Hawaii driver's licenses contain bar codes with significant personal information, including name, address, date of birth, hair color, eye color, height, weight, gender, license expiration date, organ donor status, driver's license number, fingerprint, medical indicators and driver classification codes. While the collection of some of this information is a result of regulations some businesses must follow, private businesses are also able to keep and use this data for any purpose. Although the protection of a consumer's personal information is a priority for most businesses, the sheer amount of information amassed in databases increases the likelihood that personal information will be misused or stolen, leading to risks of identity theft. This measure attempts to address this issue.

However, your Committee does understand the concerns raised by certain companies and organizations regarding the adverse effects this restriction may have on certain legitimate business practices and that these organizations are currently working on proposed amendments to this measure to address their concerns. Your Committee has urged these businesses and organizations to draft language and present their amendment requests to the Committee on Judiciary should that committee decide to hold a hearing on this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 322-12 Transportation on H.B. No. 1928

The purpose of this measure is to decriminalize the refusal to submit to a breath, blood, or urine test by persons suspected of operating a vehicle under the influence of an intoxicant.

The Department of the Prosecuting Attorney of the County of Maui testified in support of this measure. Mothers Against Drunk Driving HAWAII and a concerned individual testified in opposition to this measure.

The criminalization of the refusal to submit to a breath, blood, or urine test for the use of intoxicants when an individual was suspected of operating a vehicle under the influence of an intoxicant was enacted in an attempt to encourage compliance with the request for the test. Prior to the criminalization of the refusal to submit to such a test, the law was clear that police were not required to inform an arrestee of their constitutional right to remain silent or their right to counsel for this refusal since there was no criminal penalty for refusing to submit to a such a test.

However, your Committee has been informed that the criminalization of the refusal to submit to a breath, blood, or urine test is causing serious problems with the prosecution of individuals arrested for operating a vehicle under the influence of an intoxicant. The possibility of criminal sanctions raises concerns regarding an individual's right to remain silent and to obtain counsel under the fifth and sixth amendment of the United States Constitution and several cases have already been dismissed because of this purported violation of constitutional rights. This may result in a tedious arrest and testing process, which risks evidence being lost as law enforcement waits for counsel to arrive.

While your Committee understands that there are questions and concerns raised by this measure and the effect it may have on other statutory provisions regarding the operation of a vehicle under the influence of an intoxicant, particularly Hawaii's ignition interlock program, 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. 1928 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 323-12 Transportation on H.B. No. 2453

The purpose of this measure is to consolidate the State identification program for the State of Hawaii with the driver's license program under the Department of Transportation. Specifically, this measure, among other things:

- (1) Transfers the responsibility of the program for the issuance of non-driver's identification cards for the State of Hawaii from the Department of the Attorney General to the Director of Transportation; and
- (2) Requires that the non-drivers' identification cards be issued by the examiner of drivers in each county.

The Department of Transportation, Department of the Attorney General, Department of Customer Services of the City and County of Honolulu, and a concerned individual testified in support of this measure. The Department of Human Resources Development provided comments on this measure.

In 2005, the United States Congress passed the REAL ID Act of 2005 which set forth the documentation required and procedures to be followed in issuing drivers' licenses and non-drivers' identification cards. The provisions of the REAL ID Act must be implemented by January 15, 2013. At that time, each state will only be allowed to issue one compliant card, either a driver's license or a non-driver's identification card, to a citizen. Drivers' licenses and non-drivers' identification cards that do not comply with the REAL ID Act on or after January 15, 2013, will not be recognized by federal agencies, such as the Transportation Security Administration and may not be recognized by other states. The requirements of the REAL ID Act must be implemented on a timely basis so that Hawaii's citizens are able to travel and to do business with the federal government and other states.

Hawaii is unique among the 50 states in that the counties, under the general supervision of the Director of the Department of Transportation, have been delegated the function of implementing the state driver's license program. Non-driver license identification cards are issued under the Department of the Attorney General. The consolidation of the driver's license and non-driver's identification card programs for the State of Hawaii under the Director of Transportation would be in the best interest of the people of Hawaii both from a local and national perspective. Allowing non-drivers' identification cards to be issued by the examiner of drivers of each county in the same manner that licenses are issued would provide the public with more locations to obtain a non-driver's identification card and will result in a more coordinated effort in implementing the provisions of the REAL ID Act.

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. 2453 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 Takumi.

SCRep. 324-12 Transportation on H.B. No. 2617

The purpose of this measure is to promote traffic safety by establishing a penalty for persons who violate the bumper height requirements for motor vehicles.

The Department of Transportation testified in support of this measure.

Current Hawaii law establishes bumper height requirements for motor vehicles based on a vehicle's gross vehicular weight rating and conforms with national safety standards. However, some motorists modify their vehicles in a manner that raises the bumper height to an extent that it would cause higher than normal probability of an injury in the event of a crash into the front or rear of the modified vehicle. This measure increases the safety of our roadways by addressing this situation through the application of a penalty for motorists who violate the bumper height requirements for motor vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2617 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 325-12 Transportation on H.B. No. 2800

The purpose of this measure is to aid the State in addressing its current fiscal situation while assisting the Department of Transportation with addressing state highway transportation infrastructure needs by:

- (1) Extending the increase in the rental motor vehicle surcharge tax made by Act 104, Session Laws of Hawaii 2011, for an additional five years;
- (2) Extending the suspension of the \$4.50 per day rental motor vehicle customer facility charge for an additional five years; and
- (3) Reducing the remittance of the rental motor vehicle surcharge tax to the general fund from \$4.50 to \$3.50 with \$1.00 being deposited into the State Highway Fund.

The Department of Budget and Finance testified in support of the intent of this measure. The Hertz Corporation and Avis Budget Group testified in opposition to this measure. The Department of Transportation, Department of Taxation, EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental in Hawaii, and Tax Foundation of Hawaii provided comments.

In 2011, with the State facing some of the most difficult economic periods it has ever experienced, the Legislature was forced to search for additional sources of revenue. Temporarily increasing the motor vehicle rental surcharge tax to \$7.50 per day and depositing \$4.50 of that increase into the general fund was expected to generate approximately \$60 million in general fund revenues and was deemed necessary in assisting the State in addressing its fiscal needs. In an attempt to reduce the impact this increase would have on the rental car industry, the \$4.50 rental motor vehicle customer facility charge authorized by the Legislature in 2008, which was to be used for much needed improvements to the many facilities located at Hawaii's airports that serve rental car customers, was suspended for one year.

While Hawaii's economic outlook appears brighter, the recovery is occurring at a slower than anticipated pace and according to the Department of Budget and Finance, Hawaii's projected revenue deficit could reach \$313,000,000 by fiscal year 2016. Extending the increase of the rental motor vehicle surcharge tax and depositing a portion of these funds into the general fund will provide the State with an option in balancing its general fund financial plan.

Your Committee notes that Hawaii's rental car industry plays a vital role in our most important industry, tourism, and that improvements to rental car facilities are needed to provide better service to customers renting vehicles at the State's airports. While your Committee understands the concerns raised by the rental car industry that extending the suspension of the \$4.50 rental motor vehicle customer facility charge may have an impact on making these needed improvements, the Department of Transportation has assured your Committee that alternative means of financing for these projects can be found and that they are currently working on these alternatives.

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. 2800 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 326-12 Transportation on H.B. No. 2153

The purpose of this measure is to alleviate traffic congestion on Hawaii's roadways, as well as provide a dedicated source of revenue for the maintenance of heavily used highways and roads by authorizing the Department of Transportation to establish toll roads for motor vehicle traffic in the State.

The Chamber of Commerce of Hawaii, Hawaii Transportation Association, and Building Industry Association of Hawaii testified in opposition of this measure. The Department of Transportation provided comments.

Toll roads have been used by numerous metropolitan areas around the country as a means of mitigating motor vehicle traffic and paying for repairs and maintenance of roadways that are heavily used. Your Committee finds that traffic congestion is an increasing problem on public roadways in the State and that toll roads may be a way of reducing traffic while offering a dedicated source of revenue for the maintenance of heavily used roadways and highways.

However, your Committee understands fairness issues raised regarding the establishment of tolls on roads that are the only means of access to a particular area. As such, your Committee has amended this measure by stipulating that no toll road may be constructed or designated where there is no alternative toll-free route available for public use.

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. 2153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2153, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 327-12 Higher Education/International Affairs on H.B. No. 1997

The purpose of this measure is to encourage sustainable economic growth in the State by establishing the Higher Education Export Commission within the Department of Business, Economic Development, and Tourism to promote higher education in the State as an export service.

The Department of Business, Economic Development, and Tourism and several concerned individuals supported this measure. The University of Hawaii System supported the intent of this measure. A concerned individual provided comments.

Your Committees note concerns regarding the cost implications of establishing and maintaining the Higher Education Export Commission and respectfully request the Committee on Finance to consider such implications should this measure move forward.

As affirmed by the records of votes of the members of your Committees on Higher Education and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1997, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Choy, Evans, Wooley and Marumoto.

SCRep. 328-12 Higher Education/Education on H.B. No. 2093

The purpose of this measure is to support agricultural education in the State by establishing a Center for Agricultural Leadership within the University of Hawaii and requiring the University to establish a two-year pilot project at one high school in each county to determine the steps necessary for a school farm to be food safety certified by the State Department of Agriculture.

This measure also appropriates funds to the University of Hawaii to implement this measure.

The Kohala Center and several concerned individuals supported this measure. The Department of Education supported the intent of this measure. The Hawaii Farm Bureau Federation opposed this measure. The University of Hawaii System and a concerned individual provided comments.

Your Committees find that rather than limiting the pilot project established by this bill to one high school in each county, it may be more equitable to implement the project at each of the school campuses in the State that currently maintain an active Future Farmers of America chapter. Your Committees note, however, the fiscal concerns that provisions of this measure may generate and respectfully request the Committee on Finance to consider how such provisions may be implemented should resources not be available this year.

Your Committees have amended this bill by:

- (1) Specifying that the Center for Agricultural Leadership will be established within the University of Hawaii at Hilo College of Agriculture, Forestry, and Natural Resource Management; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2093, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2093, H.D. 2.

Signed by all members of the Committee.

SCRep. 329-12 Labor & Public Employment on H.B. No. 2491

The purpose of this measure is to ensure that the Hawaii Employer-Union Health Benefits Trust Fund meets the requirements of the Government Accounting Standards Board regarding other post employment benefits trusts. Specifically, this measure authorizes the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to create a trust fund for the purpose of receiving employer contributions that will prefund post-employment health and other benefit costs for retirees and their beneficiaries.

The Department of the Attorney General, Department of Budget and Finance, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund, 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 Hawaii State Teachers Association testified in support of this measure.

A recent audit of the Hawaii Employer-Union Health Benefits Trust Fund found that the Trust Fund does not currently meet the requirements of the Government Accounting Standards Board regarding other post-employment benefits trusts. Other post employment benefits include various non-pension benefits, such as health care, which are provided to retirees. According to the Government Accounting Standards Board, other post employment benefits trusts must have the specific criteria of irrevocability of contributions, dedication of plan assets to paying benefits in accordance with the plan, and legal protection of the plan assets from creditors. While the State has taken the position that there is no requirement or obligation to pre-fund retiree health and other post-employment benefits, pre-funding these benefit liabilities through a trust meeting the Government Accounting Standards Board requirements allows a public employer to use a higher discount rate when calculating its unfunded liability, which results in a reduction in the amount of other post-employment benefits liability in the employer's financial statements.

However, it is not the intent of your Committee that this measure be construed to require public employers to make any particular level of contributions to pre-fund other post-employment benefits. As such, your Committee has amended this measure by explicitly stating that this measure is not meant to bind or require the State or counties to make any particular level of contributions to the Hawaii Employer-Union Health Benefits Trust Fund now or in the future, but only to authorize the Trust Fund to create a separate trust fund for the purpose of receiving such contributions that meets the requirements of the Government Accounting Standards Board regarding health and other post-employment benefits trusts.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2491, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 330-12 Labor & Public Employment on H.B. No. 2572

The purpose of this measure is to amend Hawaii's Civil Service Law by:

- (1) Clarifying that participants in federally funded work experience training and temporary public service employment are included in exemptions from State Civil Service; and
- (2) Allowing controlled substance abuse-related offenders to be hired in work experience training and temporary public employment provided reasonable safeguards are in place to protect employees and the public.

The Department of Labor and Industrial Relations and Department of Human Resources Development testified in support of this measure.

Under Hawaii's Civil Service Law, the filling of civil service positions must be done according to civil service recruitment procedures unless expressly exempted. These exemptions include target populations in federally funded programs who are employed in temporary state jobs as work-experience trainees. Work-experience trainees often include the long-term unemployed, welfare recipients who often lack work experience, laid-off workers with obsolete skill sets, former prison inmates, and at-risk youth without marketable skills. Your Committee finds that participants in this program gain exposure to different work environments, develop good work habits, build confidence, and enhance work skills to become productive members of society which helps the overall economic picture of the State because as these individuals get other jobs, the reliance on benefits such as unemployment insurance and welfare assistance will be lessened.

While a work-experience training program provides its participants with good work habits and skill sets that will enhance their ability to secure jobs after completion of training, your Committee notes that a person who had a criminal conviction for a controlled substance-related offense in the last three years is prohibited from being employed through this program despite the individual demonstrating their rehabilitation and their need to become a contributing member of the community after their release. Your Committee finds that a work-experience training program can be successful in transitioning these individuals back into the community and reduce their recidivism rates.

Although your Committee notes that one intent of this measure is to simply clarify the target groups that are provided with the civil service exemption provision, it is unclear whether graduate student positions that provide work-experience or work-study training and are currently filled using civil service recruitment procedures would now be exempt from this civil service requirement. Accordingly, your Committee has amended this measure by providing that graduate student positions are not covered under the exemptions provided.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2572, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 331-12 Labor & Public Employment on H.B. No. 1819

The purpose of this measure is to ensure that the Emergency and Budget Reserve Fund has adequate reserves during times of emergency, economic downturn, or unforeseen reduction in revenues while addressing the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund. Specifically, this measure:

- (1) Transfers into the Emergency and Budget Reserve Fund thirty percent of the general fund balance at the close of the fiscal year when general fund revenues for each of two successive fiscal years exceed revenue for each of the preceding fiscal years by five percent; and
- (2) Requires that thirty percent of the general funds deposited into the Emergency and Budget Reserve Fund be used to address the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund.

The Department of Budget and Finance testified in support of the intent of this measure. The Tax Foundation of Hawaii provided comments.

As the State experienced difficult economic times over the past few years, the Emergency Budget and Reserve Fund has been steadily depleted while there have been no new sources of revenue to replenish it. Your Committee also finds that the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund continues to grow and must be addressed. While developing a means to begin to address both the development of reserves and address the unfunded liability issue may be painful, your Committee finds that in times of economic prosperity, it is appropriate to divert funds from the general revenues of the State under certain circumstances to ensure that funds are available for future fiscal emergencies and to fund the State's unfunded liabilities.

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. 1819 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 332-12 Labor & Public Employment on H.B. No. 2492

The purpose of this measure is to improve the efficiency and cost effectiveness of the Hawaii Employer-Union Health Benefits Trust Fund and reduce confusion for retirees with regard to the annual adjustments of their base monthly contribution rates by changing the date that the base monthly contribution is annually adjusted from July 1 of each year to January 1 of each year.

The Department of Budget and Finance, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund, and Hawaii State Teachers Association testified in support of this measure.

Currently, a retiree's base monthly contribution is adjusted annually, every July 1, based on federal Medicare part B rate adjustments. However, Medicare part B adjustments are determined annually and are effective every January 1. Additionally, the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year is January 1 to December 31. Changing the adjustment of the base monthly contribution from July 1 of each year to January 1 of each year will align the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year and base monthly contribution rate adjustment date with the federal Medicare part B adjustment date. Your Committee finds that having only one rate change per year instead of two will be more administratively efficient for the Hawaii Employer-Union Health Benefits Trust Fund and will be less confusing for retirees.

Your Committee has amended this measure by changing the date the annual adjustment of the base monthly contribution is to commence from January 1, 2012, to January 1, 2013.

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. 2492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2492, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 333-12 Labor & Public Employment on H.B. No. 1848

The purpose of this measure is to promote more meaningful discussion during the negotiation process relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Among other things, this measure:

- (1) Repeals the prohibition of using arbitration to resolve impasses or disputes relating to state and county Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (2) Specifies that Hawaii Employer-Union Health Benefits Trust Fund and group life insurance contributions must be negotiated for active employees and retirees; and
- (3) Authorizes the arbitration panel to make a final and binding decision on Hawaii Employer-Union Health Benefits Trust Fund contributions.

The Hawaii Government Employees Association, University of Hawaii Professional Assembly, and Hawaii Firefighters Association testified in support of this measure. The Department of Budget and Fiscal Services and Department of Human Resources of the City and County of Honolulu testified in opposition to this measure. The Department of the Attorney General provided comments.

Under the current collective bargaining law for public employees there is a lack of a dispute resolution process over the contributions to the Hawaii Employer-Union Health Benefits Trust Fund. As currently written, if an employer and exclusive representative cannot agree on the contributions, then the pro-rata share shall be determined by the Legislature. However, all other negotiable items can proceed to impasse. Allowing disputes over contributions to the Hawaii Employer-Union Health Benefits Trust Fund to be resolved via the impasse procedure similar to all other negotiable items seems reasonable and fair.

Your Committee finds that broadening the scope of bargaining will promote more meaningful discussion during the negotiation process making it more likely for the parties to find a joint resolution to issues which encompass employment agreements.

Your Committee has amended this measure by:

- (1) Deleting provisions requiring negotiations over Hawaii Employer-Union Health Benefits Trust Fund and group life insurance contributions for retirees;
- (2) Stipulating that if the Legislature fails to fund negotiated or arbitrated costs items for Hawaii Employer-Union Health Benefits Trust Fund and group life insurance contributions, negotiations on all negotiable items may be reopened; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 334-12 Labor & Public Employment on H.B. No. 2766

The purpose of this measure is to ensure that Hawaii's wage and hour law is strictly enforced on public construction projects by:

- (1) Establishing the Wage and Hour for Public Works Projects Special Fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects;
- (2) Requiring state departments that receive appropriations of capital improvement project funds to transfer a percentage of those appropriations into the Special Fund;
- (3) Requiring the Department of Labor and Industrial Relations to provide an annual status report of the Special Fund to the Legislature; and
- (4) Creating additional labor law enforcement specialist III positions within the Department of Labor and Industrial Relations to enforce Hawaii's wage and hour law and appropriating funds for the positions.

The Hawaii Laborers' Union, Elevator Constructor's Union Local 126, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this measure. The Department of Labor and Industrial Relations testified in support of the intent of this measure. The Department of Transportation testified in opposition to this measure. The Department of Budget and Finance provided comments.

The State of Hawaii spends hundreds of millions of dollars each year on capital improvement projects designed to improve existing infrastructure through repair and renovation, as well as building new infrastructure needed to keep up with an increasingly modern and global society that continues to grow. During difficult economic times such as those experienced by Hawaii and the rest of the nation over the past few years, capital improvement projects help to stimulate a lackluster economy by providing employment opportunities and increasing cash flow into the economy.

However, public construction projects face issues involving adherence to wage and hour laws. Part of the reason difficulties have been faced regarding adherence to Hawaii's wage and hour laws is the lack of resources needed for such enforcement. Your Committee finds that providing a dedicated source of funding for the enforcement of Hawaii's wage and hour laws on public works projects will help to ensure that that such laws are being enforced and economic opportunities are maximized.

Nevertheless, your Committee understands the concerns raised by the Department of Transportation regarding the jeopardizing of federal funds for airport capital improvement projects. It is not the intent of your Committee that this measure be construed as revenue diversion for the Airports Division of the Department of Transportation thus jeopardizing all of the federal grants that the Division currently receives.

Your Committee has amended this measure by:

- (1) Changing the level of the additional labor law enforcement specialist from level III positions to level IV positions as public works law complaints are often complex and require a level IV specialist to investigate the complaint; and
- (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. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2766, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 335-12 Public Safety & Military Affairs on H.B. No. 2353

The purpose of this measure is to specify that the general obligation fund appropriation for fiscal years 2011-2012 and 2012-2013 for the expansion and land acquisition of burial space for the Veterans Cemetery in Makawao, Maui, also be used for planning, design, and construction.

The Oahu Veterans Council testified in support of this measure. The Office of Veterans Services testified in support of 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 is in accord with the intent and purpose of H.B. No. 2353 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 336-12 Public Safety & Military Affairs on H.B. No. 1723

The purpose of this measure is to make permanent, the general excise tax exemption for certain amounts received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third party health care providers.

The Department of Taxation; Military Officers Association of America, Hawaii Chapter; The Chamber of Commerce of Hawaii; Hawaii Medical Service Association; Oahu Veterans Council; and TriWest Healthcare Alliance Inc. testified in support of this measure. The Tax Foundation of Hawaii commented on this measure.

Your Committee notes that the TRICARE program provides health care services to active duty, reserve, and retired members of the United States uniformed services, their family members, and survivors.

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. 1723 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 337-12 Public Safety & Military Affairs on H.B. No. 1968

The purpose of this measure is to appropriate moneys out of the Reduced Ignition Propensity Cigarette Program Special Fund for one full-time administrator, one full-time assistant, and other costs to implement the reduced ignition propensity cigarette certification.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, Maui Fire Department, and an individual 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. 1968 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 338-12 Agriculture/Transportation on H.B. No. 1941

The purpose of this measure is to make an appropriation to establish agricultural inspection facilities and related infrastructure at the Honolulu International Airport, Kona International Airport, Kawaihae Harbor, Kamuela Vacuum Cooling Plant, and Honolulu Harbor.

The Department of Land and Natural Resources, Coordinating Group on Alien Pest Species, The Nature Conservancy, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Hawaii Floriculture & Nursery Association, and an individual testified in support of this measure. The Department of Agriculture testified in support of this measure with amendments. The Aloha Tower Development Corporation testified in opposition to this measure. The Department of Transportation provided comments on this measure.

Your Committees have amended this measure by:

- (1) Specifying that the total appropriation amount is \$17,000,000 with \$1,000,000 being appropriated to the Kamuela Vacuum Cooling Plant;
- (2) Changing the effective date to February 1, 2050, to facilitate further discussion; 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 Agriculture and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1941, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1941, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 339-12 Agriculture on H.B. No. 2244

The purpose of this measure is to require the Department of Agriculture to deputize private inspectors in order to have them conduct inspections in other states of articles, substances, and objects intended for import into this State.

The Nature Conservancy testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. The Hawaii Farm Bureau Federation testified in support of this measure with amendments.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Agriculture to instead establish compliance agreements with federal and state agriculture departments for inspections and monitoring in the state of origin;
- (2) Changing the effective date to July 1, 2050, for the purposes of facilitating further discussion; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2244, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 340-12 Agriculture/Economic Revitalization & Business on H.B. No. 2432

The purpose of this measure is to exempt the purchase of fresh meats, produce, animals, and plants by any governmental body from the Hawaii Public Procurement Code.

The State Procurement Office, Department of Agriculture, and an individual testified in support of this measure. Big Island Farm Bureau and Hawaii Farm Bureau Federation testified in opposition to this measure.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050, for the purposes of facilitating further discussion; and
- (2) 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 Agriculture and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2432, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2432, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 341-12 Energy & Environmental Protection/Agriculture on H.B. No. 2834

The purpose of this measure is to extend the sunset date for the Hawaii Economic Development Task Force to June 30, 2014.

The Department of Agriculture, University of Hawaii System, Blue Planet Foundation, Enterprise Honolulu, and an individual submitted testimony in support of this measure.

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. 2834 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, Brower, Carroll, Har, McKelvey, Nishimoto and Marumoto.

SCRep. 342-12 Human Services/Culture & the Arts on H.B. No. 2133

The purpose of this measure is to promote public awareness of domestic violence as a significant societal, public health, and criminal justice problem by designating October as Domestic Violence Awareness Month.

Three concerned individuals testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Culture & the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2133 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 343-12 Human Services/Health on H.B. No. 2189

The purpose of this measure is to require Medicaid home and community-based waiver programs to allow family members hired and directed by the waiver program individual to provide specific approved in-home care services to the individual.

The Hawaii Disability Rights Center supported the measure. The Department of Human Services opposed the measure. The Ohana Health Plan offered comments on the measure.

Your Committee has amended this measure by:

- (1) Adding a severability clause;
- (2) Changing the effective date to July 1, 2050, to facilitate continued discussion of the matter;
- (3) Sunsetting the measure on July 1, 2015; 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. 2189, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2189, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 344-12 Human Services on H.B. No. 2467

The purpose of this measure is to provide greater protection to children by amending the offense of promoting child abuse in the second degree to include the possession of images of any form of child pornography that involves:

- (1) A minor who is younger than the age of 12;
- (2) Sadomasochistic abuse of a minor; or
- (3) Bestiality involving a minor.

The Department of the Attorney General and two concerned individuals testified in support of this measure.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of 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. 2467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2467, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 345-12 Human Services on H.B. No. 1773

The purpose of this measure is to help secure witness presence at family court proceedings involving criminal matters by allowing family courts to require the accused to transport a witness or witnesses, including a complaining witness or witnesses, to any court proceeding under certain conditions.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support 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 is in accord with the intent and purpose of H.B. No. 1773 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 346-12 Human Services on H.B. No. 2334

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$7,000,000, to assist the Hawaii Island Community Development Corporation to finance the construction of an adult day care center in Hilo, Hawaii.

The Department of Budget and Finance provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying provisions relating to refunding special purpose revenue bonds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2334, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 347-12 Health on H.B. No. 2516

The purpose of this measure is to support early childhood health by appropriating funds to the Department of Health to:

- (1) Collect and analyze Hawaii-specific early childhood weight and obesity data;
- (2) Increase awareness of the health implications of early childhood obesity;
- (3) Promote best practices to improve healthy life choices; and
- (4) Establish a task force to develop and recommend legislation related to the prevention of childhood obesity.

The Office of the Governor, Department of Health, Hawaii Association for the Education of Young Children, and Child & Family Service testified in support of this measure. American Beverage Association and American Heart Association testified in support of the intent of this measure.

Upon consideration, your Committee has amended this measure by amending the statutory requirements of the Hawaii Early Intervention Coordinating Council to assure compliance with current federal requirements for the council. Specifically, your Committee has increased the size of the

council, prohibited voting where there is a likely conflict of interest, prohibited the member from the Department of Health from serving as chair, and increased the functions of the council. Your Committee also made technical, nonsubstantive amendments for clarity, consistency, and style.

In discussion, your Committee noted that the cost to implement the measure is \$500,000. Your Committee respectfully requests the Committee on Finance to consider this amount and the possibility of adding a member from the business sector to the Hawaii Early Intervention Coordinating Council.

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. 2516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2516, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 348-12 Health on H.B. No. 1966

The purpose of this measure is to enact a recommendation made by the task force established pursuant to Act 125, Session Laws of Hawaii 2010, to allow pharmacists to administer the influenza vaccine to persons between 14 and 17 years of age under certain conditions.

The Department of Health, Hawaii Medical Service Association, 'Ohana Health Plan, Walgreen Co., Safeway, and Times Supermarkets testified in support of this measure. An individual testified in opposition to this measure. The Board of Pharmacy commented on this measure.

Your Committee recognizes the work of the task force in determining, among other things, the feasibility of lowering the age at which vaccinations may be administered by pharmacists. While there are several states that permit pharmacists to immunize patients as young as nine years of age, your Committee notes that this measure represents a compromise resulting from the collaborative efforts of the members of the task force, representing the fields of pharmacy, pediatrics, and public health, in its recommendation to administer the influenza vaccine to persons between 14 and 17 years of age.

Your Committee has amended this measure 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1966, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 349-12 Health on H.B. No. 2555

The purpose of this measure is to keep pace with increased costs of operation, maintenance, and enhancement of the statewide vital statistics system by adjusting fees paid by the public for vital records.

The Department of Health testified in support of this measure. The Office of Hawaiian Affairs testified in opposition to this measure. The Domestic Violence Action Center and Hawaii State Coalition Against Domestic Violence provided comments.

Your Committee has amended this measure by:

- (1) Reallocating the increased fees for certified copies between the Vital Statistics Improvement Special Fund and 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2555, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 350-12 Health on H.B. No. 2567

The purpose of this measure is to adjust the fees paid by the public for marriage licenses by increasing the amount of each license from \$60 to \$100, and to use the amount of the increase to support vital statistics operations.

The Department of Health 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2567, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 351-12 Health on H.B. No. 2556

The purpose of this measure is to clarify the disposition of dead human bodies by:

- (1) Repealing the authority of the Department of Health to deliver or distribute any unclaimed dead human body to a university, hospital, or institution for medical education and research purposes; and
- (2) Setting forth the responsibilities of the person or entity that has possession, charge, or control of an unclaimed dead human body with respect to gathering and providing information to state agencies.

The Department of Health and the Department of Human Services 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2556, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 352-12 Health on H.B. No. 2732

The purpose of this measure is to promote adult head protection by creating a tax credit for the purchase of safety helmets approved for use by any person sixty-two years of age or older.

The Department of Taxation, Tax Foundation of Hawaii, and Lihue AARP Chapter 654 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. 2732 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, Jordan and Ching.

SCRep. 353-12 Health on H.B. No. 2312

The purpose of this measure is to encourage private persons to timely perform cardiopulmonary resuscitation (CPR) on a person experiencing a cardiac arrest, without hesitation due to potential liability, by clarifying that Hawaii's good Samaritan law:

- (1) Covers persons who perceive a medical emergency, as opposed to an actual life-threatening situation, when performing CPR;
- (2) Relieves from vicarious liability employers and schools that have provided CPR training programs to persons who attempt CPR in a perceived medical emergency; and
- (3) Relieves physicians and physician assistants who administer CPR training programs from liability resulting from acts involving the administration of CPR.

This measure also provides definitions for "cardiopulmonary resuscitation", "cardiopulmonary resuscitation training programs", "perceived medical emergency" and "school".

The Department of Education testified in support of this measure. The Department of the Attorney General; American Heart Association; and AED Institute of America, Inc., provided comments.

Your Committee has amended this measure by:

- (1) Clarifying terminology to distinguish the "person" who administers CPR from the "patient" who receives it;
- (2) Deleting reference to "employers and schools" in describing persons who provide for a CPR training program to avoid an unintended limited application to employers and schools;
- (3) Clarifying that CPR includes chest compressions, with or without ventilation;
- (4) Specifying that a CPR training program includes instructions providing immediate notification to emergency medical services by calling 911;
- (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. 2312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 354-12 Health on H.B. No. 1958

The purpose of this measure is to prohibit mutual benefit societies, health maintenance organizations, and dental service organizations from requiring participating provider dentists to provide services to enrolled participants at fees set by the mutual benefit societies, health maintenance organizations, and dental service organizations, except for covered services.

Hawaii Dental Association and an individual testified in support of this measure. Hawaii Medical Service Association and Hawaii Dental Service testified in opposition to the measure. The Department of Commerce and Consumer Affairs commented on the measure.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1958, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 355-12 Health on H.B. No. 2726

The purpose of this measure is to reduce pet overpopulation and support the benefits of pet population control in the State by establishing:

- (1) The Spay and Neuter Special Fund into which funds from an income tax check-off will be deposited; and
- (2) An advisory committee to assist the Department of Budget and Finance in establishing eligibility criteria and procedures for disbursement from the Spay and Neuter Special Fund.

The Humane Society of the United States, Hawaiian Humane Society, Boxer Club of Hawaii, Equine 808 Horse Rescue, Hui Pono Holoholona, Hawaii Cat Foundation, Three Ring Ranch, and numerous individuals testified in support of the measure. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii commented on the measure.

Your Committee has amended this measure by specifying that the members of the advisory committee shall serve on a voluntary basis and without compensation.

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. 2726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2726, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 356-12 Health on H.B. No. 2749

The purpose of this measure is to permit a restaurant patron to bring a dog into a restaurant under certain conditions and at the discretion of the restaurant owner or manager.

Hawaiian Humane Society and Poi Dogs & Popoki testified in support of the measure. Respiratory & Environmental Disabilities Association of Hawaii and two individuals testified in opposition to the measure. The Department of Health and the Hawai'i Civil Rights Commission commented on the measure.

Your Committee has amended this measure by:

- (1) Specifying that a restaurant that permits dogs in the restaurant shall have safety and sanitation control procedures in effect to:
 - (A) Immediately clean animal feces, urine, waste, saliva, vomitus, or other animal fluids, and properly disinfect contaminated areas and surfaces; and
 - (B) Prevent animal waste from entering food preparation areas;
- (2) Specifying that the bill's provisions shall not diminish the rights of persons with disabilities from requesting or obtaining reasonable accommodations under Chapter 489, Hawaii Revised Statutes, relating to discrimination in public accommodations; 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 H.B. No. 2749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2749, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 357-12 Health on H.B. No. 2232

The purpose of this measure is to address the circumstances under which pelvic examinations may be performed by certain health care providers and medical students on anesthetized or unconscious female patients.

The Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, Women's Coalition, Healthy Mothers Healthy Babies, the Women's Caucus of the Democratic Party of Hawaii, and several individuals testified in support of this measure. The University of Hawaii John A. Burns School of Medicine and Hawaii Medical Board commented on this measure.

Your Committee has amended this measure by:

- (1) Amending its purpose section to acknowledge that the University of Hawaii John A. Burns School of Medicine has a policy regarding pelvic examinations under anesthesia, whereby medical students must request permission to be involved in a patient's care and if a pelvic examination is planned, medical students must request permission to perform the examination; and
- (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. 2232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2232, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 358-12 Health on H.B. No. 2227

The purpose of this measure is to enable an individual with a gender designation that differs from the gender designated on the birth registrant's original birth certificate, to obtain an amended birth certificate reflecting the change.

The Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Honolulu Pride, Planned Parenthood of Hawaii, Pride at Work Hawaii, the Women's Coalition, Hawaii State Democratic Women's Caucus, and numerous individuals testified in support of the measure. Hawaii Family Forum, Hawaii Catholic Conference, and an individual commented on the measure.

In discussion, your Committee noted the distinction made between "gender" and "sex" as they relate to health and judicial considerations. Your Committee believes that further dialogue is necessary to address legal, procedural, and other issues associated with implementing the provisions in the measure.

Upon consideration, your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of drafting conventions.

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. 2227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2227, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 359-12 Health/Labor & Public Employment on H.B. No. 2374

The purpose of this measure is to transfer the Office of Language Access from the Department of Labor and Industrial Relations to the Department of Health.

The Department of Labor and Industrial Relations, Office of Language Access, Hawai'i Civil Rights Commission, Hawaii Friends of Civil Rights, Catholic Charities Hawai'i, Congress on Visayan Organizations, Filipinos for Affirmative Action, United Filipino Council of Hawaii, Nursing Advocates & Mentors, Inc., Filipino American Citizens League, Oahu Filipino Community Council, Filipino Coalition for Solidarity, Inter-Agency Council for Immigrant and Refugee Services, Office of Language Access Advisory Council, Hawaii Interpreter Action Network, and the National Federation of Filipino American Associations Region 12 testified in support of this measure. The Department of Health testified in support of the intent of this measure. The Department of Human Resources Development provided 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 H.B. No. 2374 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, C. Lee, M. Lee, Saiki, Souki and Wooley.

SCRep. 360-12 Judiciary on H.B. No. 2361

The purpose of this measure is to transfer debt collection efforts to the Attorney General for all executive departments, with the exception of the University of Hawaii, for accounts delinquent for more than ninety days.

The Department of the Attorney General and Department of Taxation provided comments on this measure.

Your Committee has amended this measure by:

- (1) Adding the Department of Taxation as another executive department for whom the Department of the Attorney General will not pursue collections; 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. 2361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2361, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 361-12 Judiciary on H.B. No. 1779

The purpose of this measure is to assist the Department of the Prosecuting Attorney of the City and County of Honolulu with accomplishing its mission more effectively by appropriating grant-in-aid funds for:

- (1) Its Career Criminal Prosecution Unit;
- (2) Prosecuting drug court cases;
- (3) Hawaii's Opportunity Probation with Enforcement Program; and
- (4) The Victim Witness Assistance Program.

The Crime Victim Compensation Commission, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, The Sex Abuse Treatment Center, and a concerned individual testified in support of this measure.

Your Committee has amended this measure by changing:

- (1) All appropriation amounts to unspecified sums; and
- (2) 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. 1779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1779, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 362-12 Judiciary on H.B. No. 1789

The purpose of this measure is to assist the Department of the Prosecuting Attorney of the County of Maui with accomplishing its mission more effectively by appropriating funds for the Career Criminal Prosecution Program.

The Department of the Prosecuting Attorney of the County of Maui and the Maui County Police Department testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of 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. 1789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1789, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 363-12 Consumer Protection & Commerce/Judiciary on H.B. No. 2375

The purpose of this measure is to provide additional protections for Hawaii consumers from persons who prey on homeowners who face property foreclosures from mortgage liens or other encumbrances by:

- (1) Establishing the Mortgage Rescue Fraud Prevention Special Fund;
- (2) Imposing criminal penalties on persons who violate certain provisions of the Mortgage Rescue Fraud Prevention Act; and
- (3) Making conforming amendments.

The Office of Consumer Protection, Hawaii Credit Union League, Hawaii Association of REALTORS, and a concerned individual supported this measure. The Hawaii Financial Services Association and a concerned individual supported the intent of this bill. The Department of Budget and Finance submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2375 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, Carroll, Coffman, Ito, Souki and Fontaine.

SCRep. 364-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2250

The purpose of this measure is to establish and appropriate funds for an emergency environmental workforce to provide short-term employment for individuals who are unemployed or underemployed due to the slow economic recovery so as to assist the State's efforts to protect watersheds and eradicate invasive species.

Alexander & Baldwin testified in support of this measure. The Research Corporation of the University of Hawaii and the Coordinating Group on Alien Pest Species testified in support of the intent of this measure. The Department of Land and Natural Resources and The Nature Conservancy opposed this measure.

Your Committees have amended this measure by 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 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. 2250, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2250, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 365-12 Water, Land, & Ocean Resources on H.B. No. 2462

The purpose of this measure is to clarify that the State and the counties do not have a duty to warn of dangerous natural conditions on "improved public lands" that:

- (1) Are part of the park system, if the land is unimproved and not maintained by the State or county; or
- (2) Are "voluntary trails" that are created by users and are not part of the statewide trail and access system.

The Department of Land and Natural Resources, Department of the Attorney General, and the City and County of Honolulu provided testimony in support of this measure. The Hawaii Association for Justice provided testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2020, for the purpose of facilitating 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2462, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 366-12 Water, Land, & Ocean Resources on H.B. No. 2588

The purpose of this measure is to authorize the Department of Land and Natural Resources to assume control of and remove a vessel grounded on a coral reef or in danger of breaking up if the owner of the vessel cannot remove it within 24 hours of the grounding.

The Department of Land and Natural Resources provided testimony in support of this measure. The Ocean Tourism Coalition provided testimony in support of this measure with amendments.

Your Committee has amended this measure by allowing a vessel owner to remain as the primary agent for salvaging the vessel after 24 hours has passed if:

- (1) The owner provides proof of having a marine insurance policy listing the State as an additional insured with coverage in an amount of at least \$1,000,000; and
- (2) The owner produces evidence showing that salvage efforts are already underway and that the vessel can be saved within a reasonable amount of time as approved by the Department of Land and Natural Resources.

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

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. 2588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2588, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 367-12 Water, Land, & Ocean Resources on H.B. No. 2822

The purpose of this measure is to reduce the risk of failure of dams and reservoirs to protect the health, safety, and welfare of the residents of Hawaii by appropriating \$1,000,000 for fiscal year 2012-2013 for staffing and operating expenses for the Department of Land and Natural Resources' Dam Safety Office.

The Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; the Land Use Research Foundation of Hawaii; and the Hawaii Farm Bureau Federation submitted testimony in support of this measure. The Department of Land and Natural Resources submitted testimony in support of the intent 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. 2822 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 368-12 Education on H.B. No. 1986

The purpose of this measure is to help preserve and perpetuate the Hawaiian language by requiring that specified assessments administered to students in grades three and four of the Department of Education's Hawaiian Language Immersion Program be developed originally in the Hawaiian language.

The Office of Hawaiian Affairs; the local school board of Ke Kula 'o Samuel M. Kamakau, K-12 Laboratory Public Charter School, Ka 'Umeke Kā'eo Hawaiian Immersion Public Charter School, Association of Hawaiian Civic Clubs, and many concerned individuals 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 H.B. No. 1986 and recommends that it be referred to the Committee on Finance.

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

SCRep. 369-12 Education/Labor & Public Employment on H.B. No. 2010

The purpose of this measure is to strengthen Hawaii's charter school authority, governance, and accountability infrastructure by establishing a new chapter in the Hawaii Revised Statutes governing charter schools based on the recommendation of the Charter School Governance, Accountability, and Authority Task Force.

The Governor, Office of Hawaiian Affairs, and a concerned individual supported this measure. The Board of Education, Charter School Administrative Office, Hawaii Public Charter Schools Network, Hawaii Government Employees Association, Hawaii Technology Academy, and a concerned individual supported the intent of this measure. The Hawaii State Teachers Association opposed this measure. The State Procurement Office, Hawaii State Ethics Commission, Kamehameha Schools, and Hawaii Educational Policy Center provided comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2010 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 370-12 Education/Labor & Public Employment on H.B. No. 2527

The purpose of this measure is to help improve the public education system in the State by requiring the Department of Education to, among other things:

- (1) Include additional specified performance indicators in the annual statewide assessment program required under Act 51, Session Laws of Hawaii 2004;
- (2) Include an evaluation of effectiveness for individual educators, including teachers and educational officers, in the accountability system required under Act 51, Session Laws of Hawaii 2004; and
- (3) Establish annual performance ratings, using at least four performance levels, based on an evaluation of individual educator effectiveness.

The Governor, Department of Education, and three concerned individuals supported this measure. Two concerned individuals supported the intent of this measure. IMUAlliance and numerous concerned individuals opposed this measure. The Hawaii State Teachers Association and several concerned individuals provided comments.

Your Committees have amended this measure by:

- (1) Changing the purpose language section and adding additional purpose language to reflect amendments made to the bill;
- (2) Amending language that establishes an evaluation system for teachers and educational officers and its criteria for clarity and organization;
- (3) Repealing the requirement of an evaluation of student safety and well-being, civic responsibility, and stakeholder satisfaction;
- (4) Requiring that the two highest performance levels used to rate teachers and educational officers be "highly effective" and "effective";
- (5) Establishing minimum requirements for teachers and principals to achieve an "effective" rating;
- (6) Requiring that teachers and educational officers be rated "effective" or higher on their annual evaluation to receive certain specified incentives provided by local communities;
- (7) Permitting incentives to be given to retain teachers and educational officers in schools designated as high need by the Department of Education;
- (8) Permitting teachers rated "effective" or higher on their annual evaluation to receive certain specified incentives established by the Board of Education;
- (9) Authorizing the Board of Education to develop incentives to reward teachers and educational officers who meet or exceed certain performance goals;
- (10) Requiring that all teachers entering the service of the Department of Education for the first time serve a probationary period of three years, with an extension to a total of five years, with specified conditions; and
- (11) 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. 2527, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2527, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 371-12 Labor & Public Employment on H.B. No. 2711

The purpose of this measure is to provide wage protection to employees of public contractors by requiring the contractors to:

- (1) Pay their employees wages that provide an annual income equal to the poverty guidelines for Hawaii published by the United States Department of Health and Human Services, or a greater amount; and
- (2) Allow their employees to have access to and join labor organizations.

The Hawaii Laborers' Union, United Public Workers, AFSCME, Local 646, AFL-CIO, ILWU Local 142, and two concerned individuals testified in support of this measure. The Chamber of Commerce of Hawaii, Associated Builders and Contractors Hawaii Chapter, General Contractors Association of Hawaii, and Building Industry Association of Hawaii testified in opposition to this measure. The Department of Labor and Industrial Relations provided comments.

While employees of federal contractors have been provided wage protections since 1965 with the enactment of the McNamara-O'Hara Service Contracts Act, which required minimum wages to be paid on certain federal contracts, your Committee finds that service employees of contractors with state or county contracts are afforded no such protections. Although current Hawaii law expressly states that contracted services to be rendered shall be

performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, the law also exempts nearly all employees who might possibly benefit from the law and lacks sufficient enforcement provisions.

Your Committee finds that service employees of contractors with state or county contracts require greater wage protection and that contractors doing business with the State or counties and receiving taxpayer monies for public projects should provide a living wage to their employees.

Your Committee has amended this measure by:

- (1) Clarifying that compliance with state government labor laws is specific to Hawaii State government labor laws;
- (2) Deleting the provision stipulating the Department of Labor and Industrial Relations as an enforcement agency over contracts for services as the Department does not enforce the terms and conditions of such contracts;
- (3) Deleting the provision that prohibits a contractor from making any act or statement that directly or indirectly states or implies the contractor's preference or non-preference for the unionization of its employees, or for recognizing any bona fide labor organization as the exclusive representative of its employees, if at any time during the contract period a labor organization or an employee of the contractor seeks to organize the contractor's employees;
- (4) Inserting a statutory reference to the streamlined union certification process that currently exists in Hawaii law in the provision that requires the Director of Labor and Industrial Relations to select a neutral party to conduct a review of employee authorization cards;
- (5) Inserting a savings clause; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2711, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 372-12 Labor & Public Employment on H.B. No. 2102

The purpose of this measure is to work towards addressing the ever increasing costs of retiree health benefits paid by State and county employers thus reducing the burden on taxpayers by eliminating Medicare part B reimbursements for employee beneficiaries and spouses of employee beneficiaries hired after June 30, 2012.

The Department of Budget and Finance, Department of Budget and Fiscal Services of the City and County of Honolulu, and Department of Human Resources of the City and County of Honolulu testified in support of this measure. The Hawaii Government Employees Association, Hawaii State Teachers Association, University of Hawaii Professional Assembly, IMUAlliance, and Hawaii Fire Fighters Association testified in opposition to this measure.

Increased health care costs have had a tremendous impact on public sector employers, and thus, the taxpayer. Currently, the State is facing a \$14 billion unfunded liability for other post employment benefits and facilitating the sustainability of benefits under the Hawaii Employer-Union Health Benefits Trust Fund. Your Committee finds that benefit costs overall have become unsustainable and tough decisions have to be made today so that even more drastic measures do not need to be taken in the future.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2102 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 373-12 Labor & Public Employment on H.B. No. 2439

The purpose of this measure is to ensure that all qualifying public employees of the State and counties are provided health insurance by defining "credited service" and clarifying the definitions of "employee" and "part-time, temporary, and seasonal or casual employee" under the Hawaii Employer-Union Health Benefits Trust Fund.

No testimony was received on this measure.

Your Committee finds that this measure appears to be a housekeeping measure to align statutory language with current practices of the Hawaii Employer-Union Health Benefits Trust 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. 2439 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, Luke and Saiki.

SCRep. 374-12 Transportation/Public Safety & Military Affairs on H.B. No. 2071

The purpose of this measure is to promote highway safety by:

- (1) Requiring a driver who is passing a stationary vehicle that appears to be disabled to:
 - (A) Vacate the lane closest to the stationary vehicle when driving on a highway with two or more lanes traveling in the direction of the stationary vehicle, if it is safe to do so, and continue to travel in that lane until safely clear of the vehicle; or
 - (B) Slow to a specified safe speed; and
- (2) Making it a petty misdemeanor to fail to move over to a vacant lane or to slow down.

The Honolulu Police Department and several concerned individuals testified in support of this measure. The Department of Transportation testified in opposition to this measure.

Tragically, two Honolulu Police officers lost their lives in traffic incidents over the past six months after being struck by motor vehicles while assisting motorists. Although these tragedies often involve public safety personnel, anyone who is stalled on a roadway may face similar dangers. While your Committees note that this measure may not completely prevent this type of tragedy from occurring, it will raise awareness among motorists and may save a life.

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 H.B. No. 2071 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki and Takai.

SCRep. 375-12 Judiciary on H.B. No. 1695

The purpose of this measure is to utilize new rules for tax collection from taxpayers who incur numerous penalties. Specifically, this measure incorporates the anti-stacking fairness provisions included in the federal Internal Revenue Code by prohibiting additional penalties for:

- (1) Wilful failure to collect and pay taxes;
- (2) Substantial understatements or misstatements on tax returns; and
- (3) Erroneous claims for refund or credit on tax returns.

Chun, Kerr, Dodd, Beaman & Wong, A Limited Liability Law Partnership and one individual testified in support of this measure. The Department of Taxation 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1695 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 and Coffman.

SCRep. 376-12 Judiciary on H.B. No. 2559

The purpose of this measure is to allow the Department of Health to conduct multidisciplinary and multiagency mortality reviews in order to reduce the number of preventable deaths involving persons with developmental or intellectual disabilities.

The Department of Health and the State Council on Developmental Disabilities testified in support of this measure.

The Department of Health testified that the Government Accountability Office recommended to the Centers for Medicare and Medicaid Services that states be encouraged to conduct mortality reviews to address quality of care concerns.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2559, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 377-12 Judiciary on H.B. No. 2614

The purpose of this measure is to assist the Department of Transportation's Harbors Division in addressing the management and operations of its commercial harbor facilities by, among other things:

- (1) Establishing that citations for non-criminal violations issued by enforcement officers or harbor agents shall be adjudicated through an administrative hearing process;
- (2) Stipulating that fines and penalties for non-criminal matters are to be deposited into the Harbor Special Fund;

- (3) Removing jurisdictional references to recreational properties, properties used for the landing of fish, and Kewalo Basin as Kewalo Basin is currently under the jurisdiction of the Hawaii Community Development Authority;
- (4) Clarifying that citations and violations for traffic code and other criminal statutes shall be issued by law enforcement officers conferred with police powers by the Director of Transportation; and
- (5) Requiring commercial harbor tenants and users who violate any federal maritime transportation security law or rule that results in the Department of Transportation being assessed a fine by the United States Coast Guard to reimburse the Department of Transportation for the fine.

The Department of Transportation 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. 2614, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 378-12 Judiciary on H.B. No. 2475

The purpose of this measure is to encourage participation in state and county board meetings statewide by allowing interactive conference technology to be used at meetings of state and county boards.

The Department of the Attorney General; Department of Business, Economic Development, and Tourism; Office of Information Management and Technology; Office of Information Practices; The Chamber of Commerce of Hawaii; BIA-HAWAII; and a concerned individual testified in support of this measure. Hawaii Strategic Development Corporation and High Technology Development Corporation testified in support with amendments to this measure.

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. 2475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2475, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 379-12 Judiciary on H.B. No. 1708

The purpose of this measure is to allow licensed physicians, psychiatrists, and psychologists to use telemedicine to conduct emergency examinations of patients at psychiatric facilities; provided that a health care professional is present in the room with the patient during the examination.

The Department of Health and Hawaii Medical Association testified in support of this measure. The Office of the Public Defender testified in opposition to the measure.

Your Committee is mindful that examinations under this bill could result in the involuntary commitment of a person.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the emergency examination by telemedicine shall be limited to cases of geographically remote facilities with no immediate access to a licensed physician, psychiatrist, or psychologist; and
- (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. 1708, 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. 1708, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 380-12 Judiciary on H.B. No. 2436

The purpose of this measure is to allow the Comptroller's designee to serve as chair of the Information Privacy And Security Council.

The Department of Accounting and General Services testified in support of this measure. Both the Acting Executive Director of the Information Privacy and Security Council and the Office of Information Management and Technology supported the overall intent of this bill but recommended that the Chief Information Officer be the chair instead of the Comptroller.

Accordingly, your Committee has amended this measure by:

- (1) Designating the Chief Information Officer or that officer's designee as the chair of the Information Privacy and Security Council, instead of the Comptroller;
- (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. 2436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2436, 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 Thielen.

SCRep. 381-12 Housing on H.B. No. 2478

The purpose of this measure is to assist Hawaii residents in obtaining affordable housing by increasing the Hula Mae multifamily revenue bond authorization to \$750,000,000.

The Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Office of Hawaiian Affairs; and Hawaii Association of REALTORS 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2478, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 382-12 Housing on H.B. No. 2736

The purpose of this measure is to extend the prohibition of promoting a controlled substance in, on, or near schools, school vehicles, or public parks to include public housing projects and complexes.

The Hawaii Public Housing Authority, Honolulu Police Department, and an individual testified in support of this measure. The Drug Policy Forum of Hawaii testified in opposition to 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. 2736 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 383-12 Housing on H.B. No. 1398

The purpose of this measure is to encourage joint ventures with private parties for the development of public housing by:

- (1) Authorizing the Hawaii Public Housing Authority to develop public housing projects under a partnership or development agreement with a private entity;
- (2) Exempting the Hawaii Public Housing Authority from Chapter 103, Hawaii Revised Statutes, relating to the expenditure of public money and contracts, and Chapter 103D, Hawaii Revised Statutes, relating to the Hawaii Procurement Code, if not prohibited by federal law or regulation; and
- (3) Requiring the Hawaii Public Housing Authority to submit an annual report to the Legislature prior to the convening of each regular session on the status of all public housing projects being developed using partnership or development agreements.

Hawaii Public Housing Authority testified in support 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. 1398 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 Thielen.

SCRep. 384-12 Housing on H.B. No. 1883

The purpose of this measure is to prohibit planned community associations from charging a member a late fee for association dues that are more than ten percent of the member's dues in arrears, provided the member's arrearage is for 30 days or less.

Several individuals testified in support of this measure. Community Associations Institute – Hawaii Chapter, Villages of Kapolei Association, Mililani Town Association, and several individuals testified in opposition to 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. 1883 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 385-12 Housing on H.B. No. 2143

The purpose of this measure is to make the nomination process more flexible for filling resident member vacancies on the Hawaii Public Housing Authority Board of Directors by allowing for a minimum of three individuals but no more than five individuals on the list of nominees for the resident member seat.

The Hawaii Public Housing Authority testified in support 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. 2143 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 Thielen.

SCRep. 386-12 Housing on H.B. No. 1794

The purpose of this measure is to broaden the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities, neighborhood watch, or a police officer.

The Hawaii Public Housing Authority and an individual testified in support of this measure. The Honolulu Police Department testified in support of the intent of this measure. The American Civil Liberties Union of Hawaii testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the offense applies to state low-income public housing projects and federal low-income public housing projects; and
- (2) Limiting to only housing authorities the entities that may give a warning or request to leave.

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. 1794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1794, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 387-12 Housing on H.B. No. 1971

The purpose of this measure is to lower the income threshold relating to affordable housing from 140 percent to 100 percent of the median family income.

A member of the Hawaii County Council testified in support of this measure. The Hawaii Housing Finance and Development Corporation, Office of Housing of the City and County of Honolulu, and the Hawaii Association of REALTORS testified in opposition to this measure.

Your Committee has amended this bill by changing the income threshold relating to affordable housing to 120 percent of the median family income.

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. 1971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 388-12 Water, Land, & Ocean Resources on H.B. No. 1950

The purpose of this measure is to require those who wish to access private land for hunting or other legitimate purposes to obtain written permission from the landowner.

The Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; W.H. Shipman Limited; Island Princess Macadamia Nut Company; and an individual testified in support of this measure. The Department of Land and Natural Resources and the Office of Hawaiian Affairs opposed this measure.

Your Committee has amended this measure by:

- (1) Providing further clarification of when written permission is required; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1950, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 389-12 Water, Land, & Ocean Resources on H.B. No. 2420

The purpose of this measure is to promote the substantial rehabilitation of certified historical structures by establishing a:

- (1) Tax credit for qualifying substantial rehabilitation expenses of historic structures; and
- (2) Historic preservation revolving fund.

The Historic Hawaii Foundation testified in support of this measure. The Department of Land and Natural Resources, Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii commented on this measure.

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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2420, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 390-12 Water, Land, & Ocean Resources on H.B. No. 2819

The purpose of this measure is to require the Hawaii Community Development Authority to determine the costs and benefits of selling and purchasing certain properties within the Kakaako Community Development District.

The Hawaii Community Development Authority commented on this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2020, for the purpose of facilitating future 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. 2819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2819, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 391-12 Water, Land, & Ocean Resources on H.B. No. 2881

The purpose of this measure is to implement the Office of Planning's recommendations by authorizing and appropriating funds for the development of a statewide system of greenways and trails in two phases.

The Outdoor Circle, PBR Hawaii & Associates, Inc., and four individuals testified in support of this measure. The Office of Planning of the Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. Windward Ahapuaa Alliance testified in support of this measure with amendments.

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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2881, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 392-12 Water, Land, & Ocean Resources on H.B. No. 2883

The purpose of this measure is to require the Department of Land and Natural Resources to conduct a flood study for Makaha Valley on the island of Oahu and to appropriate funds for that study.

Six individuals testified in support of this measure. The Department of Land and Natural Resources provided comments on this measure.

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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2883, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 393-12 Consumer Protection & Commerce on H.B. No. 1688

The purpose of this bill is to protect motorists in Hawaii by increasing the required minimum liability insurance coverage amount for bodily injury.

The Hawaii Association for Justice supported this bill. The Hawaii Insurers Council; State Farm Insurance Companies; and EAN Holdings, LLC, opposed this measure. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1688, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and McKelvey.
(Representative Thielen voted no.)

SCRep. 394-12 Consumer Protection & Commerce on H.B. No. 1945

The purpose of this measure is to support agriculture in Hawaii by:

- (1) Authorizing the Public Utilities Commission (PUC) to establish preferential rates for public utility services that are used by ratepayers for agricultural activities on land within agricultural districts; and
- (2) Allowing a public utility to provide to customers preferential rates for any public utility service, including potable water, electricity, and freight transport, to be used for agricultural activities on lands within an agricultural district, subject to the PUC's approval.

The Hawaii Farm Bureau Federation, Hawaii BioEnergy, and Young Brothers supported this bill. The Department of Agriculture supported the intent of this measure. The PUC submitted comments.

After careful consideration, your Committee has amended this bill by deleting the operative provisions of this measure and authorizing the PUC instead to provide preferential water carrier service tariffs for ratepayers that engage in agricultural activities.

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. 1945, 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. 1945, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 395-12 Consumer Protection & Commerce on H.B. No. 2490

The purpose of this measure is to provide electric utilities in Hawaii with a method for mitigating imputed debt associated with long-term power-purchase agreements.

The Public Utilities Commission, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Blue Planet Foundation, and ILWU Local 142 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2490, 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. 2490, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 396-12 Consumer Protection & Commerce on H.B. No. 2499

The purpose of this bill is to establish a more flexible fee structure to reflect changes in the regulatory environment and the ongoing monitoring of the financial-services industry.

The Division of Financial Institutions of the Department of Commerce and Consumer Affairs supported this bill. The Hawaii Bankers Association and Hawaii Financial Services Association opposed this measure.

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

- (1) Eliminating the authority of the Commissioner of Financial Institutions to establish, increase, decrease, or repeal various fees by rule;

- (2) Changing the effective date to July 1, 3000, to encourage further discussion; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2499, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 397-12 Consumer Protection & Commerce on H.B. No. 2500

The purpose of this bill is to enhance regulation of money transmitters, including their involvement with home mortgages, in order to protect Hawaii consumers by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to increase involvement with the Nationwide Mortgage Licensing System;
- (2) Increasing the nonrefundable application fee that a money transmitter must pay;
- (3) Raising the license-renewal fees that money transmitters must pay, based on the number of annualized money transmissions;
- (4) Increasing the nonrefundable application fee that a money transmitter must pay to the Commissioner to change its name, fictitious name, or trade name;
- (5) Raising the nonrefundable application fee that a money transmitter must pay to the Commissioner to request approval of a proposed change of control of the money transmitter;
- (6) Increasing the amount of the fine that the Commissioner may assess against a person who violates Chapter 489D, Hawaii Revised Statutes (HRS) (pertaining to money transmitters);
- (7) Allowing the Commissioner to adopt rules pursuant to Chapter 91, HRS, as the Commissioner deems necessary for administration and enforcement purposes; and
- (8) Authorizing the Commissioner to raise or lower any fee by rule and to establish new fees by rule.

The Department of Commerce and Consumer Affairs supported this bill.

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

- (1) Removing the Commissioner's authority to raise by rule the nonrefundable application fee that a money transmitter must pay to the Commissioner to change its name, fictitious name, or trade name;
- (2) Prohibiting the Commissioner from raising or lowering any fee by rule or from establishing new fees by rule;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 398-12 Consumer Protection & Commerce on H.B. No. 2525

The purpose of this bill is to provide the Hawaii Public Utilities Commission (PUC) with the necessary authority to implement state electric reliability standards and oversee grid access and interconnection issues. Furthermore, the measure allows the PUC to contract with an entity, designated as the Hawaii Electricity Reliability Administrator, to perform critical-reliability and grid-oversight functions.

The Office of the Governor, Department of Business, Economic Development, and Tourism, Solar Energy Industries Association, Sierra Club – Hawaii Chapter, Blue Planet Foundation, ILWU Local 142, Hawaii Solar Energy Association, and Life of the Land supported this bill. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported the intent of this measure. The PUC submitted comments.

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

- (1) Re-defining "ancillary services";
- (2) Clarifying the role of the Hawaii Electricity Reliability Administrator (HERA) in enforcing and ensuring compliance with the electric-reliability law;

- (3) Expanding the kinds of appropriate and reasonable costs recoverable by a utility under the Hawaii Electricity Reliability Surcharge to include interconnection studies and other analyses associated with studying the impact of necessary infrastructure and operational requirements needed to reliably interconnect a generator;
- (4) Specifying that the HERA contracted for by the PUC must satisfy the qualification requirements established by the PUC;
- (5) Making conforming amendments; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2525, 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. 2525, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 399-12 Consumer Protection & Commerce on H.B. No. 2526

The purpose of this bill as received by your Committee is to improve telecommunications services for Hawaii consumers by:

- (1) Requiring cable operators, telecommunications carriers, and telecommunications common carriers to submit to the Department of Commerce and Consumer Affairs (DCCA) statements and periodic reports that contain specified information, including the location of all data centers, peak capacity of telecommunications networks, average overall network availability, peak bandwidth use, peak capacity of each internet connection, average network availability of each internet connection, and corporate financial data; and
- (2) Providing for the confidentiality of the information submitted by telecommunications providers to DCCA.

Your Committee held a public hearing on and deferred action on this bill. Subsequently, your Committee held another public hearing on a Proposed House Draft 1 (Proposed H.D. 1) of this measure. Prior to the public hearing, the Proposed H.D. 1 was circulated for public review and comment.

The purpose of the Proposed H.D. 1 is to expand the availability of broadband internet access for Hawaii consumers by:

- (1) Requiring cable operators, telecommunications carriers, and telecommunications common carriers that provide broadband internet service to submit to DCCA periodic informational reports that contain specified information, such as the availability and pricing of broadband service over the most recent 30-day period, detailed by the address or tax map key number of their customers, without any other personal or private information; and
- (2) Providing for the confidentiality of the information submitted by such telecommunications providers to DCCA.

DCCA; the Department of Business, Economic Development, and Tourism; and Sandwich Isles Communications, Inc., supported the Proposed H.D. 1. Hawaiian Telcom, AT&T, tw telecom of hawaii lp, and Verizon Wireless opposed the Proposed H.D. 1. T-Mobile submitted comments.

Your Committee notes that concerns were raised during the public hearing that particular provisions of the Proposed H.D. 1 might invade a customer's personal privacy.

After careful consideration, your Committee has further amended the Proposed H.D. 1 by:

- (1) Changing the effective date to January 1, 3000, to encourage 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2526, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and McKelvey.
(Representative Thielen voted no.)

SCRep. 400-12 Transportation on H.B. No. 2613

The purpose of this measure is to assist the Harbors Division of the Department of Transportation in more efficiently implementing needed maritime projects by exempting submerged lands within the State commercial harbors system from the permit and site plan approval requirements as they relate to submerged lands contained within a conservation district.

The Department of Transportation and Land Use Research Foundation of Hawaii testified in support of this measure. The Office of Hawaiian Affairs and Historic Hawai'i Foundation testified in opposition to this measure. The Building Industry Association of Hawaii provided comments.

As an island state, and one of the most isolated land masses in the world, Hawaii relies on its harbors to serve as a lifeline for the transportation of goods between our State and the rest of the world with approximately 98 percent of goods imported into Hawaii passing through the State's commercial harbors annually. Unlike most areas in the continental United States, long-distance, land-based transportation of goods is not an option in Hawaii. As such,

significant impacts to facility operations and delivery of goods can occur if necessary capital projects are not completed or harbor facilities are not maintained or rehabilitated in a timely manner due to permit delays.

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. 2613 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 M. Lee.

SCRep. 401-12 Transportation on H.B. No. 2609

The purpose of this measure is to promote highway safety by prohibiting a person from operating a commercial motor vehicle without a commercial driver's license in the driver's possession or while texting.

The Department of Transportation, Honolulu Police Department, Hawaii Transportation Association, and a concerned individual testified in support of this measure. The Alliance of Automobile Manufacturers and General Motors, LLC, provided comments.

Commercial motor vehicle operators are governed by a number of transportation requirements and regulations that are more stringent than those faced by drivers of regular motor vehicles. This is due in part to the nature of the profession of driving a commercial motor vehicle since these drivers are often operating vehicles that are much larger and more complex than an ordinary motor vehicle. Recent changes to Federal Motor Carrier Safety Regulations have made driving without a commercial driver's license in the possession of the driver and texting while driving a commercial motor vehicle, serious traffic violations. The failure to amend Hawaii's commercial motor vehicle laws to comply with these new federal regulations prior to October 28, 2013, could be devastating to Hawaii resulting in the loss of approximately \$5,500,000 of federal-aid highway funds (based on fiscal year 2011 funding) for the first year of non-compliance and \$10,900,000 per year thereafter.

However, your Committee finds that mobile electronic devices in general, not just texting, provide distractions for drivers of commercial motor vehicles and compromise highway safety. As such, your Committee has amended this measure by:

- (1) Inserting language that increases the scope of the prohibition of the use of electronic mobile devices by commercial drivers, in addition to texting;
- (2) Providing exceptions to this prohibition for the sole purpose of making a "911" emergency communication;
- (3) Providing exemptions from the prohibition for certain drivers;
- (4) Deleting the definition of "electronic device";
- (5) Adding definitions for the terms "emergency responders", "fleet vehicle", "mobile electronic device", "operate a commercial motor vehicle", and "use or using"; and
- (6) Inserting a savings clause.

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. 2609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2609, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 402-12 Transportation on H.B. No. 2730

The purpose of this measure is to promote highway safety and reduce the number of uninsured motorists on Hawaii's roadways by providing that motor vehicle insurance policy premiums are non-refundable upon cancellation, except under certain circumstances.

The Department of Commerce and Consumer Affairs testified in opposition to this measure.

Hawaii's motor vehicle insurance system was established to protect both drivers and their vehicles when a motor vehicle accident occurred. As such, the privilege of driving a motor vehicle must be conditioned upon the ability to adequately compensate those who are injured as the result of a motor vehicle accident. This requires that all drivers participate in Hawaii's motor vehicle insurance system. However, an estimated 11 percent of all Hawaii motorists currently drive without motor vehicle insurance.

Some drivers also circumvent the registration and safety inspection process, which requires proof of insurance, by purchasing motor vehicle insurance for the registration and inspection periods, then canceling their insurance after receiving their proof of registration and safety inspection. This measure attempts to address this issue.

Your Committee has amended this bill by:

- (1) Allowing for the refund of the pro rata unearned portion of any prepaid premiums on a policy canceled by an insured upon the death of the insured or the disability of the insured that prevents the insured from operating a motor vehicle;

- (2) Excluding individuals that purchase insurance through a premium finance plan that allows premiums to be paid monthly from this measure; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2730, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 403-12 Transportation on H.B. No. 2684

The purpose of this measure is to work towards alleviating traffic congestion by requiring the Department of Transportation to conduct a study on the feasibility of extending the zipper lane westward from Waipahu toward Kapolei, west of the Kunia on-ramp on the island of Oahu.

The measure also appropriates funds to the Department of Transportation to conduct the study.

Several concerned individuals testified in support of this measure. The Department of Transportation testified in support of the intent of this measure.

Motor vehicle transportation has been and continues to be both a critical necessity for, and the bane of, Hawaii's drivers. Increased time spent on the road in travel decreases time spent with family or at work, work efficiency, and quality of life. As the population grows, especially on the west side of Oahu, the need for travel lanes will increase.

High occupancy vehicle lanes, such as zipper lanes on Oahu, provide an incentive to carpool, effectively reducing the number of cars on the road. However, your Committee finds that zipper lanes providing access to west Oahu could be more effective in reducing traffic if it extended westward from Waipahu toward Kapolei, west of the Kunia on-ramp.

Your Committee has amended this measure by extending by one year, the date by which the Department of Transportation is required to submit a report of its findings and recommendations of the feasibility study to the Legislature to allow the Department adequate time to hire a consultant and complete the study.

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. 2684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2684, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 404-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 1813

The purpose of this measure is to exempt capital improvement projects funded by state or county funds located on state or county land from special management area guidelines and requirements.

The Department of Land and Natural Resources, Department of Transportation, Land Use Research Foundation of Hawaii, and General Contractors Association of Hawaii testified in support of this measure. The Chamber of Commerce of Hawaii and Building Industry Association of Hawaii testified in support of the intent of this measure. The Office of Planning, Office of Hawaiian Affairs, Hawaii Americans for Democratic Action, Life of the Land, The Outdoor Circle, Marine and Coastal Zone Advocacy Council, Hawaii Chapter of the Sierra Club, and ten individuals testified in opposition to this measure.

Your Committees have amended this measure by extending the exemption of capital improvement projects funded by state or county funds located on state or county land to apply to structures to be located within a shoreline area.

Technical, nonsubstantive amendments were 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. 1813, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1813, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 405-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2154

The purpose of this measure is to assist the Department of Transportation in the effective and efficient operation of its airport facilities by providing a temporary exemption from special management area minor and use permit requirements for airport facility development that is necessary to comply with Federal Aviation Administration requirements.

The Office of Planning of the Department of Business, Economic Development, and Tourism; the Department of Transportation; and the General Contractors Association of Hawaii testified in support of this measure. Life of the Land and the Sierra Club, Hawaii Chapter, testified in opposition to this measure.

Your Committees have amended this measure by 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 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. 2154, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2154, H.D. 2.

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

SCRep. 406-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2523

The purpose of this measure is to establish the regulatory structure under which interisland undersea transmission cables can be developed, financed, and constructed on commercially reasonable terms.

The Governor; Department of Business, Economic Development, and Tourism; Public Utilities Commission; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; General Contractors Association of Hawaii; Hawaii Interisland Cable, LLC; International Longshore and Warehouse Union Local 142; Blue Planet Foundation; Hawaiian Electric Company and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company; Pacific Resource Partnership; the Building Industry Association of Hawaii; The Chamber of Commerce of Hawaii; and three individuals testified in support of this measure. Hawaii's Thousand Friends, the Conservation Council for Hawaii, and numerous individuals opposed this measure. The Office of Hawaiian Affairs, Life of the Land, and two individuals commented on this measure.

Your Committees have amended this measure by 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 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. 2523, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2523, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 407-12 Energy & Environmental Protection on H.B. No. 2656

The purpose of this measure is to require all crematoriums operating in the State, including those that were constructed before March 20, 1972, to be subject to the air pollution control requirements of Chapter 342B, Hawaii Revised Statutes.

The Sierra Club Hawai'i Chapter and several individuals testified in support of this measure. The Department of Health testified in support of the intent of this measure.

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. 2656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2656, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 408-12 Energy & Environmental Protection/Agriculture on H.B. No. 2262

The purpose of this measure is to encourage development of Hawaii's renewable energy industry by:

- (1) Creating the renewable fuel feedstock tax credit;
- (2) Expanding the ethanol facility income tax credit into the renewable fuels facility tax credit, which applies to various specified renewable fuels, including ethanol; and
- (3) Reducing the aggregate amount of the renewable fuels facility tax credit.

Hawaiian Electric Company and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company; H2 Technologies, Inc.; Hawaii BioEnergy, LLC; the Blue Planet Foundation; and Pacific West Energy, LLC, submitted testimony in support of this measure. The Department of Agriculture submitted testimony in support of the intent of this measure. The Department of the Attorney General, the Department of Taxation, Tax Foundation of Hawaii, and two individuals submitted comments on this measure.

Your Committees have amended this measure by:

- (1) Removing the requirement that feedstock be grown or sourced in the State for purposes of claiming the renewable fuel feedstock tax credit;
- (2) Removing the requirement that a taxpayer be domiciled or based in the State to qualify for the renewable fuel feedstock credit;
- (3) Reducing the cap on the aggregate nameplate of qualifying renewable fuels production facilities for purposes of maintaining the renewable fuels facility tax credit from forty million gallons per year to thirty-five million gallons per year; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2262, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2262, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Carroll, Har, McKelvey, Nishimoto and Marumoto.

SCRep. 409-12 Culture & the Arts on H.B. No. 1983

The purpose of this measure is to collect data that helps decision makers understand the needs and experience of different communities by disaggregating the collection of demographic data for native Hawaiians, each major Asian ethnic group, and each other major Pacific Islander group. Additionally, this measure requires the data to be publicly accessible.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs and two individuals testified in support of this measure. The University of Hawai'i System and Department of Education testified in opposition to this measure. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this measure by:

- (1) Deleting some examples of required demographic categories and tabulations including Vietnamese, Asian Indian, Laotian, Cambodian, Bangladeshi, Hmong, Indonesian, Malaysian, Pakistani, Sri Lankan, Taiwanese, Thai, Fijian, and Guamanian to conform with current demographics in the State;
- (2) Exempting from this measure demographic data collection for reports governed by federal government standards;
- (3) Requiring the use of more specific categories and tabulations when mandated by the federal government;
- (4) Deleting language requiring state agencies to update their data collection after the decennial United States Census for the year 2020 is publicly released;
- (5) Allowing state agencies, boards, and commissions to adopt the use of categories and tabulations that are more specific than that required by 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 Culture & the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1983, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 410-12 Culture & the Arts on H.B. No. 2357

The purpose of this measure is to promote and support culture and the arts in the State by authorizing funds from the Works of Art Special Fund to be used for the presentation of performing arts.

The Honolulu Theatre for Youth testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure. The State Foundation on Culture and the Arts and one individual provided comments.

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 is in accord with the intent and purpose of H.B. No. 2357 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 411-12 Human Services/Health on H.B. No. 2130

The purpose of this measure is to set the rate of interest that the State is required to pay on late payments to an operator of an adult day care facility, community care foster family home, or adult residential care home.

The Adult Foster Homecare Association of Hawaii and several concerned individuals supported the measure. The Alliance of Residential Care Administrators supported the intent of the measure. The Department of Human Services opposed the measure.

Your Committees have found that some care home operators have little cash reserves and rely on the State to pay them on time for goods and services provided. Care home operators testified they incurred late mortgage penalty fees when the State was delinquent in paying the operators for goods and services.

Your Committees note that the president of the Alliance of Residential Care Administrators testified that the State paid \$14 in late fees for amounts owed by the State that were delinquent for more than three months. However, due to the State's late payment, the care home operator incurred late penalty fees on the care home operator's mortgage of more than \$1,200.

Your Committees have amended this measure by:

- (1) Replacing specified interest rates that the State must pay on late payments to an operator of an adult day care facility, community care foster family home, or adult residential care home with an unspecified rate;
- (2) Changing its effective date to July 1, 2050, to promote 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2130, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2130, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 412-12 Human Services/Health on H.B. No. 1886

The purpose of this measure is to protect the safety of children by creating a class C felony for:

- (1) Failure by parents, guardians, and custodians of a child to report the known disappearance or death of the child to the Department of Human Services or the Police Department within an unspecified amount of hours; and
- (2) Failure by family members to report known child abuse or neglect to the Department of Human Services or the Police Department within an unspecified amount of hours.

Two concerned individuals testified in support of this measure.

Your Committees have amended this measure 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 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. 1886, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1886, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 413-12 Human Services on H.B. No. 2286

The purpose of this measure is to help more Hawaii families in need of assistance by appropriating \$2,000,000 for fiscal year 2012-2013 for the Department of Human Services (DHS) to:

- (1) Increase staffing; and
- (2) Improve DHS' electronic system's capacity,

to respond to the U.S. Department of Agriculture's mandate to expand eligibility for the Supplemental Nutrition Assistance Program.

The Hawaii Health Authority and several concerned individuals supported this bill. DHS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the amount of the appropriation;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2286, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 414-12 Human Services on H.B. No. 2843

The purpose of this measure is to appropriate funds from the Emergency and Budget Reserve Fund to maintain levels of social services offered by or contracted through the Department of Human Services relating to child abuse and neglect that are essential to the public welfare.

Child & Family Service and three concerned individuals testified in support of this measure. The Department of Human Services provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2843, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 415-12 Human Services on H.B. No. 1901

The purpose of this measure is to require that a portion of the general excise tax remittances be deposited into the general fund and used to fund Medicaid programs.

Two individuals testified in support of this measure. The Department of Budget and Finance opposed this measure. The Department of Human Services, the Department of Taxation, and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate 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. 1901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1901, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 416-12 Human Services on H.B. No. 2441

The purpose of this measure is to bring the Hawaii Child Support Enforcement Agency into compliance with federal law by clarifying that:

- (1) The information for newly hired employees that employers are required to report to the Child Support Enforcement Agency includes the date that services for remuneration were first performed by the employees; and
- (2) Employers receiving notice of medical support have twenty business days from the date of the notice to transfer the notice to the appropriate plan providing health care coverage for an eligible child and are required to notify the Child Support Enforcement Agency when employment is terminated.

The Attorney General testified in support of this measure.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2441, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 417-12 Human Services on H.B. No. 2537

The purpose of this measure is to allow the Department of Human Services to disclose confidential records pursuant to a court order, after the court has reviewed the records in camera, upon a showing of good cause by the party seeking release of the records.

The Department of Human Services testified in support of this measure. An individual opposed this measure.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2537, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 418-12 Human Services on H.B. No. 2540

The purpose of this measure is to ensure the safety and well-being of children cared for in group child care homes, group child care centers, and family child care homes by allowing the Department of Human Services to charge reasonable fees for licenses and certificates of registration for such facilities. This measure also establishes a special fund to receive the fees.

The Department of Human Services supported this measure. The Hawaii Association for the Education of Young Children supported the intent 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2540, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 419-12 Human Services on H.B. No. 2541

The purpose of this measure is to increase the availability and accessibility of child care in Hawaii by allowing operators of child care programs required to be licensed under section 346-161, Hawaii Revised Statutes, to submit contract proposals, in response to a request for proposals, even if the operators are not yet licensed.

The Department of Human Services supported this bill. The State Procurement Office supported this measure with amendments.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2541, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 420-12 Human Services on H.B. No. 2546

The purpose of this measure is to make an emergency appropriation in the amount of \$11,881,157 for the Department of Human Services to fund health care payments to address a funding shortfall in the Medicaid program.

The Department of Human Services, Hawaii Medical Association, Hawaii Medical Service Association, 'Ohana Health Plan, Healthcare Association of Hawaii, Hawaii Primary Care Association, and two individuals testified in support of this measure.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 192 to the House of Representatives, requested immediate consideration and passage of this bill.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2546, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 421-12 Hawaiian Affairs/Health on H.B. No. 1745

The purpose of this measure is to waive the fees for certified copies of birth, marriage, divorce, or death certificates when the certificates are required to prove that an individual is a qualified Native Hawaiian for purposes of the Native Hawaiian roll.

The Office of Hawaiian Affairs, Native Hawaiian Roll Commission, Oahu Council Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club of Kona, Kapolei Hawaiian Civic Club, and several concerned individuals supported the measure. The Department of Health and a few concerned individuals opposed the measure.

Your Committees have amended this bill by:

- (1) Instead of waiving the fee, establishing a fee of \$1 for certified copies of birth, marriage, divorce, or death certificates when the certificates are required to prove that an individual is a qualified Native Hawaiian for purposes of the Native Hawaiian roll;
- (2) Requiring the Director of Health to deposit moneys collected from the fee into the general fund; 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 Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1745, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1745, 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. 422-12 Health on H.B. No. 1964

The purpose of this measure is to ensure affordable medication coverage for persons battling cancer. Specifically, this measure:

- (1) Requires insurance providers to reimburse patients for chemotherapy using the percentage cost shares that are applicable to non-generic cancer medications; and
- (2) Prohibits insurance providers from increasing enrollee cost sharing for non-generic cancer medications in relation to enrollee cost sharing for other non-generic covered medications.

Hawaii Medical Service Association, Hawai'i Public Health Association, and three individuals testified in support of this measure. The Department of Budget and Finance testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs, Hawaii Medical Association, American Cancer Society, and Kaiser Permanente provided comments.

Your Committee has amended this measure by:

- (1) Requiring insurance providers to reimburse patients for generic and non-generic chemotherapy medications at the same or lower copayment percentage that is applicable to intravenously administered chemotherapy; and
- (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. 1964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1964, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Wooley.

SCRep. 423-12 Health on H.B. No. 1787

The purpose of this measure is to support Hawaii's honey industry and ensure the health and safety of consumers of honey by:

- (1) Exempting qualifying agricultural producers without access to municipal water supplies or infrastructure, from the requirements of processing their agricultural products in certified food-processing establishments and obtaining Department of Health permits; and
- (2) Modifying the exemption for home-based agricultural honey producers from the requirements of processing honey in a certified honey house or food processing establishment and obtaining a Department of Health permit by:
 - (A) Changing the qualifying annual gallonage of honey sales from 50 gallons to an unspecified volume;
 - (B) Allowing sales of honey to retail stores on the same island that sell the honey directly to customers; and
 - (C) Requiring a label on honey containers, warning against the consumption of honey by infants under a year old.

The Hawaii Farmers Union United testified in support of the measure. The Hawaii Farm Bureau Federation testified in support of the intent of the measure. The Department of Health opposed the measure.

Your Committee encourages further discussion on the merits and feasibility of extending the exemption from processing agricultural projects in a certified food-processing establishment or obtaining a Department of Health permit, to all agricultural producers.

Your Committee has amended this measure by:

- (1) Narrowing the exemption for agricultural producers without access to municipal water to only agricultural producers of honey without such access to municipal water;
- (2) Increasing the qualifying annual gallonage of honey sales, from 50 gallons to 500 gallons, for home-based honey production; 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. 1787, 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. 1787, H.D. 2.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Wooley.

SCRep. 424-12 Health on H.B. No. 609

The purpose of this measure is to provide for the long-term care and other health care needs in the community by:

- (1) Authorizing Hawaii Health Systems Corporation to bring the Hawaii Medical Center-East facility under its governance through formal affiliation or acquisition; and
- (2) Appropriating funds for the hiring or contracting of staff to fulfill the purpose of the measure.

Hawaii Health Systems Corporation and two individuals testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 609, 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 Jordan, C. Lee and Wooley.

SCRep. 425-12 Labor & Public Employment on H.B. No. 1801

The purpose of this measure is to address the unfunded actuarial accrued liability of the Hawaii Employer-Union Health Benefits Trust Fund by annually depositing \$500,000,000 of general excise tax revenues into the Hawaii Employer-Union Health Benefits Trust Fund to amortize the unfunded actuarial accrued liability.

The Department of Budget and Finance and United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

The State of Hawaii and the counties provide healthcare benefits to public employees, retirees, and their dependents through the Hawaii Employer-Union Health Benefits Trust Fund. As an agency of the State, the Trust Fund contracts with providers of medical, dental, vision, and life insurance plans to provide these benefits to public employees and retirees.

Currently, the unfunded liability of the Trust Fund stands at approximately \$14,000,000,000. Paying down this unfunded liability would be a worthwhile endeavor. While your Committee understands the concerns raised regarding the impacts the setting aside of general excise tax revenues for a specific purpose may have on general fund revenues, this measure deserves further consideration.

Your Committee notes that depositing \$500,000,000 each year into the Trust Fund over a period of thirty years will result in \$15,000,000,000 being deposited into the Trust Fund. However, money placed in the Trust Fund also gains interest and it may not be necessary to deposit \$500,000,000 per year into the Trust Fund for the entire thirty-year period. As such, your Committee has amended this measure by specifying that the annual deposit of \$500,000,000 into the Trust Fund shall continue until such time that the actuarial accrued unfunded liability is fully amortized.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1801, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 426-12 Labor & Public Employment on H.B. No. 2661

The purpose of this measure is to address and improve the financial health of the Hawaii Employer-Union Health Benefits Trust Fund by requiring the Department of Budget and Finance to conduct a study to reform the Trust Fund in order to moderate costs and amortize the unfunded actuarial accrued liability.

The Department of Budget and Finance, Department of Budget and Fiscal Services of the City and County of Honolulu, and Department of Human Resources of the City and County of Honolulu testified in support of the intent of this measure. The United Public Workers, AFSCME, Local 646, AFL-CIO testified in opposition to this measure.

The State of Hawaii and the counties provide healthcare benefits to public employees, retirees, and their dependents through the Hawaii Employer-Union Health Benefits Trust Fund. As an agency of the State, the Trust Fund contracts with providers of medical, dental, vision, and life insurance plans to provide these benefits.

Currently, the unfunded liability of the Trust Fund stands at approximately \$14,000,000,000. Your Committee finds that conducting a study to examine ways to better control active employee, as well as retiree, benefits costs and thereby reduce the unfunded actuarial accrued liability of the Trust Fund is a worthwhile endeavor.

However, your Committee understands the concerns raised that the current parameters of the study may be too narrow in scope and may not achieve the goal of obtaining an overall picture of the Trust Fund thereby improving the efficiency and cost-effectiveness of the entire system. As such, your Committee has amended this measure by broadening the scope of the study to include numerous other factors besides simply moderating costs and amortizing the unfunded actuarial accrued liability.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke and Saiki.

SCRep. 427-12 Labor & Public Employment/Public Safety & Military Affairs on H.B. No. 2627

The purpose of this measure is to assist ocean safety and water safety officers employed by the State or counties in achieving more accurate collective bargaining representation by establishing a new bargaining unit, bargaining unit (14), for these public employees.

The Mayor of the County of Kauai, a Councilmember representing Lanai on the Maui County Council, Ocean Safety and Lifeguard Services Division of the City and County of Honolulu, Kauai Fire Department, Hawaiian Lifeguard Association, Kauai Lifeguard Association, Big Island Lifeguard Association, Hawaii Government Employees Association, and numerous individuals testified in support of this measure.

Ocean safety and water safety officers provide a valuable service to Hawaii's people, often risking their own lives to save others. Currently, these public employees have been placed in collective bargaining units (3) and (4) which encompasses supervisory and nonsupervisory employees in white collar positions. These units were established in the early 1970s.

Over the years, the duties and jobs of ocean safety and water safety officers have evolved. While the composition of the members of bargaining units (3) and (4) is broad and heterogeneous, ocean safety and water safety officers are not accurately represented by these units because of the skill levels and abilities these individuals must now possess, as well as the rigorous physical and technical training they must undergo, to perform their duties. Your Committees find that the establishment of a new collective bargaining unit for ocean safety and water safety officers would allow for truer representation of these public employees.

Your Committees have amended this measure by:

- (1) Changing the term "public sector union" to "exclusive representative" to more accurately reflect and remain consistent with current statutory language;
- (2) Specifying that an election by the Hawaii Labor Relations Board to determine whether, or by which organization, employees desire to be represented shall not be directed in any appropriate bargaining unit within which any new bargaining unit composed of employees currently covered by a valid collective bargaining agreement is created; 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 Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2627, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2627, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki and Takai.

SCRep. 428-12 Economic Revitalization & Business/Labor & Public Employment on H.B. No. 812

The purpose of this measure is to temporarily exempt unemployment compensation from the Hawaii income tax.

The Department of taxation provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012, to facilitate further discussion; and
- (2) 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 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. 812, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 812, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hashem, Nishimoto and Marumoto.

SCRep. 429-12 Economic Revitalization & Business on H.B. No. 2044

The purpose of this measure is to require a hearings officer to affirm the decision of a procurement officer in protests filed in connection with solicitation or award of a contract under section 103D-701, Hawaii Revised Statutes, unless the procurement officer's decision is shown by clear and convincing evidence to be arbitrary, capricious, fraudulent, or clearly erroneous.

The Department of Budget and Fiscal Services of the City and County of Honolulu, Healy Tibbitts Builders, Inc., S&M Sakamoto, Inc., Grace Pacific Corporation, and Ralph S. Inouye Co., Ltd. testified in support of this measure. The General Contractors Association testified in support of this measure with amendments. The Department of Commerce and Consumer Affairs, and Associated Builders and Contractors, Incorporated provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that amends the administrative review process by limiting the hearings officers' scope of review to a review of the written record of the procuring agency's protest proceedings in order to determine whether the agency's decision was arbitrary, capricious, fraudulent, or clearly erroneous;
- (2) Changing the effective date to July 1, 2012, for the purposes of facilitating further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2044, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 430-12 Economic Revitalization & Business on H.B. No. 2122

The purpose of this measure is to suspend for five years the filing of any protest against the awarding of a contract under the State Procurement Code.

The Building Industry of Hawaii testified in support of the intent of this measure. The State Procurement Office and Subcontractors Association of Hawaii testified in opposition to this measure. The General Contractors Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that amends the administrative review process by limiting the hearing's officers' scope of review to a review of the written record below of the procuring agency's protest proceedings in order to determine whether the agency's decision was arbitrary, capricious, fraudulent, or clearly erroneous;
- (2) Changing the effective date to July 1, 2012, for the purposes of facilitating further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2122, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 431-12 Economic Revitalization & Business on H.B. No. 2319

The purpose of this measure is to establish and appropriate funds for a Venture Accelerator Funding Program under the Hawaii Strategic Development Corporation to help the State's technology businesses compete for investment capital.

The Department of Business, Economic Development, and Tourism; University of Hawaii at Manoa, College of Engineering; Hawaii Strategic Development Corporation; The Chamber of Commerce of Hawaii; High Technology Development Corporation; Enterprise Honolulu; Kukui Entertainment; and two individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Specifying that the Venture Accelerator Funding Program shall support organizations in Hawaii's leading economic sectors, including renewable energy, broadband, aerospace, film, and digital media;
- (2) Clarifying the reporting requirement language to specify that the Hawaii Strategic Development Corporation shall submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013, and annually thereafter, regardless of the amount of money expended;
- (3) Changing the effective date to July 1, 2012, for the purposes of facilitating further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2319, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 432-12 Economic Revitalization & Business on H.B. No. 2411

The purpose of this measure is to promote economic recovery and the creation of jobs by authorizing the issuance of general obligation bonds and appropriating moneys out of various special funds for the planning and design phases of future construction projects.

The Department of Accounting and General Services and Hawaii Laborers' Union testified in support of this measure. The Department of Transportation testified in support of the intent 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. 2411 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 433-12 Economic Revitalization & Business on H.B. No. 2767

The purpose of this measure is to temporarily modify, until December 31, 2015, the state Procurement Code with regard to competitive sealed bidding on state construction projects.

BIA-Hawaii supported the intent of this measure. The State Procurement Office, City & County of Honolulu, Subcontractors Association of Hawaii, and Plumbing and Mechanical Contractors Association of Hawaii opposed this measure. The General Contractors Association offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2767, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 434-12 Agriculture on H.B. No. 518

The purpose of this measure is to require a seller to disclose to a buyer the existence, if any, of legal or traditional public access that burdens the residential or agricultural real property being sold.

The Hawaii Association of REALTORS, the Wainaku-Kaiwiki Community Association, and an individual testified in support of this measure. An individual opposed this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to November 1, 2012, to provide sellers with adequate time to update the Seller's Real Property Disclosure Statement; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 518, 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. 518, H.D. 1.

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

SCRep. 435-12 Agriculture on H.B. No. 1940

The purpose of this measure is to appropriate funds from the agricultural development and food security special fund to the Department of Agriculture to fund plant quarantine inspectors and support staff.

The Department of Agriculture, Coordinating Group on Alien Pest Species, Hawaii Farmers Union United, The Nature Conservancy of Hawaii, Hawaii Farm Bureau Federation, Hawaii Floriculture & Nursery Association, and Environmental Caucus of the Democratic Party of Hawaii testified in support of this measure. The Department of Land and Natural Resources testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Appropriating \$2,400,000 to the Department of Agriculture to fund 38 plant quarantine inspectors and three support staff;
- (2) Changing the effective date to February 1, 2050, to facilitate further discussion; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1940, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 436-12 Agriculture on H.B. No. 1948

The purpose of this measure is to deter agriculture theft by:

- (1) Strengthening the existing law to require proof of identification from sellers of agricultural commodities; and
- (2) Making the failure to maintain the required certificate of ownership or other written proof of ownership while in possession of the agricultural commodities prima facie evidence of the offense of theft in the second degree.

The Hawaii Farm Bureau Federation, W.H. Shipman, Limited, and an individual testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure.

Your Committee has amended this measure by clarifying the signage requirements for the offense of theft in the second degree with regard to aquacultural products and agricultural equipment, supplies, or products.

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. 1948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 437-12 Agriculture on H.B. No. 2150

The purpose of this measure is to authorize the use of photovoltaic systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of property in agricultural districts.

Kamehameha Schools and the Environmental Caucus of the Democratic Party of Hawaii testified in support of this measure. Hawaii Farmers Union United supported this measure with amendments. The Department of Agriculture testified in opposition to this measure.

Your Committee has amended this measure 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2150, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

Signed by all members of the Committee.

SCRep. 438-12 Agriculture on H.B. No. 2668

The purpose of this measure is to support the State's agriculture industry by:

- (1) Creating a livestock feed tax credit for the taxable year beginning after December 31, 2011;
- (2) Creating a feed development tax credit program for the taxable years beginning after December 31, 2012, and ending before January 1, 2015;

- (3) Changing the important agricultural land qualified agricultural cost tax credit cap from \$7,500,000 per year to \$5,000,000 per year for the taxable year beginning after December 31, 2011 and \$7,000,000 per year for the taxable years beginning after December 31, 2012, and ending before January 1, 2016; and
- (4) Allowing an additional 15 percent tax credit for drought mitigation to the important agricultural land qualified agricultural cost tax credit.

The Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and Alexander and Baldwin, Incorporated testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. The Department of Taxation, Department of Land and Natural Resources, and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the distribution and share of the credit for a livestock feed tax credit and livestock feed development credit in the case of a partnership, S corporation, estate, trust, or other pass through entity be determined pursuant to section 704(b) of the Internal Revenue Code of 1986;
- (2) Repealing obsolete language from the important agricultural land qualified agricultural cost tax credit that specifies that a failure to file all claims for a tax credit, including amended claims, on or before the end of the twelfth month following the close of the taxable year for which the credit is claimed shall constitute a waiver of the right to claim the credit;
- (3) Repealing and reenacting the important agricultural land qualified agricultural cost tax credit on December 31, 2020, in the form in which it read on the day prior to the effective date of this measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2668, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 439-12 Agriculture on H.B. No. 2831

The purpose of this measure is to authorize the issuance of \$5,750,000 in general obligation bonds for capital improvements to the Kunia Ag Park, Kau, Molokai, Waianae, and Waimea irrigation systems.

The Hawaii Farm Bureau Federation, Molokai Farm Bureau, Hawaii Crop Improvement Association, and a concerned individual 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2831, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 440-12 Higher Education on H.B. No. 1674

The purpose of this measure is to increase access to higher education by extending eligibility to participate in state financial aid programs and exempting from the nonresident tuition and fee differential certain students without lawful immigration status who meet specified criteria.

The Latin Chamber of Commerce; Hawaii Hispanic News; Catholic Charities Hawaii; American Civil Liberties Union of Hawaii; Nursing Advocates and Mentors, Inc.; Hawaii Friends of Civil Rights; Filipino Coalition for Solidarity; Filipino American Citizens League; United Filipino Council of Hawaii; Oahu Filipino Community Council; Progressive States Network; The Interfaith Alliance Hawaii; Hawaii Coalition for Immigration Reform; and many concerned individuals supported this measure. The University of Hawaii System supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Extending eligibility for university programs to those students who are exempt from the nonresident tuition and fee differential under this 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1674, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 441-12 Higher Education on H.B. No. 2023

The purpose of this measure is to support workforce development for the nursing profession by making permanent the assessment of Center for Nursing fees on nurse licenses and the disbursement of those fees into the Center for Nursing Special Fund.

The University of Hawaii System, Workforce Development Council, Board of Nursing, Hawaii State Center for Nursing, Hawaii Health Systems Corporation, American Organization of Nurse Executives-Hawaii Chapter, Hawaii Long Term Care Association, Hawaii Pacific Health, and several concerned individuals supported this measure. The Hawaii Government Employees Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023 and recommends that it be referred to the Committee on Finance.

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

SCRep. 442-12 Higher Education on H.B. No. 2100

The purpose of this measure is to support agricultural production by appropriating \$50,000 in general funds to the University of Hawaii for bee hive research statewide.

The Hawaii Farm Bureau Federation and Big Island Beekeepers Association supported this measure. The University of Hawaii System 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. 2100, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 443-12 Higher Education on H.B. No. 2628

The purpose of this measure is to extend the exemption from the Residential Landlord-Tenant Code to residences directly controlled and managed by private universities and colleges and private dorm management companies offering fifty or more beds to students of private colleges, universities, or other institutions of higher education in the State.

Hawaii Student Suites, Inc., and two concerned individuals supported this measure. The University of Hawaii System supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Extending the exemption to private dorm management companies offering a minimum of 50 beds to students of public, as well as private, universities, colleges, and other institutions of higher education in 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2628, 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. 2628, H.D. 2.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 444-12 Higher Education on H.B. No. 2706

The purpose of this measure is to help ensure improved outcomes for Native Hawaiian children in the public school system by appropriating \$400,000 in general revenues to fund three permanent faculty positions and provide for operating expenses for Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwī, The Center for Native Hawaiian and Indigenous Education within the University of Hawaii at Manoa.

The University of Hawaii, Sovereign Councils of Hawaiian Homelands Assembly, and several concerned individuals supported this measure. A concerned individual supported the intent of this measure. The Department of Education and three concerned individuals supported this measure with amendments. The Office of Hawaiian Affairs opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Clarifying language in the purpose section; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2706, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2706, H.D. 1.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 445-12 Higher Education on H.B. No. 2813

The purpose of this measure is to encourage the development of high technology innovation in the State by establishing the Hawaii Science, Technology, and Innovation Agency through a collaboration between the University of Hawaii at Hilo and Hawaii Community College.

The University of Hawaii System and the University of Hawaii at Hilo provided comments.

Your Committee notes that while "agency" is not a common term used to describe entities established at the various University of Hawaii System campuses, the Hawaii Science, Technology, and Innovation Agency is intended to function in a similar manner to the institutes and centers that constitute the currently established entities.

Your Committee has amended this bill by:

- (1) Clarifying that the Agency will be housed at the University of Hawaii at Hilo; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

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. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2813, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 446-12 Public Safety & Military Affairs on H.B. No. 1974

The purpose of this measure is to remove the county residency requirements for the burial of members and veterans of the United States Armed Services and their dependents in veterans cemeteries within the respective counties.

The Oahu Veterans Council and two individuals testified in support of this measure. The Office of Veterans Services of the Department of Defense testified in support of the concepts of the measure.

Your Committee has amended this measure by:

- (1) Conforming Hawaii's eligibility requirements for the burial of members of the United States Armed Services and their dependents to the criteria established by the United States Department of Veterans Affairs regarding eligibility for burial in a national cemetery; and
- (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. 1974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1974, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 447-12 Tourism on H.B. No. 2314

The purpose of this measure is to maintain an accurate account of funds allocated to the Convention Center Enterprise Special Fund by distributing transient accommodations tax revenues on a fiscal year basis.

The Hawai'i Tourism Authority testified in support of this measure. The Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii provided comments.

Your Committee recognizes the concern raised by the Department of Taxation regarding this measure. The Department of Taxation is in support of allocating funds to the Convention Center Enterprise Special Fund on a fiscal year basis. However, they also provided suggested language for amendments to ensure consistency within Chapter 237D-6.5, Hawaii Revised Statutes.

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. 2314 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 Nishimoto.

SCRep. 448-12 Judiciary on H.B. No. 1679

The purpose of this measure is to protect the rights of Hawaii's workers by providing workers with greater wage related information. Specifically, this measure, among other things:

- (1) Increases an employer's record keeping requirements for an employee's pay record; and
- (2) Requires employers to provide employees with specific wage and employer information in employees' pay records.

The Department of Labor and Industrial Relations; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; and the Hawaii Laborers Union testified in support of this measure. The Chamber of Commerce of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 7, 2019, 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. 1679, 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. 1679, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 449-12 Judiciary on H.B. No. 1755

The purpose of this measure is to modify voter registration and related procedures by, among other things:

- (1) Allowing online voter registration, and establishing that using the electronic application for registration constitutes assent by the applicant for confirmatory information to be obtained from other government databases regarding the applicant's information;
- (2) Amending record keeping requirements affecting the maintenance of voters' names, affidavits of registration, and the use of tabulating cards, computer tapes, the register, and voter lists;
- (3) Deleting requirements that the county clerk maintain segregated records for the Office of Hawaiian Affairs registered voters, and the requirement that a person voting for the Board of Trustees of the Office of Hawaiian Affairs affirm that the person is Hawaiian;
- (4) Deleting the requirement that the county clerk prepare a list of all registered voters in each precinct to be posted at the precinct polling place on election day; and
- (5) Appropriating \$500,000 from the general fund for fiscal year 2012-2013 for the planning, designing, and implementation of an online voter registration system.

The Office of Elections, Office of the City Clerk of the City and County of Honolulu, Elections Division of the Office of the County Clerk of the County of Kauai, Office of the County Clerk of the County of Maui, American Civil Liberties Union of Hawaii, the Americans for Democratic Action Hawaii, Common Cause Hawaii, League of Women Voters of Hawaii, and several concerned citizens testified in support of this measure.

Your Committee recognizes that due to ongoing national and local problems with identity theft, it would be advisable to reduce the government's use of a person's whole social security number whenever possible. Accordingly, your Committee finds it to be of great importance that the Chief Election Officer and county clerks study the feasibility of utilizing the last four digits of a person's social security number in lieu of using the whole number.

Additionally, your Committee finds that the changes made by this measure, particularly the advent of an online voter registration system, will need time to plan, design, and implement. As such, your Committee has determined a delayed effective date of November 8, 2016, is appropriate for this measure.

Accordingly, your Committee has amended this measure by:

- (1) Changing the word "assent" to the word "consent";
- (2) Requiring the Chief Election Officer and county clerks to consider and report on the feasibility of using the last four digits of the social security number in lieu of using that number in its entirety in voter registration and record keeping;
- (3) Changing the effective date to November 8, 2016, in order for implementation to follow the date of the next general election; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1755, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 450-12 Judiciary on H.B. No. 2539

The purpose of this measure is to allow the Department of Human Services to:

- (1) Conduct adult abuse perpetrator checks on child care providers; and

- (2) Deny applications for a license or registration to operate a child care facility and request that providers terminate employees based on the results of the adult abuse perpetrator checks.

The Department of Human Services and the Hawaii Association for the Education of Young Children 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. 2539, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 451-12 Judiciary on H.B. No. 2568

The purpose of this measure is to permit the Department of Health to allow a designee to conduct criminal history record checks on its behalf on certain healthcare workers, employees, and owners; operators of care homes; and other healthcare organizations.

The Department of Health testified in support of this measure.

Your Committee has amended this measure 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. 2568, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2568, H.D. 1.

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

SCRep. 452-12 Judiciary on H.B. No. 755

The purpose of this measure is to streamline the public housing eviction process by conforming procedural requirements to federal law. Specifically, this measure, among other things:

- (1) Changes the notification and eviction hearings process for tenants who face eviction; and
- (2) Requires eviction hearings to be conducted by hearings officers rather than an eviction board.

The Hawaii Public Housing Authority and one individual provided comments.

Your Committee has amended this measure by:

- (1) Retaining hearings by an eviction board and deleting references to hearings officers;
- (2) Reconfiguring the potential size of the eviction board from a minimum of three members to a maximum of three members;
- (3) Requiring that at least one tenant be appointed as a member of the evictions board;
- (4) Changing the effective date to January 7, 2059, to facilitate continued discussion of this measure; 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. 755, 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. 755, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 453-12 Judiciary on H.B. No. 2662

The purpose of this measure is to provide clarity and consistency in Hawaii law by amending various provisions of the Hawaii Revised Statutes and Session Laws of Hawaii to correct errors and references and to clarify language.

The Department of Public Safety and the Legislative Reference Bureau supported 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 H.B. No. 2662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2662, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Coffman.

SCRep. 454-12 Culture & the Arts on H.B. No. 1559

The purpose of this bill is to effectuate its title.

H.B. No. 1559 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 Culture & the Arts that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1559, as amended herein, and recommends that it be recommitted to the Committee on Culture & the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1559, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Pine.

SCRep. 455-12 Judiciary on H.B. No. 1764

The purpose of this measure is to foster practices that seek to attain highly qualified professionals to lead government agencies in the State. Specifically, this measure allows government agencies to waive residency requirements for appointed officers when those positions require highly specialized expertise and a qualified applicant who meets the residency requirement is not available.

The Department of Human Resources of the City and County of Honolulu 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. 1764, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1764, H.D. 1.

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

SCRep. 456-12 Consumer Protection & Commerce on H.B. No. 2506

The purpose of this measure is to improve insurance laws in Hawaii by:

- (1) Establishing a standalone surplus lines broker license;
- (2) Clarifying and streamlining the licensing requirements for reinsurance intermediaries under Article 9B of the Insurance Code;
- (3) Strengthening the training requirements for insurance producers who sell annuity products in Hawaii; and
- (4) Enhancing the Insurance Commissioner's statutory enforcement authority by allowing the Commissioner to require violators of the insurance laws to pay restitution.

The Department of Commerce and Consumer Affairs and National Association of Insurance and Financial Advisors supported this bill. The American Council of Life Insurers submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2506 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 McKelvey.

SCRep. 457-12 Consumer Protection & Commerce on H.B. No. 2501

The purpose of this measure is to protect Hawaii homeowners by amending the Secure and Fair Enforcement for Mortgage Licensing Act (chapter 454F, Hawaii Revised Statutes) to reflect recent changes in federal law and to adjust fees in light of new regulatory requirements.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Association of Mortgage Brokers 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. 2501 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 McKelvey.

SCRep. 458-12 Consumer Protection & Commerce on H.B. No. 2502

The purpose of this measure is to help protect Hawaii homeowners by, among other things:

- (1) Clarifying that all mortgage servicers who also provide mortgage loan-modification services must also meet the requirements of chapter 454F, Hawaii Revised Statutes (HRS);
- (2) Allowing the Commissioner of Financial Institutions (Commissioner) to increase Hawaii's involvement with the Nationwide Mortgage Licensing System (NMLS); and
- (3) Modifying the penalties that may be imposed on a person who violates chapter 454M, HRS.

The Department of Commerce and Consumer Affairs supported this bill.

Your Committee has amended this bill by:

- (1) Removing the Commissioner's authority to:
 - (A) Waive or modify, in whole or in part, by rule or order, any or all of the requirements of chapter 454M, HRS; and
 - (B) Establish new requirements as reasonably necessary to participate in the NMLS, in order to fulfill the purposes of chapter 454M, HRS;
- (2) Removing the provision that would have modified the penalties that may be imposed on a person who violates chapter 454M, HRS;
- (3) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (4) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2502, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 459-12 Consumer Protection & Commerce on H.B. No. 2380

The purpose of this measure is to assist the residents and businesses of Molokai and Lanai by establishing a working group to study and consider ways to reduce the time and cost of shipping goods from Molokai and Lanai to Oahu, including amending existing laws, exploring the feasibility of alternative modes of transportation, reducing taxes, and creating tax incentives.

The Department of Transportation, Hawaii Farm Bureau Federation, Molokai Farm Bureau, and numerous concerned individuals supported this bill. The Office of Hawaiian Affairs supported the intent of this measure. The Department of Business, Economic Development, and Tourism and Young Brothers, Limited, submitted comments.

Your Committee has amended this bill by:

- (1) Adding to the working group a member to represent the island of Lanai; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2380, 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. 2380, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 460-12 Consumer Protection & Commerce on H.B. No. 2035

The purpose of this measure is to improve the health of Hawaii's people by prohibiting insurers from requiring an insured who is at least 40 years old to obtain a referral from a primary-care provider or other physician for an annual screening mammogram.

The American Cancer Society, Hawaii Medical Service Association, and Planned Parenthood of Hawaii supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2035, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 461-12 Consumer Protection & Commerce on H.B. No. 1840

The purpose of this measure is to help strengthen and expand Hawaii's economy by creating a task force to study the feasibility of establishing a state-owned bank in Hawaii.

The Hawaii Alliance for Community-based Economic Development, Hawaii Farm Bureau Federation, IMUAlliance, and several concerned individuals supported this bill. The Legal Aid Society of Hawaii supported the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill to reduce the administrative burden on the Legislative Reference Bureau (LRB) by only requiring that LRB assist the task force in preparing its findings, recommendations, and proposed legislation, rather than provide all research and organizational support services necessary to assist the task force. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840, 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. 1840, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.
(Representative Ching voted no.)

SCRep. 462-12 Transportation on H.B. No. 2356

The purpose of this measure is to improve traffic safety by further regulating mopeds. Among other things, this measure prohibits:

- (1) The driver of a moped from carrying any package, bundle, or other article which prevents the person from keeping both hands on the handlebars;
- (2) The operation of a moped with handlebars more than 15 inches in height above that portion of the seat occupied by the driver;
- (3) The driver of a moped from overtaking and passing in the same lane occupied by the vehicle being overtaken; and
- (4) The operation of a moped between lanes of traffic or between adjacent lines or rows of vehicles.

The Department of Transportation, Honolulu Police Department, and a concerned individual testified in support of this measure. A concerned individual provided comments.

Mopeds can be a convenient and inexpensive form of transportation, especially during difficult economic times and when the price of fuel continues to rise. However, the size and weight of a moped also make it a vulnerable vehicle on Hawaii's roadways. Maintaining full control of a moped and operating this vehicle with extreme caution is imperative. Your Committee finds that further regulating the operation of mopeds on our roadways will make the roadways safer for our community.

However, three-wheeled mopeds can also raise particular traffic safety issues. Your Committee finds that when the Legislature allowed a passenger to ride in a three-wheeled moped that was designed to carry two people seated side-by-side like in an automobile, the age of the passenger was not considered. Since that time, concerns have been raised that individuals younger than eight years of age are being carried as passengers on three-wheeled mopeds, which do not offer the same protections that are available in crash-tested automobiles. In addition, the three wheel construction of this type of moped and its lightweight structure may make it more susceptible to overturning and greatly enhance the vulnerability of its occupants in the event of a crash.

Your Committee has amended this measure by prohibiting three-wheeled mopeds from carrying passengers under the age of 16.

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. 2356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2356, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 463-12 Transportation on H.B. No. 2355

The purpose of this measure is to increase motor vehicle safety by prohibiting text messaging while operating a motor vehicle.

The Honolulu Police Department and AT&T testified in support of this measure. The Department of Transportation testified in opposition to this measure. The Alliance of Automobile Manufacturers and General Motors, LLC, provided comments.

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

While actively text messaging while driving may lead to vehicular crashes, your Committee finds that simply using mobile electronic devices including cellular phones, personal digital assistants, laptop computers, paging devices, and other similar devices while operating a motor vehicle can be a

major cause of distraction leading to a motor vehicle collision. Collisions due to the use of these types of devices could be avoided and personal injury and property damage eliminated if regulations existed to restrict their use while operating a motor vehicle.

As such, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Prohibits the use of electronic mobile devices by drivers and not just text messaging with a mobile telephone;
- (2) Provides exceptions to this prohibition for the sole purpose of making a "911" emergency communication;
- (3) Provides exemptions from the prohibition for certain drivers; and
- (4) Establishes a system of graduated penalties for mobile electronic device use violations.

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. 2355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2355, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 464-12 Transportation on H.B. No. 2253

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

- (1) Creating the offense of resisting an order to stop a motor vehicle in the first degree, which penalizes a driver for refusing to obey a law enforcement officer's direction to stop a motor vehicle when the failure to stop results in serious bodily injury or death to another person;
- (2) Specifying that the offense of resisting an order to stop a motor vehicle in the first degree is a class C felony; and
- (3) Reclassifying the current offense of resisting an order to stop a motor vehicle as a second degree offense and maintaining the penalty for this offense as a misdemeanor.

The Department of Transportation, Department of Public Safety, Honolulu Police Department, Maui Police Department, Hawai'i Police Department, Kauai Police Department, and two concerned individuals testified in support of this measure.

Under current law, it is a misdemeanor offense when a person intentionally fails to obey a law enforcement officer's direction to stop a motor vehicle. This includes instances entailing high speed pursuits where an individual attempting to evade or elude law enforcement officers operates a motor vehicle at high speeds and attempts reckless maneuvers that oftentimes result in the motor vehicle injuring or killing innocent members of the community. Creating an enhanced penalty for intentionally failing to stop a motor vehicle at the direction of a law enforcement officer when that failure to stop results in serious bodily injury or death to another person may act as a deterrent to such behavior.

However, your Committee finds that making the penalty for such an action a class C felony may be extreme, although further discussion should be continued on this matter as this measure proceeds through the legislative process. As such, your Committee has amended this measure by amending the penalty for resisting an order to stop a motor vehicle in the first degree to a misdemeanor to promote 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. 2253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2253, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 465-12 Transportation on H.B. No. 2626

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

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

This measure also:

- (1) Establishes a Safe Routes to School Program Special Fund;
- (2) Allows for the assessment of a surcharge of \$25 for violations of speeding in a school zone and a \$10 surcharge on various traffic violations and deposits these surcharges into the Safe Routes to School Program Special Fund; and
- (3) Deposits federal Safe Routes to School Program moneys into the Safe Routes to School Program Special Fund.

The Department of Education, Vice Chair of the Kauai County Council, Department of Public Works of the County of Kauai, Planning Department of the County of Kauai, Get Fit Kauai, NPAC: Nutrition and Physical Activity Coalition of Kauai, PATH-Peoples Advocacy for Trails Hawaii, Kauai PATH, Blue Planet Foundation, YES Kauai Youth Educational Sports, Inc., and several concerned individuals testified in support of this measure. The Department of Transportation and Department of Health testified in support of the intent of this measure. The Department of Budget and Finance submitted comments.

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

However, your Committee understands that flexibility is needed to get safe routes to school improvements processed and completed as smoothly as possible which, according to the Department of Transportation, can best be accomplished if counties are able to operate their respective programs as independently as possible.

Your Committee has amended this measure by:

- (1) Requiring, rather than allowing, the courts to assess the surcharges of \$25 for violations of speeding in a school zone and \$10 for various traffic violations;
- (2) Adding language making a distinction between the federal safe routes to school program and a county safe routes to school program;
- (3) Streamlining the use of safe routes to school funds and removing conflicts with federal laws by specifying that a county-designated office, through the county safe routes to school program coordinator shall provide funds for school-based and community-based workshops and infrastructure and non-infrastructure projects;
- (4) Requiring the Director of Transportation to develop a mechanism to provide funds to county safe routes to school programs from the Safe Routes to School Program Special Fund to be used for the implementation of county safe routes to school program projects;
- (5) Clarifying that in the implementation of the safe routes to school program, consideration be given to filling a permanent, full-time position of safe a routes to school coordinator within a county designated office rather than the Department of Transportation;
- (6) Clarifying that in the implementation of the safe routes to school program, consideration be given to working in conjunction with county designated safe routes to school stakeholders for school-based workshops and community-based projects;
- (7) Deleting language requiring federal safe routes to school program funds to be deposited into the Safe Routes to School Program Special Fund as this is not allowed under current federal regulations;
- (8) Removing the limitation to the improvements in public school zones to only traffic calming measures; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2626, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 466-12 Transportation on H.B. No. 2277

The purpose of this measure is to enhance the health and safety of all-terrain vehicle riders, especially those under the age of sixteen by prohibiting:

- (1) Minors under the age of sixteen from using all—terrain vehicles;
- (2) The use of all—terrain vehicles on public roadways;
- (3) Passengers from riding on all-terrain vehicles;
- (4) The use of all—terrain vehicles between sunset and sunrise; and
- (5) All-terrain vehicles from being operated without the use of a helmet.

The Maui Police Department, Concerned Families for ATV Safety, and several concerned individuals testified in support of this measure. Street Biker's United, Kalaeloa Raceway Park, and several concerned individuals testified in opposition to this measure.

All-terrain vehicles 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 16. In fact the statistics are sobering. According to the United States Consumer Product Safety Commission, in 2010, all-terrain vehicles killed 55 children younger than the age of sixteen and caused approximately 28,300 serious injuries among this age group.

While your Committee understands that all-terrain vehicles are relatively safe and that a majority of those riding all-terrain vehicles are safety-conscious and wear all the proper safety gear, the potential risk of injury to those riding these vehicles, especially Hawaii's youth, is real. Therefore, it is important that steps be taken to prevent the exorbitant amount of health care costs associated with all-terrain vehicle-related injuries and the immeasurable toll and grief experienced by family members and loved ones of individuals who suffer these injuries. For this reason, your Committee finds that establishing certain prohibitions on the use of all-terrain vehicles 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. 2277 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 467-12 Tourism/Water, Land, & Ocean Resources on H.B. No. 2183

The purpose of this measure is to promote the use of the Convention Center by directing the Hawaii Tourism Authority to develop uses and activities that complement the Convention Center and establish a Convention Center District.

The Hawaii Laborer's Union and Outrigger Hotels & Resorts testified in support of this measure. The Hawaii Tourism Authority testified in opposition to this measure.

Your Committees note the concerns of the Hawaii Tourism Authority regarding this measure. Your Committees respectfully request your Committee on Finance to consider amendments that create a Convention Center District under the Hawaii Community Development Authority instead of the Hawaii Tourism Authority.

As affirmed by the records of votes of the members of your Committees on Tourism 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. 2183 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, Coffman, McKelvey, Marumoto, Riviere and Thielen.

SCRep. 468-12 Tourism on H.B. No. 2069

The purpose of this measure is to make changes to the Condominium Property Regimes law under Chapters 514A and 514B, Hawaii Revised Statutes by:

- (1) Prohibiting a condominium board of directors, when leasing common elements of the condominium, from setting the rent at an amount below fair market rent value to individuals or entities who are not apartment owners; and
- (2) Requiring all direct costs attributable to condominium hotel operations to be charged only to unit owners whose units are included in condominium hotel operations.

Aston Hotels & Resorts, LLC; Classic Resorts Limited; and Outrigger Enterprises Group testified in opposition to this measure. Hawaii First, Inc. provided comments.

Your Committee has amended this measure by:

- (1) Specifying that a lease of a common element shall be for a term of no more than five years, except by agreement otherwise by 75 percent of unit owners;
- (2) Specifying that the 60 days notice to terminate a lease applies to the initial term of the lease;
- (3) Authorizing direct costs for condominium hotel operations to be treated as a common expense upon the approval of 75 percent of the association's unit owners; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2069, 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. 2069, H.D. 2.

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

SCRep. 469-12 Water, Land, & Ocean Resources/Economic Revitalization & Business on H.B. No. 2338

The purpose of this measure is to authorize the Department of Land and Natural Resources to lease public land for purposes of developing creative media production and post-production facilities by negotiation and without public auction.

The Mayor of the County of Maui and SHM Partners Film Studio Group testified in support of this measure. The University of Hawaii at West Oahu testified in support of the intent of this measure. The Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; and Office of Hawaiian Affairs provided comments on this measure.

Your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2020, for the purpose of facilitating further discussion; and
- (2) 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 Water, Land, & Ocean Resources and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2338, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2338, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Coffinan, Ito, Marumoto and Pine.

SCRep. 470-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2520

The purpose of this measure is to appropriate funds to the Department of Land and Natural Resources for the immediate protection of priority watershed forest to replenish Hawaii's water supplies and provide benefits to Hawaii's environmental health.

The Governor; Office of Hawaiian Affairs; Department of Land and Natural Resources; Honolulu Board of Water Supply; The Trust for Public Land; Parker Ranch, Inc.; The Nature Conservancy of Hawaii; Alexander & Baldwin, Inc.; Sierra Club Hawaii Chapter; Hawaii Farm Bureau Federation; Coordinating Group on Alien Pest Species; Land Use Research Foundation of Hawaii; Hawaii's Thousand Friends; Conservation Council for Hawaii; and numerous concerned individuals testified in support of this measure. The Good Shepherd Foundation and four individuals opposed this measure.

Your Committees have amended this measure by 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 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. 2520, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2520, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 471-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2593

The purpose of this measure is to provide a means for agencies to exercise emergency rulemaking authority to address issues of imminent peril to natural resources or the environment.

The Department of Land and Natural Resources, The Nature Conservancy of Hawaii, and the Coordinating Group on Alien Pest Species testified in support of this measure. The Land Use Research Foundation testified in support of the intent of this measure.

Your Committees have amended this measure by 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 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. 2593, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2593, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 472-12 Water, Land, & Ocean Resources on H.B. No. 1753

The purpose of this measure is to make permanent the liability protection for state and county governments regarding the duty to warn of dangers on improved public lands and actions of county lifeguards.

The Department of Land and Natural Resources; the Department of the Attorney General; the State Fire Council; the Honolulu Fire Department; the City and County of Honolulu Department of the Corporation Counsel; the County Council of the County of Maui; the County of Maui Department of Fire and Public Safety; the Kauai Fire Department; the Hawaii State Association of Counties; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this measure. 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. 1753 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 and Carroll.

SCRep. 473-12 Water, Land, & Ocean Resources on H.B. No. 1839

The purpose of this measure is to clarify that a water service holder's mailing address, amounts paid by or owed to the service holder for water or sewer services, and an individual's service location shall not be made available by a public agency for public inspection or duplication.

The Office of Information Practices provided comments on 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. 1839 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 and Carroll.

SCRep. 474-12 Water, Land, & Ocean Resources on H.B. No. 2384

The purpose of this measure is to require the Land Use Commission, upon request, to extend for at least two years the time period by which a petitioner must comply with conditions imposed as part of its approval of a district boundary amendment, if the appropriate county officer or state agency determines that the petitioner has substantially commenced development.

The Land Use Research Foundation of Hawaii testified in support of this measure. The Sierra Club, Hawaii Chapter opposed this measure.

Your Committee has amended this measure by:

- (1) Additionally allowing an extension of time if the appropriate county officer or state agency determines that other good cause exists for the extension;
- (2) Removing the provision limiting the number of petitions for extension that may be filed; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2384, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Carroll.
(Representatives Riviere and Thielen voted no.)

SCRep. 475-12 Water, Land, & Ocean Resources on H.B. No. 2419

The purpose of this measure is to facilitate the land use classification process when adopting amendments to a county general plan relating to parcels of land greater than 15 acres.

The Building Industry Association of Hawaii, the Land Use Research Foundation of Hawaii, and the Chamber of Commerce of Hawaii testified in support of this measure. The City and County of Honolulu Department of Planning and Permitting testified in support of the intent of this measure. The State Land Use Commission, Office of Planning, Office of Hawaiian Affairs, and four individuals opposed this measure.

Your Committee has amended this measure by:

- (1) Applying the facilitated land use classification process to parcels of land that are 15 acres or less; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2419, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 476-12 Water, Land, & Ocean Resources on H.B. No. 2682

The purpose of this measure is to authorize the Department of Land and Natural Resources to regulate the commercial use of state waters and marine resources.

The Department of Land and Natural Resources, the Environmental Caucus of the Democratic Party of Hawaii, and four individuals testified in support of this measure.

Your Committee has amended this measure by defining "commercial activity" and "compensation" to clarify that this measure applies to all commercial activity under chapter 200, Hawaii Revised Statutes, rather than just 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. 2682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2682, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 477-12 Water, Land, & Ocean Resources on H.B. No. 2871

The purpose of this measure is to establish a West Maui Ocean Recreation Management Area Advisory Committee to advise the Department of Land and Natural Resources on issues relating to state waters within the west Maui ocean recreation management area, particularly the state waters adjacent to Kaanapali.

The Ocean Tourism Coalition and two individuals testified in support of this measure. The Department of Land and Natural Resources opposed this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, for the purpose of facilitating future 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2871, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 478-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2872

The purpose of this measure is to allow for aerospace high technology parks to be considered a permitted land use in an agricultural land use district.

The Chamber of Commerce of Hawaii testified in support of this measure. The Office of Planning of the Department of Business, Economic Development, and Tourism and the Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. The Environmental Center of the University of Hawaii at Manoa provided comments on this measure.

Your Committees have amended this measure by:

- (1) Requiring aerospace high technology parks to obtain a special permit pursuant to section 205-6, Hawaii Revised Statutes; and
- (2) 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 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. 2872, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2872, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 479-12 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 2690

The purpose of this measure is to address geothermal resources by:

- (1) Differentiating between "geothermal resources exploration" and "geothermal resources development" for purposes of mining leases and exploration permits;
- (2) Designating geothermal resources exploration and geothermal resources development as permitted uses in all state land use districts and conservation district zones;
- (3) Repealing geothermal resource subzone provisions under state land use law; and
- (4) Exempting geothermal resources exploration from environmental assessment and environmental impact statement requirements.

The Department of Land and Natural Resources; the Department of Business, Economic Development, and Tourism; the Innovations Development Group; Indigenous Consultants, LLC; and an individual testified in support of this measure. The Office of Environmental Quality Control, the Sierra Club Hawai'i Chapter, and an individual opposed this measure. Life of the Land submitted comments on this measure.

Your Committees have amended this measure by:

- (1) Deleting provisions relating to environmental review so that geothermal exploration and development projects are not statutorily exempt from completing an environmental assessment or an environmental impact statement; and

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2690, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2690, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 480-12 Energy & Environmental Protection on H.B. No. 2326

The purpose of this measure is to amend the energy conservation income tax credit to provide that the basis of eligible depreciable property for state income tax purposes shall be reduced by the amount of the tax credit claimed.

Hawaii Solar Energy Association, Hawaii Association of REALTORS, and Hawaii Renewable Energy Alliance testified in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee notes that the fiscal tax issues that may arise under sections 4, 5, and 6 of this measure are outside of the scope of your Committee's subject matter jurisdiction and recommends that in reviewing these sections, your Committee on Finance consider the testimony from the Department of Taxation.

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. 2326 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 Herkes.
(Representative Thielen voted no.)

SCRep. 481-12 Energy & Environmental Protection on H.B. No. 2249

The purpose of this measure is to:

- (1) Require permitted landfills to track and report the types of alternative daily covers used;
- (2) Require state and county agencies to place a preference on the disposal of residual recycling waste in landfills and incinerators; and
- (3) Require state and county agencies to accept such disposals.

PVT Land Company Limited and Schnitzer Steel Hawaii Corp. testified in support of this measure. The Department of Health and the Department of Environmental Services of the City and County of Honolulu opposed this measure. The Environmental Center of the University of Hawaii at Manoa provided comments on this measure.

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. 2249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2249, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 482-12 Energy & Environmental Protection on H.B. No. 2485

The purpose of this measure is to clarify requirements pertaining to parking spaces for electric vehicles. Specifically, this measure, among other things, sets the minimum number of electric vehicle-designated parking spaces required in places of public accommodation with at least 100 parking spaces, but repeals mandatory designated space increases that would have taken effect once registered electric vehicles in the State numbered at least 5,000.

The Department of Business, Economic Development, and Tourism, Retail Merchants of Hawaii, Outrigger Hotels Hawaii, and an individual submitted testimony in support of this measure. The Blue Planet Foundation submitted testimony in support of this measure with amendments. The Hawaii Chapter of the Sierra Club and an individual submitted testimony in opposition to this measure.

Your Committee notes that there are concerns with regard to the definition of "parking facilities" and requests that the Committee on Finance consider this issue. It may be unclear as to how a large parking facility comprising several smaller parking areas will be classified for the purposes of determining how many stalls must be designated for electric vehicles.

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. 2485, 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. 2485, H.D. 2.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 483-12 Energy & Environmental Protection/Housing on H.B. No. 2799

The purpose of this measure is to authorize a private entity that governs a multi-family residential dwelling or townhouse to assign specific stalls for placement of electric vehicle charging stations when parking stalls under the private entity's control are not assigned.

Three individuals submitted testimony in support of this measure. The Sierra Club Hawaii Chapter, Blue Planet Foundation, and an individual opposed this measure.

Your Committees note that condominium associations did not give testimony on this measure.

Your Committees have amended this measure by:

- (1) Deleting the provision requiring a person to obtain prior approval from the private entity before placing an electric vehicle charging system on or near the parking stall of any multi-family residential dwelling or townhouse unit owned by that person; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2799, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2799, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Herkes, Nakashima and Pine.

SCRep. 484-12 Human Services/Housing on H.B. No. 2280

The purpose of this measure is to protect the tenancy of tenants who are victims of domestic abuse by:

- (1) Prohibiting landlords from terminating their tenancy or refusing to enter into rental agreements with them;
- (2) Establishing penalties for landlords who so terminate such tenancies or refuse to enter into such rental agreements; and
- (3) Establishing procedures to allow landlords to terminate or decline to renew a tenancy including cases where a perpetrator of domestic abuse visits the tenant's property or poses a threat to other people on the property.

Many concerned individuals supported the measure. The Hawaii State Coalition Against Domestic Violence and Hawaii Association of REALTORS offered comments on the measure.

Your Committees have noted that the Department of Human Services and the Attorney General did not provide testimony on the measure, and these two agencies will be sought for guidance on this measure.

Your Committees have amended this measure by:

- (1) Adding a provision that further clarifies that this measure does not prohibit landlords from terminating a lease or rental agreement for a lawful reason;
- (2) Deleting the word "adverse" in the provision relating to housing decisions based upon other lawful factors; and
- (3) Changing its effective date to July 1, 2050, to promote further discussion;

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 are in accord with the intent and purpose of H.B. No. 2280, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2280, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Chang, Har, Yamane, Ching and Thielen.

SCRep. 485-12 Public Safety & Military Affairs on H.B. No. 2063

The purpose of this measure is to appropriate funds for various rehabilitation, reentry, job skill, and other support programs and services under the Department of Public Safety and the counties for incarcerated persons and their families.

The State Representative of District 4, Community Alliance on Prisons, Hawaii Friends of Justice & Civic Education, and two individuals testified in support of this measure. The Department of Public Safety testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Adding an appropriation for the No Looking Back Program by the Golden Castle Foundation to assist incarcerated men transition back into the community;
- (2) Deleting the amounts in each appropriation;
- (3) Clarifying the proper expending agency for an appropriation;

- (4) Changing the effective date to July 1, 2030, to encourage continued 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2063, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki and Takai.

SCRep. 486-12 Economic Revitalization & Business on H.B. No. 2239

The purpose of this measure is to establish a tax credit for certain investments in small business enterprises.

The Department of Taxation testified in opposition to this measure. The Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing monetary limits on assets and sales from the definition of a "small business enterprise";
- (2) Applying the tax credit to taxable years beginning after December 31, 2112; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2239, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 487-12 Economic Revitalization & Business on H.B. No. 2272

The purpose of this measure is to include new language to:

- (1) Clarify the definition of "landscape architect"; and
- (2) Replace the existing definition of "surveyor" or "land surveyor" with definitions for "land surveying" and "professional surveyor", "professional land surveyor", or "land surveyor".

The Board of Professional Engineers, Architects, Surveyors and Landscape Architects, Hawaii Land Surveyors Association, Wes Thomas Associates, AECOM, and numerous individuals testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee has amended this measure by:

- (1) Further revising the definition of "land surveying"; and
- (2) Changing the effective date to July 1, 2112, for the purpose of facilitating 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. 2272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2272, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 488-12 Economic Revitalization & Business on H.B. No. 2518

The purpose of this measure is to appropriate funds for the business and technology transformation initiative to prepare the State for the larger transformation activities that will be defined in the forthcoming information technology strategic plan.

The Office of the Governor and the Office of Information Management and Technology testified in support of this measure.

Your Committee has amended this measure by:

- (1) Specifying the appropriation amounts to be expended by the Office of Information Management and Technology;
- (2) Including language to have the Office of Information Management and Technology report to the Legislature no later than 20 days prior to the convening of the 2013 Regular Session; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2518, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2518, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 489-12 Economic Revitalization & Business on H.B. No. 2712

The purpose of this measure is to require state departments and agencies to offer surplus equipment, before discarding it as solid waste, for:

- (1) Sale or donation to schools or nonprofits; and
- (2) Sale to at least one organization or business capable of refurbishing sellable equipment and removing salvageable components.

Additionally, this measure requires the Department of Accounting and General Services to submit an annual report to the Legislature on the quantity and nature of surplus equipment replaced, upgraded, and offered for sale or donation by state agencies, as well as that purchased and accepted by receiving organizations.

No testimony was received for 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. 2712 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 490-12 Human Services on H.B. No. 2200

The purpose of this measure is to appropriate funds to the Department of Human Services to match federal funds allocated to the State for Medicaid benefits dedicated to adult vision services.

Hawaii Primary Care Association and two concerned individuals supported the measure. The Department of Human Services opposed the measure.

Your Committee notes that the Department of Human Services testified that the elimination of optometry services and glasses in the Medicaid program affects only non-disabled adults, however, this population will still be able to receive ophthalmology services for the treatment of eye disease. Children, individuals older than sixty-five years, and individuals with disabilities will have no change in eye care coverage and will be able to access and obtain the full range of optometry services and eyeglasses. The Department of Human Services added that restoration of the optometry services for the affected population would require \$838,782 in general funds, which is based on the enrollment increases and proposed benefit expansion for adults in QUEST-ACE and QUEST-Net being the same as those in QUEST.

Your Committee has amended this measure by:

- (1) Changing the appropriation for adult vision services to an unspecified dollar amount;
- (2) Adding as Part II of this measure the contents of H.B. No. 2197, which authorizes caregivers to execute an affidavit for caregiver consent on behalf of a minor to allow the minor to participate fully in programs and services of minors subject to the Individuals with Disabilities Education Act or section 504 of the Rehabilitation Act of 1973;
- (3) Changing its effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2200, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 491-12 Human Services on H.B. No. 2534

The purpose of this measure is to help preserve health care benefits for low-income adults and children by making permanent the reduced death benefits for medical and financial assistance recipients.

Additionally, this measure clarifies the roles and responsibilities of state agencies by:

- (1) Clarifying that the Department of Human Services may bear the cost for crematory and mortuary services for unclaimed dead human bodies only after approving the determination that a dead human body is unclaimed; and

- (2) Setting time limitations on individuals responsible for unclaimed dead human bodies to be cremated at the public expense to submit a written determination that a dead human body is unclaimed and to apply for crematory payment to the Department of Human Services.

The Department of Human Services, Department of Health, and two concerned individuals testified in support of this measure. A concerned individual opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2534, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 492-12 Human Services on H.B. No. 1713

The purpose of this measure is to require the Department of Human Services to develop and maintain electronic records of Hawaii's Medicaid applicants. Specifically, this measure requires the Department of Human Services to:

- (1) Accept applications for any Medicaid program in written form and as an electronic record submitted through an integrated electronic system developed and maintained by the Department of Human Services no later than January 1, 2014; and
- (2) Convert any written Medicaid application submitted after December 31, 2013 to an electronic record and to incorporate the electronic record into the integrated electronic system.

A concerned individual supported the measure. The Department of Human Services opposed the measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the Department of Human Services convert any written Medicaid application submitted after December 31, 2013 to an electronic record and to incorporate the electronic record into the integrated electronic system;
- (2) Authorizing, instead of requiring, the Department of Human Services to accept Medicaid applications in written or electronic form and seek matching federal funds, grants, and private funds to comply with requirements relating to electronic Medicaid records;
- (3) Changing the effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 493-12 Human Services on H.B. No. 1988

The purpose of this measure is to assist low- and moderate-income working people by:

- (1) Requiring the Department of Taxation to coordinate an outreach initiative to increase awareness and use of the federal earned income tax credit; and
- (2) Appropriating funds for the outreach initiative.

The Department of Human Services, Office of Hawaiian Affairs, Hawaii Alliance for Community-Based Economic Development, Kewalo Hawaiian Homestead Community Association, Hawaii State Commission on the Status of Women, and a concerned individual supported the measure. The Department of Taxation and Tax Foundation of Hawaii offered comments on the measure.

Your Committee notes that the Office of Hawaiian Affairs testified that Hawaii workers fail to claim an estimated \$31,299,580 to \$41,732,301 in federal earned income tax credits annually. The Office of Hawaiian Affairs added that many of those families could use the credit to purchase goods and services which would, in turn, generate more than \$4,600,000 in general excise tax revenues for the State.

Your Committee also notes the Department of Human Services' recommendations that the proposed outreach initiative partner with the Volunteer Income Tax Assistance (VITA) Program, which is closely associated with the Internal Revenue Service (IRS) and offers free tax help to persons earning \$50,000 or less who need assistance preparing their tax returns. The Department of Human Services added that the IRS-certified VITA volunteers can inform taxpayers about special tax credits for which they may qualify such as the earned income tax credit, child tax credit, and credit for the elderly and disabled. The VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1988, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 494-12 Human Services on H.B. No. 2290

The purpose of this measure is to authorize public events celebrating Children and Youth Day to be held on State Capitol grounds on the first Sunday in October, unless otherwise determined by the governor.

A concerned individual supported the measure. The Hawaii Youth Services Network supported the measure with amendments.

Your Committee respectfully notes that Children and Youth Day and the Children and Youth Summit are events that are beneficial for the State, especially for youth, who gain their first exposure to the legislative process through their participation in the Children and Youth Summit. Your Committee also respectfully asks the proponents to report to the Committee on Finance the total costs to the State relating to the Children and Youth Day and the Children and Youth Summit, including operational expenses at the State Capitol, security, and other State expenses.

Your Committee has amended this measure by:

- (1) Adding the Children and Youth Summit to the celebration authorized to be held on the State Capitol grounds; and
- (2) Changing its effective date to July 1, 2050, to promote 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. 2290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2290, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 495-12 Human Services on H.B. No. 2533

The purpose of this measure is to amend the definition of "aggravated circumstances" in the Child Protective Act to be consistent with the federal Child Abuse Prevention and Treatment Act.

The Department of Human Services, Department of the Attorney General, and Family Programs Hawaii testified in support of this measure.

Your Committee respectfully notes that the Department of Human Services testified that the federal Administration for Children and Families informed the State that recent changes to the federal Child Abuse Prevention and Treatment Act need to be incorporated into the Child Protective Act, chapter 587A, Hawaii Revised Statutes. These changes will allow the Department of Human Services to continue to receive federal funding of approximately \$140,000. Your Committee also notes that compliance with the Child Abuse Prevention and Treatment Act requirements is necessary for the State to be able to comply with its federal Title IV-E State Plan so that Hawaii can remain eligible for approximately \$40,000,000 in annual federal Title IV-E funding.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2533, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 496-12 Human Services on H.B. No. 2578

The purpose of this measure is to reduce bureaucracy and improve government efficiency by abolishing the defunct Advisory Council for Community Services.

The Department of Labor and Industrial Relations and the Office of Community Services supported this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2578, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 497-12 Human Services on H.B. No. 2676

The purpose of this measure is to appropriate funds to restore staff positions within the Department of Human Services on the islands of Maui, Lanai, and Molokai that were eliminated by budget reductions during the 2010-2011 fiscal year.

Several concerned individuals supported the measure. A concerned individual supported the measure with amendments. The Department of Human Services offered comments on the measure.

Your Committee notes that the Department of Human Services asked for support from the Legislature in its \$5,800,000 line item request that includes positional funding in the Executive Supplemental Budget submitted by the Governor.

Your Committee has amended this measure by:

- (1) Adding the contents of H.B. No. 2674 that appropriates funds for six full-time Medicaid eligibility workers;
- (2) Appropriating funds for an unspecified amount of physician positions that are essential and critical in serving the needs of Medicaid patients;
- (3) Changing its effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2676, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 498-12 Human Services on H.B. No. 239

The purpose of this measure is to provide additional security for those who obtain an order of protection by enhancing penalties for a person who has a prior conviction for certain felonies and is subsequently convicted of violating an order of protection.

The City and County of Honolulu Department of the Prosecuting Attorney supported this measure with amendments.

Your Committee has amended this measure by:

- (1) Expanding the enhanced penalties to those with a prior conviction of the specified offenses or prior conviction of an order for protection committed against any person, rather than just against a family or household member; and
- (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. 239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 239, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 499-12 Human Services on H.B. No. 2472

The purpose of this measure is to address the problem of "sexting", which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cell phone or other form of electronic communication. Specifically, this bill:

- (1) Prohibits adults from soliciting minors to electronically transmit nude images of minors;
- (2) Prohibits minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so;
- (3) Prohibits persons from possessing a nude image of a minor transmitted by a minor;
- (4) Makes it an affirmative defense that the recipient made reasonable efforts to destroy the minor-transmitted nude image of a minor; and
- (5) Establishes penalties for promoting minor-produced sexual images in the first degree, and promoting minor-produced sexual images in the second degree.

The Department of the Attorney General and a concerned individual supported the measure. The American Civil Liberties Union of Hawaii opposed the measure.

Your Committee respectfully notes that the measure has the potential to create a mixed population of offenders, including high school students. Your Committee notes that the judicial system should have discretion on applying the law to high school students, especially high school seniors, who are near 18 years of age, or older by a few months. Depending on their ages, high school seniors may face less severe or more severe penalties despite being in the same graduating class.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2472, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 500-12 Human Services on H.B. No. 2292

The purpose of this measure is to help former foster youth in obtaining appropriate medical assistance after they "age out" of foster care at eighteen years of age. Specifically, this measure requires the Department of Human Services to automatically enroll former foster youth in an appropriate medical assistance program and automatically re-enroll former foster youth until they reach twenty-six years of age.

The Office of Hawaiian Affairs; Hawaii Youth Services Network; Family Programs Hawaii; Hawaii Youth Opportunities Initiative, EPIC Ohana, Inc.; many members of the Hawaii Youth Opportunities Initiative HI H.O.P.E.S. Board; and a concerned individual supported this measure. The Department of Human Services offered comments on the measure.

Your Committee has amended this measure by:

- (1) Requiring the Department of Human Service with federal approval to provide medical assistance to former foster youth who:
 - (A) Are younger than 24 years of age in 2012, younger than 25 years of age in 2013, and younger than 26 years of age in 2014;
 - (B) Were under the State's care when they reached 18 years of age or such higher age as the State may elect pursuant to the Federal Patient Protection and Affordable Care Act of 2010;
 - (C) Were enrolled in the Medicaid program while in foster care; and
 - (D) Have a household income of up to 300 percent of the federal poverty level for Hawaii;
- (2) Adding a severability clause so federal funding, among other things, will not be adversely affected by the measure;
- (3) Changing its effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2292, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 501-12 Human Services on H.B. No. 2415

The purpose of this measure is to improve the efficiency of the Medicaid system by requiring:

- (1) Certain Medicaid recipients to pay a copayment for prescription drugs covered under the recipients' Medicaid benefits in accordance with a system developed by the Department of Human Services; and
- (2) The Department of Human Services to seek the approval of the Centers for Medicare and Medicaid Services prior to the establishment and implementation of such a system.

The Hawaii Medical Service Association and a concerned individual testified in support of this measure. The Department of Human Services testified in support of the intent of this measure but with reservations. Two concerned individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Specifying that copayments shall not be required for prescription drugs obtained for:
 - (A) Recipients under 21 years of age;
 - (B) Terminally ill recipients certified at hospice level of care; and
 - (C) Recipients residing in nursing facilities or in home- or community-based settings that provide a certified intermediate care facility or skilled nursing facility level of care; and
- (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. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 502-12 Human Services on H.B. No. 2685

The purpose of this measure is to encourage needy families to save money and escape poverty by raising the asset limit for the public assistance program from \$5,000 to \$10,000.

The Office of Hawaiian Affairs, Kewalo Hawaiian Homestead Community Association, and several concerned individuals supported the measure. A concerned individual supported the measure with amendments. The Department of Human Services offered comments on the measure.

Your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to conduct a study on asset limits and submit its findings and recommendations to the 2013 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2685, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 503-12 Human Services/Health on H.B. No. 2050

The purpose of this measure is to address healthcare concerns involving gender, race, and ethnicity by requiring training programs and the recertification process for nurse aides to include a multicultural health awareness and education program.

A concerned individual supported the measure. The Department of Human Services supported the intent of the measure with amendments.

Your Committee has amended this measure by:

- (1) Adding multicultural health awareness and education to the continuing education requirements for recertification;
- (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 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. 2050, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2050, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 504-12 Human Services/Health on H.B. No. 2535

The purpose of this measure is to make permanent, the psychotropic medications statute to ensure access to necessary medications while encouraging the use of generic anti-depressant and generic anti-anxiety medications.

The Department of Human Services, Department of Health, Public Policy Committee of the Hawaii Association of Health Plans, Ohana Health Plan, Aloha Care, and a concerned individual supported the measure. The Hawaii Medical Service Association supported the measure with amendments. The Hawaii Disability Rights Center and United Self Help offered comments on the measure.

Your Committees noted that the Hawaii Medical Service Association suggested an amendment to the psychotropic medication statute, section 346-59.9, Hawaii Revised Statutes, that repeals language that the department and its contracted health plans shall not require any individual who is stable on a brand name anti-depressant or anti-anxiety medication on or before July 1, 2010, to transfer to a different generic or brand name medication unless the individual's condition becomes unstable and requires the medication to be replaced. Your Committees also noted that the Department of Human Services testified that the measure could reduce Medicaid expenditures by approximately \$500,000 annually. Your Committees also respectfully requested that the stakeholders work together to develop future drafts for this measure.

Your Committees have amended this measure by:

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2535, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2535, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 505-12 Human Services/Health on H.B. No. 2138

The purpose of this measure is to prevent illegitimate claims and increase efficiency in Hawaii's public health insurance programs by requiring the Department of Human Services to:

- (1) Implement state-of-the-art technologies in its Medicaid and Children's Health Insurance Programs to increase the Department's ability to detect and prevent waste, fraud, and abuse in the programs; and
- (2) Require the Department to submit a report on its progress before the convening of the 2013 Legislature.

Two concerned individuals supported the measure. The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO supported the intent of the measure. The Department of Human Services and Hawaii Medical Service Association opposed the measure.

Your Committees note the Department of Human Services' testimony that the measure, as received by your Committees, would increase providers' burdens, could worsen recipient access, and would require a substantial appropriation. Your Committees also note that the stakeholders should continue to work with integrity to prevent waste, fraud, and abuse in Hawaii's health insurance programs. Your Committees also find that Medicaid payments in Hawaii totaled \$1,700,000,000 in 2012.

Accordingly, your Committees have amended this bill by:

- (1) Establishing instead, a task force to recommend measures and strategies to prevent waste, fraud, and abuse in the Medicaid and Children's Health Insurance Programs;
- (2) Repealing the task force on July 1, 2013; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2138, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2138, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 506-12 Human Services/Health on H.B. No. 2131

The purpose of this measure is to allow a community care foster family home to remain open for at least another six months upon losing its only Medicaid patient, if a physician, licensed in the State, certifies that removal of the remaining private-pay client may result in transfer trauma to that client.

The Hawaii Disability Rights Center, Adult Foster Homecare Association of Hawaii, and The Primary Care Providers supported the measure. The Department of Human Services opposed the measure.

Your Committees have noted that the Department of Human Services testified that, to date, there have been no closures of community care foster family homes as a result of the home not having a Medicaid client in residence. The Department of Human Services testified that it will work with its designee, Community Ties of America, and stakeholders on developing better policy and communication so that community care foster family homes can remain open and continue to serve as an important community resource to meet the needs of Medicaid patients requiring community-based options to nursing facility care. The Department of Human Services also suggested that the amendment to section 346-332(b), Hawaii Revised Statutes, may be more appropriately placed elsewhere, given that the statutory section is obsolete.

Your Committees have amended this measure by:

- (1) Reducing the mandatory age of a substitute caregiver to 18 years or older, from 21 years or older; and
- (2) Changing its effective date to July 1, 2050, to promote 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. 2131, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2131, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 507-12 Human Services/Health on H.B. No. 2517

The purpose of this measure is to create Aging and Disability Resource Centers in each county to streamline access by providing a centralized location for long-term support and services for older adults, persons with disabilities, family caregivers, and providers.

The Governor; County of Hawaii Office on Aging; the Policy Board for Elder Affairs; Alzheimer's Association, Aloha Chapter; Child & Family Service; American Association of Retired Persons; Healthcare Association of Hawaii; and several concerned individuals supported the measure. The

Executive Office on Aging and the Maui County Office on Aging supported the measure with amendments. The Disability and Communication Access Board supported the intent of the measure.

Your Committees have amended this measure by:

- (1) Adding preamble language with references to government and private support for Aging and Disability Resource Center Program, and the advantages of centralized data collection;
- (2) Amending definitions of "aging and disability resource center", "area agency on aging", "dementia", and "options counseling";
- (3) Adding Kupuna Care to the list of programs and services that can be accessed by the public through the Aging and Disability Resource Center;
- (4) Adding a provision that allows for a centralized application process for publically funded long-term support and services that can be accessed by the public through the Aging and Disability Resource Center;
- (5) Specifying that the executive office on aging shall coordinate the implementation of the statewide Aging and Disability Resource Center Program;
- (6) Specifying that the area agencies on aging shall implement the statewide Aging and Disability Resource Center program within their respective geographic service area; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2517, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2517, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 508-12 Agriculture/Economic Revitalization & Business on H.B. No. 2317

The purpose of this measure is to authorize the counties to allow overnight accommodations as part of agricultural tourism activities.

A member of the Maui County Council testified in support of this measure. The Department of Agriculture, Office of Planning, and Hawaii Farm Bureau Federation testified in support of the intent of this measure. The City and County of Honolulu Department of Planning and Permitting testified in opposition to this measure.

Your Committees have amended this measure by:

- (1) Adding a sunset date of June 30, 2117; and
- (2) Changing the effective date to July 1, 2112, for the purposes of facilitating further discussion.

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 are in accord with the intent and purpose of H.B. No. 2317, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2317, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 509-12 Agriculture on H.B. No. 2424

The purpose of this measure is to exempt buildings or structures located on commercial farms or ranches that are used for general agricultural or aquacultural purposes from the county building permitting process.

The Hawaii Farm Bureau Federation; Molokai Sea Farms; W.H. Shipman, Ltd.; Aquaculture Planning & Advocacy, LLC; Hawaii Livestock Farmers Coalition; Hawaii Aquaculture and Aquaponics Association; Shrimp Improvement Systems Hawaii, LLC; High Health Aquaculture; Mokuleia Aquafarm; the Oceanic Institute; Environmental Caucus of the Democratic Party of Hawaii; and two individuals testified in support of this measure. Hawaii Farmers Union United testified in support of this measure with amendments. The Department of Agriculture and Structural Engineers Association of Hawaii testified in opposition to this measure. The Department of Land and Natural Resources provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that agricultural buildings and structures that are exempted from county building permit requirements and that are serviced with electricity shall comply with the state building code electrical standard;
- (2) Specifying that this measure is not meant to supersede public or private lease conditions;
- (3) Amending the definitions of low-risk nonresidential buildings or structures and agricultural buildings;
- (4) Changing the effective date to February 1, 2050, for the purposes of facilitating 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2424, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee.

SCRep. 510-12 Agriculture on H.B. No. 2832

The purpose of this measure is to support drought mitigation throughout the State by:

- (1) Appropriating funds to the counties for drought mitigation purposes; and
- (2) Requiring the counties to report to the Legislature on the status of drought mitigation projects no later than twenty days prior to the convening of the 2014 regular session.

The Department of Water, County of Kauai; Department of Water Supply, County of Maui; two council members of the County Council, County of Maui; Board of Water Supply, City and County of Honolulu; Central Maui Soil and Conservation District; Hawaii Cattlemen's Association; Hawaii Cattlemen's Council Incorporated; and several individuals testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. The Department of Land and Natural Resources provided comments on this measure.

Your Committee has amended this measure by:

- (1) Specifying that the total appropriation amount be \$4,000,000 with \$1,000,000 allocated to each county; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2832, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 511-12 Health on H.B. No. 2345

The purpose of this measure is to provide for the public health, safety, and general welfare of the community by authorizing the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

St. Francis Healthcare System of Hawaii, Healthcare Association of Hawaii, Hawaii Catholic Conference, and an individual testified in support of this measure. An individual testified in opposition to this measure. The Department of Budget and Finance commented on this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing the special purpose revenue bonds to be used for refinancing debt related to financing the construction, improvement, and equipment of St. Francis Healthcare System of Hawaii healthcare facilities;
- (2) Making technical amendments relating to the financial structure of the bonds;
- (3) Changing the effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2345, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Wooley.

SCRep. 512-12 Judiciary on H.B. No. 1680

The purpose of this measure is to prevent discrimination in employment practices by prohibiting employers or employment agencies from publishing any advertisement for a job vacancy that requires an applicant to be currently employed as a condition for consideration, interview, or hire. Further, this measure restricts employers and employment agencies from refusing to hire any individual solely on the basis that the individual was not employed when the advertisement for the job vacancy was published.

The Hawaii State AFL-CIO; United Public Workers, AFSCME, Local 646 AFL-CIO; ILWU Local 142; and Hawaii Laborer's Union testified in support of this measure. The Hawaii Civil Rights Commission and The Chamber of Commerce of Hawaii testified in opposition to this measure. The Department of Human Resources of the City and County of Honolulu provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting language prohibiting an employer or employment agency from refusing to hire or employ any individual solely because the individual was unemployed at the time the advertisement for the job vacancy was published;
- (2) Changing the effective date to January 7, 2019, 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. 1680, 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. 1680, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 513-12 Judiciary on H.B. No. 2447

The purpose of this measure is to permit the Department of Health to disclose dates of vital events to Hawaii governmental agencies to assist with the accuracy of official lists and to avoid overpayment of benefits and waste of public funds.

The Department of the Attorney General, Department of Health, and Department of Human Services testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 7, 2019, 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. 2447, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2447, H.D. 1.

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

SCRep. 514-12 Judiciary on H.B. No. 2569

The purpose of this measure is to allow for the improved and effective implementation of Hawaii's civil union law by amending various provisions of the Hawaii Revised Statutes to clarify language and promote conformity among related provisions.

The Department of Health, Honolulu Pride, and numerous concerned individuals testified in support of this measure. Equality Hawaii and Citizens for Equal Rights testified in support of this measure with amendments. Hawaii Family Forum, Christian Voice of Hawaii, and several concerned individuals testified in opposition to this measure. The Department of the Attorney General, Hawaii Catholic Conference, and numerous concerned individuals testified with comments on this measure.

Your Committee has amended this measure by:

- (1) Adding language to provide uninterrupted rights for those couples who have to terminate their reciprocal beneficiary relationships to enter into a civil union, including the right to hold property in a tenancy by the entirety;
- (2) Adding a provision clarifying that a religious organization is not required to make its facilities available for a civil union solemnization; provided that the facility is not a place of public accommodation;
- (3) Removing unnecessary references to a civil union solemnization being either secular or performed according to religious usage;
- (4) Establishing that a reciprocal beneficiary relationship automatically terminates when either party to the reciprocal beneficiary relationship enters into a marriage or a civil union solemnized by a person licensed by the Department of Health, or enters into a union outside the State;
- (5) Making the measure retroactive in application to January 1, 2012, to afford protection to those couples who have already terminated their reciprocal beneficiary relationships in order to enter into civil unions; 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. 2569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2569, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 515-12 Consumer Protection & Commerce on H.B. No. 1736

The purpose of this measure is to clarify Hawaii's health insurance exchange law by, among other things:

- (1) Requiring the Hawaii Health Connector to establish a separate program and risk pool to serve the individual market and a separate program and risk pool to serve the small group market;
- (2) Establishing the schedule of staggered terms for the initial board members;
- (3) Establishing a navigator program; and
- (4) Clarifying the role of the Department of Human Services in determining Medicaid eligibility.

The Office of the Governor, Hawaii Health Connector, Kaiser Permanente, Hawaii Medical Service Association, The Chamber of Commerce of Hawaii, and Ohana Health Plan supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The American Cancer Society and Hawaii Primary Care Association provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 3000, 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. 1736, 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. 1736, H.D. 2.

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

SCRep. 516-12 Consumer Protection & Commerce on H.B. No. 2409

The purpose of this measure is to authorize the Director of Commerce and Consumer Affairs to:

- (1) Enforce certain federal laws that protect military members and their families from abusive lending practices; and
- (2) Enter into an agreement with the United States Federal Trade Commission to allow the Director of Commerce and Consumer Affairs to access the Military Sentinel database to enforce the protection of military members and their families from abusive lending practices.

The U.S. Department of Defense State Liaison Office, Department of Commerce and Consumer Affairs Office of Consumer Protection, and The Chamber of Commerce of Hawaii 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. 2409 and recommends that it be referred to the Committee on Finance.

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

SCRep. 517-12 Consumer Protection & Commerce on H.B. No. 2496

The purpose of this measure is to clarify and correct ambiguities and errors in Hawaii's business registration laws.

The Department of Commerce and Consumer Affairs, Hawai'i Alliance of Nonprofit Organizations, Hawaii Association of Independent Schools, and the University of Hawaii Professional Assembly 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. 2496 and recommends that it be referred to the Committee on Finance.

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

SCRep. 518-12 Consumer Protection & Commerce on H.B. No. 2258

The purpose of this measure is to help address unemployment issues faced by Hawaii's service men and women upon separation by allowing professional and vocational licensing authorities to apply military education, training, or service toward the qualifications required to receive a license.

A concerned individual opposed this measure. The Deputy Assistant Secretary of Defense and 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. 2258, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 519-12 Consumer Protection & Commerce on H.B. No. 2257

The purpose of this measure is to assist military spouses to maintain continuity in their career paths by authorizing professional and vocational licensing authorities to allow applicants to demonstrate competency in lieu of work requirements under specified conditions and establishing procedures to expedite the issuance of licenses, certifications, or permits to military spouses.

The Deputy Assistant Secretary of Defense and 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. 2257, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 520-12 Labor & Public Employment on H.B. No. 1810

The purpose of this measure is to promote wellness and discourage the medically unnecessary use of health care services by requiring the Board of Directors of the Hawaii Employer-Union Health Benefits Trust Fund to require every health benefits plan established or contracted by the Board to include higher deductibles and co-payments for tobacco smokers and other high risk individuals.

The Department of Human Resources of the City and County of Honolulu, American Heart Association, Coalition for a Tobacco Free Hawaii, and United Public Workers, AFSCME, Local 646, AFL-CIO testified in opposition to this measure. The Administrator of the Hawaii Employer-Union Health Benefits Trust Fund and Department of Health provided comments.

Cigarette smoking and other high risk behaviors can contribute to the demise of an individual's health which lead to increases in health care costs, and commensurately, health benefits plan costs. Charging higher healthcare insurance deductibles and co-payments for tobacco smokers and other high risk individuals may act as a financial disincentive to the continuation of these behaviors and thus lead to lower health benefits plan costs, including costs for the Hawaii Employer-Union Health Benefits Trust Fund.

However, your Committee notes that questions remain as to whether promoting disincentives to achieve health behavior outcomes actually accomplishes this goal and whether instead that providing incentives to motivate individuals to take personal responsibility for their own health and improve their healthy behavior may be a better approach. As such, your Committee has amended this measure by:

- (1) Requiring the Board to require every health benefits plan established or contracted by the Board to include lower deductibles and co-payments for non-smokers of tobacco and low health risk behavior individuals;
- (2) Requiring the Board to consult with medical professionals to make a determination as to what low risk behavior shall include; and
- (3) Stipulating that genetic factors and pre-existing medical conditions not be included as a behavior when determining what low risk behavior shall include.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1810, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke and Saiki.

SCRep. 521-12 Labor & Public Employment on H.B. No. 1168

The purpose of this measure is to improve the operations and efficiency of the Hawaii Employer-Union Health Benefits Trust Fund by, among other things:

- (1) Exempting the procurement of services of a carrier, third-party administrator, consultant, actuary, auditor, or administrator from the State Procurement Code;
- (2) Providing for fiduciary responsibilities of the Board of Trustees of the Trust Fund;
- (3) Establishing liability for Board members who willfully violate their fiduciary responsibilities;
- (4) Altering the composition, and method of selection, of Board members, and quorum requirements for the Board;
- (5) Allowing individual unions and employers to establish a sub-trust and a sub-board of trustees to administer that bargaining unit's contributions and benefits if the union and employer negotiate a specific contribution to apply only to that unit;
- (6) Allowing the Board to appoint or retain legal counsel who is independent of the Attorney General;
- (7) Amending the basis on which health and benefit plans shall be provided to beneficiaries; and

- (8) Administratively placing the Trust Fund within the Department of Human Resources Development rather than the Department of Budget and Finance.

The Hawaii Government Employees Association, University of Hawaii Professional Assembly, and Hawaii Firefighters Association testified in support of this measure. The Department of Human Resources of the City and County of Honolulu testified in support of the intent of this measure. The Department of the Attorney General testified in opposition to this measure. The Department of Budget and Finance, Department of Human Resources Development, and State Procurement Office opposed this measure in part. The Administrator of the Hawaii-Employer Union Health Benefits Trust Fund provided comments.

The State of Hawaii and the counties provide healthcare benefits to public employees, retirees, and their dependents through the Hawaii Employer-Union Health Benefits Trust Fund. As an agency of the State, the Trust Fund contracts with providers of medical, dental, vision, and life insurance plans to provide these benefits.

However, concerns have been raised that the Trust Fund is not operating as originally intended, leading to contentious issues resulting in serious problems for State and county employees and their employers. Your Committee finds that to resolve these problems and increase the effectiveness and efficiency of the Trust Fund, significant changes need to occur. This measure attempts to make these changes.

Your Committee has amended this measure by:

- (1) Removing language exempting the Trust Fund from the State Procurement Code;
- (2) Specifically defining the fiduciaries of the Trust Fund;
- (3) Stipulating that fiduciaries of the Trust Fund shall comply with all fiduciary duties under the Employee Retirement Income and Security Act and referencing the Employee Retirement Income and Security Act rather than naming the specific duties;
- (4) Expanding the Board to include fourteen members;
- (5) Moving the retiree beneficiary representative on the Board from the group representing employers to the group representing employee-beneficiaries;
- (6) Changing the procedure for appointing individuals to the Board to represent employee-beneficiaries by requiring the exclusive representative or group of exclusive representatives of specified bargaining units, as the case may be, to submit a list of three individuals to the Governor from which the Governor shall choose one individual as the representative;
- (7) Allowing the Governor to appoint two additional members to the Board to be placed in the group representing employers;
- (8) Removing language allowing individual unions and employers to establish a sub-trust and a sub-board of trustees under certain circumstances;
- (9) Maintaining the current terms of Board members and replacement procedures for vacancies on the Board but requiring the Governor to choose the replacement board member from a list of three candidates rather than a list of two candidates;
- (10) Specifying procedures related to the transfer of the Trust Fund from the Department of Budget and Finance to the Department of Human Resources Development; and
- (11) Inserting a Savings Clause.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1168, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 522-12 Transportation on H.B. No. 2688

The purpose of this measure is to increase public safety by amending the scope of offenses relating to negligent injury to broaden the offenses' application to include injuries caused by mopeds and vessels.

The Department of Transportation, Department of the Prosecuting Attorney of the County of Maui, and Honolulu Police Department testified in support of this measure.

Under current law, an individual causing serious or substantial bodily injury to another individual by the operation of a motor vehicle is guilty of the offense of negligent injury in the first or second degree respectively. However, the term "motor vehicle" does not apply to mopeds or vessels, such as jet skis. Recently, incidents involving the negligent operation of mopeds and vessels have increased. Within the past year alone there have been two fatalities in Maui County involving the operations of boats and several fatalities on the island of Oahu involving improper operation of a moped. This measure will make operators of mopeds and vessels more accountable for their actions when those actions involve the safety of others.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2688, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 523-12 Energy & Environmental Protection on H.B. No. 2417

The purpose of this measure is to limit the number of claimable renewable energy technology system tax credits for each subject property rather than each renewable energy technology system on a subject property.

The Department of Business, Economic Development, and Tourism and the Department of Taxation testified in support of the intent of this measure. Solar Energy Industries Association; SunRun; Energy Industries; Sunetric; SolarCity; Grand Solar, Inc.; Hawaiian Island Solar; Sierra Club Hawaii Chapter; Hawaii Renewable Energy Alliance; RevoluSun, LLC; Distributed Energy Partners, LLC; Hawaii Solar Energy Association; Blue Planet Foundation; SunPower Systems Corporation; Smart Energy Hawaii; and an individual opposed this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Limiting the claimable tax credit for each subject tax map key;
- (2) Allowing nonresidential tax map keys to claim a tax credit instead of commercial properties;
- (3) Changing the tax credit cap for photovoltaic solar energy systems on each nonresidential tax map key number to \$1,500 per kilowatt for the first 300 kilowatts and an unspecified amount per kilowatt for the next 4,700 kilowatts; provided that the credit shall not apply to kilowatts produced in excess of 5,000 kilowatts of capacity that are placed into service;
- (4) Allowing independent power producers that have submitted an agreement with an electric utility company for approval by the Public Utilities Commission by January 1, 2013, to claim the tax credit as authorized in the 2012 calendar year for renewable technologies placed into service after January 1, 2013, as a part of the agreement; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 524-12 Judiciary on H.B. No. 2455

The purpose of this measure is to exempt persons who are members of groups convened by statute, resolution, executive order, or proclamation or by invitation of the Legislature, the Governor, or other state officers from the requirements, restrictions, and prohibitions of the Hawaii Code of Ethics.

The Department of the Attorney General, Hawaii Credit Union League, Hawaii Youth Services Network, and a concerned individual testified in support of this measure. The League of Women Voters and a concerned individual testified in opposition to this measure. The Hawaii State Ethics Commission provided comments on this measure.

Your Committee has amended this measure by:

- (1) Adding a definition of "task force" to chapter 84, Hawaii Revised Statutes, to include any advisory body convened for a limited, specified period by legislative or executive act or order or by invitation of a state officer for the purpose of making recommendations or performing advisory functions to state officials;
- (2) Amending the definition of "employee" in chapter 84, Hawaii Revised Statutes, to explicitly exempt members of a task force;
- (3) Changing the effective date to January 7, 2009, to promote further discussion, and making the application of the measure retroactive to January 1, 2007; 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. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2455, 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 Thielen.

SCRep. 525-12 Health on H.B. No. 2865

The purpose of this measure is to permanently establish the Department of Health's Diabetes Prevention and Control Program.

The Office of Hawaiian Affairs, American Diabetes Association, Aupini O Hawaii, and several individuals testified in support of this measure.

Upon consideration, your Committee has amended this measure by deleting its contents and inserting provisions that:

- (1) Establish a diabetes and obesity prevention task force;
- (2) Require the task force to report its findings and recommendations on diabetes and obesity prevention, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2013; and
- (3) Dissolve the task force on July 1, 2013.

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. 2865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2865, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Wooley.

SCRep. 526-12 Health/Higher Education on H.B. No. 2368

The purpose of this measure is to appropriate funds to establish a medical residency program at the University of Hawaii at Hilo.

Hawaii Medical Association; Hawaii Health Systems Corporation, East Hawaii Region; Hawaii Health Systems Corporation, West Hawaii Region; Hawaii Island Rural Family Practice Residency Program; Hilo Medical Center Foundation; Puna Community Medical Center; Hawaii Island Healthcare Alliance; Hawaii Island Chamber of Commerce; Kona-Kohala Chamber of Commerce; Rotary Club of Hilo; Rotary Club of South Hilo Foundation; and numerous individuals testified in support of this measure. The Department of Health, Hawaii Health Systems Corporation, and the Chancellor of the University of Hawaii at Hilo testified in support of the intent of this measure.

In discussion, your Committees noted the suggestion to change the expending agency in the measure from the University of Hawaii at Hilo, to Hilo Medical Center. Your Committees respectfully request the House Committee on Finance to consider the suggestion and whether such a change is feasible, given the scope of the measure's title.

Your Committees have amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion.

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 H.B. No. 2368, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Jordan, C. Lee, Saiki, Takumi and Johanson.

SCRep. 527-12 Judiciary on H.B. No. 2468

The purpose of this measure is to bring Hawaii's false claims laws into compliance with the federal False Claims Act.

The Department of the Attorney General and a concerned individual testified in support of this measure.

Your Committee has amended this measure by:

- (1) Making the county false claims laws conform with amendments to the state false claims laws;
- (2) Repealing section 661-21(f), Hawaii Revised Statutes, to allow actions for tax fraud to be pursued under false claims actions; 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. 2468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2468, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 528-12 Judiciary on H.B. No. 2602

The purpose of this measure is to clarify that a defendant will not earn credit on a sentence imposed for a subsequent conviction for time served on a previous unrelated felony conviction.

The Department of Public Safety and a concerned individual supported this measure.

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. 2602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2602, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 529-12 Judiciary on H.B. No. 1749

The purpose of this measure is to require the transmittal to each county a percentage of all fines and forfeitures collected for uncontested traffic infractions committed in that county which are in excess of amounts required by the State to pay the administrative costs of the Traffic Violations Bureau, with certain exceptions.

The Hawaii State Association of Counties, Treasurer of the Hawaii State Association of Counties, and a member of the Maui County Council testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure. The Judiciary and Mayor of the City and County of Honolulu provided comments on this measure.

You Committee has amended this measure by:

- (1) Removing language regarding any amounts required to be paid by the State to the Traffic Violations Bureau for administrative costs;
- (2) Changing the effective date to January 7, 2059, 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. 1749, 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. 1749, H.D. 2.

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

SCRep. 530-12 Judiciary on H.B. No. 2841

The purpose of this measure is to establish the Uniform Interstate Depositions and Discovery Act which allows litigants from out-of-state to serve subpoenas upon persons in the State.

The Commission to Promote Uniform Legislation and a concerned individual 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. 2841 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 and Coffman.

SCRep. 531-12 Judiciary on H.B. No. 1962

The purpose of this measure is to decrease the production of methamphetamine by controlling and tracking the sale of pseudoephedrine in Hawaii.

Specifically, this measure would establish an electronic sales tracking system capable of generating a stop sale alert. The system would also include an override function if the pharmacy or the retailer fears that imminent bodily harm will result if the sale is not completed.

The Hawaii Food Industry Association, the Consumer Healthcare Products Association, the Legislative Information Services of Hawaii, and a concerned citizen testified in support of the measure. The Department of Public Safety supported the intent of the 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. 1962, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 532-12 Judiciary on H.B. No. 2601

The purpose of this measure is to:

- (1) Increase the efficiency of the Department of Public Safety;
- (2) Allow persons authorized by rules of court to serve non-criminal legal process in addition to sheriffs and police;
- (3) Reserve the responsibility to serve criminal summons, warrant, attachment, and other criminal process to sheriffs and police officers; and
- (4) Remove inconsistencies in language throughout the Hawaii Revised Statutes regarding service of process.

Testimony in support of this measure was submitted by the Department of Public Safety.

Your Committee finds that in 2001, the Civil Section of the Sheriff Division was discontinued. Since then, private process servers have been authorized to serve orders to show cause, writs of attachment and execution, garnishment documents, writs of replevin, and writs of possession. Amending these sections will resolve inconsistencies with the rules of the court and allow persons authorized by rules of court to serve all process except those relating to criminal process.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 7, 2009, to facilitate continued discussion on this measure; and
- (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. 2601, 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. 2601, H.D. 2.

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

SCRep. 533-12 Judiciary on H.B. No. 626

The purpose of this measure is to enact the Uniform Collaborative Law Act, which authorizes a potential litigant to enter into an agreement to attempt to resolve the dispute without using the courts.

The Commission to Promote Uniform Legislation supported the measure. The Supreme Court Standing Committee on the Rules of Evidence offered comments on the measure.

Your Committee acknowledges the comments of one testifier who noted that the lynchpin for this Act is the broad privilege prohibiting the disclosure of communications developed during the collaborative process in a subsequent legal proceeding. As a result, the parties to the process can be more forthcoming in communications to one another.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 626 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, Coffman, Ito and McKelvey.

SCRep. 534-12 Judiciary on H.B. No. 1765

The purpose of this measure is to protect Hawaii's people by allowing criminal history record checks to be conducted by:

- (1) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations; and
- (2) The counties on perspective employees:
 - (A) Who will work with vulnerable adults or senior citizens in community-based programs;
 - (B) For fire department positions that involve contact with children or dependent adults;
 - (C) For emergency medical services positions that involve contact with children or dependent adults; and
 - (D) For emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable or disabled citizens during emergencies or crises.

The State Fire Council, Department of Human Resources of the City and County of Honolulu, Kauai Fire Department, County of Hawaii Fire Department, and the Department of Fire and Public Safety of the County of Maui testified in support of this measure. The Hawaii Civil Rights Commission provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the extension of the look back period from ten to fifteen years;

- (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. 1765, 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. 1765, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 535-12 Judiciary on H.B. No. 2181

The purpose of this measure is to amend the provision in section 17-7, Hawaii Revised Statutes, concerning the Board of Trustees of the Office of Hawaiian Affairs to specify that:

- (1) When a vacancy for an unexpired term occurs no later than seventy-five days prior to the next special election held in conjunction with a general election, the nomination papers shall be filed not later than the sixtieth day prior to that special election, subject to certain exceptions; and
- (2) When a vacancy for an unexpired term occurs after seventy-five days prior to the next special election held in conjunction with a general election, the Board of Trustees or the Governor shall make an appointment to fill the vacancy in the prescribed manner.

The Office of Elections, the Elections Division of the Office of the Kauai County Clerk, and the Office of the Maui County Clerk testified in support of this measure.

The Office of Hawaiian Affairs offered comments on the 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. 2181 and recommends that it be referred to the Committee on Finance.

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

SCRep. 536-12 Judiciary on H.B. No. 2401

The purpose of this measure is to propose an amendment to Article IV, section 2, of the Constitution of the State of Hawaii to add a residency requirement for the members selected to the Reapportionment Commission.

Common Cause Hawaii testified in support of the intent of this measure. The League of Women Voters of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Adding a section reflecting the purpose of this measure; and
- (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. 2401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2401, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 537-12 Judiciary on H.B. No. 2404

The purpose of this measure is to require any board as defined under Chapter 92, Hawaii Revised Statutes, to post its minutes on its board website, or if it does not have a website, on the state Internet portal or the website of the appropriate county.

The City and County of Honolulu Department of Planning and Permitting, Office of Information Practices, Common Cause Hawaii, and Associated Builders and Contractors, Hawaii Chapter testified in support of this measure. The High Technology Development Corporation testified in support of the intent of this measure. An individual testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Highlighting in the purpose section that "authorities" are included among the covered entities in the measure, since they are included in the definition of "board" under Chapter 92, Hawaii Revised Statutes;
- (2) Specifying that board minutes must be available in hard copy form;
- (3) Clarifying that board minutes must be available by electronic posting on the board website, or if the board does not have a website, then the minutes shall be posted on the official website of the State of Hawaii or the official website of the appropriate county;

- (4) Changing its effective date to January 7, 2059, to facilitate 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. 2404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 538-12 Judiciary on H.B. No. 2442

The purpose of this measure is to provide the Department of the Attorney General the resources it needs to function effectively and proactively in the prosecution of claims for the State. Specifically, this measure designates that all proceeds from a civil action or settlement of a civil claim initiated, filed, or prosecuted by the Attorney General go to the Litigation Deposits Trust Fund. Moreover, this measure authorizes the Department of the Attorney General to retain in the Litigation Deposits Trust Fund the first 15 percent of a recovery to be used expressly for investigation and prosecution efforts. Additionally, this measure authorizes the Department of the Attorney General to retain a portion of the remaining recovery, depending upon whether the action or claim involves the general fund or a non-general fund.

If the action or claim involves the general fund, the Department of the Attorney General may retain the remaining 85 percent of the recovery. However, if the action or claim involves a non-general fund, then that non-general fund shall be replenished up to the amount of its loss from that remaining 85 percent of the recovery. Thereafter, any balance that remains from the recovery after the non-general fund is replenished, may be retained by the Department of the Attorney General in the trust fund. Regardless of whether the action or claim involves the general fund or a non-general fund, the portion retained of the remaining 85 percent of the recovery is not expressly limited to being used for investigation and prosecution efforts.

The Department of the Attorney General and two concerned individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Retaining statutory language authorizing the Department of the Attorney General to invest monies from the Litigation Deposits Trust Fund in securities; and
- (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. 2442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2442, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Coffman.

SCRep. 539-12 Judiciary on H.B. No. 2454

The purpose of this measure is to allow entities that are statutorily authorized to obtain fingerprint-based criminal history record checks for employment and licensing applicants to participate in statewide and federal rap back programs, which will allow these entities to be notified if participating employees or licensees are arrested subsequent to their initial record checks.

The Department of the Attorney General, Department of Human Services, Department of Health, and Hawaii Health Systems Corporation provided testimony in support of this measure. One individual testified in opposition of this measure.

Your Committee has amended this measure by:

- (1) Requiring notification to employees subject to criminal history checks that their fingerprints will be retained by the Federal Bureau of Investigation in addition to the Hawaii Criminal Justice Data Center;
- (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. 2454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2454, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 540-12 Judiciary on H.B. No. 2773

The purpose of this measure is to permanently establish the Weed and Seed program within the Department of Labor and Industrial Relations and to appropriate moneys for that program.

The Department of Labor and Industrial Relations submitted comments on the bill. The Department of Public Safety, the Police Department of the City and County of Honolulu, Haseko Development, Inc., Empower Oahu, Kalihi Baptist Church, Hawaii's Most Wanted Magazine, and numerous individuals testified in support of this measure. The Department of Human Services supported the intent of the bill. The Young Men's Christian Association of Honolulu and the League of Women Voters of Hawaii supported the intent of the bill and suggested amendments.

Your Committee has amended this measure by:

- (1) Deleting the provision of the bill that authorizes the Department of Labor and Industrial Relations to contract with various providers for services needed for the program;
- (2) Adding a section to the bill that appropriates an unspecified amount as a grant to the Young Men's Christian Association of Honolulu to support the operations of the Weed and Seed program; and
- (3) Changing the effective date to January 7, 2059, to facilitate further discussion on the measure.

Your Committee notes that the grant inserted into this bill only addresses the Weed and Seed program on the island of Oahu and does not address any similar program on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2773, 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. 2773, H.D. 2.

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

SCRep. 541-12 Higher Education on H.B. No. 2639

The purpose of this measure is to assist Hawaii's military personnel by requiring the University of Hawaii's college equivalency program to award credits for professional experience gained in the United States Armed Forces. This measure also requires the University of Hawaii to develop an associated learning assessment to determine learning gained during such experience.

The University of Hawaii System, Legislative Committee of the Oahu Veterans Center, The Chamber of Commerce of Hawaii, and a concerned individual supported this bill. The Office of the Deputy Assistant Secretary of Defense 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. 2639, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 542-12 Higher Education on H.B. No. 2735

The purpose of this measure is to address Stadium Authority membership by removing the Superintendent of Education as an ex officio nonvoting member of the Authority. This measure also allows the five-year residency requirement to be fulfilled at any time prior to appointment to the Authority.

The University of Hawaii System supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Restoring the Superintendent of Education to membership on the Authority; and
- (2) Changing the status of the President of the University of Hawaii to an ex officio voting member of the Authority.

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. 2735, 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. 2735, H.D. 2.

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

SCRep. 543-12 Higher Education on H.B. No. 2859

The purpose of this measure is to help improve working conditions for graduate students within the University of Hawaii system by removing student help from the list of state employees statutorily barred from inclusion in any appropriate collective bargaining unit.

The University of Hawaii Professional Assembly, Pride At Work Hawaii, and numerous concerned individuals supported this bill. The Hawaii Government Employees Association supported the intent of this measure. The Department of Budget and Finance, University of Hawaii System, and Department of Human Resources Development provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that the statutory right to collectively bargain extends only to graduate students employed by the University of Hawaii, rather than to student help statewide; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

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. 2859, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2859, H.D. 1.

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

SCRep. 544-12 Labor & Public Employment/Transportation on H.B. No. 2254

The purpose of this measure is to increase the use of alternative modes of transportation while providing cost savings to both employees and employers by requiring the Director of the Department of Human Resources Development to:

- (1) Make the Pre-Tax Transportation Benefit Pilot Program for Oahu State employees permanent;
- (2) Extend the Program to all islands that have a public transit system; and
- (3) Extend the Program to employees of the Legislature residing in counties having a population of over 500,000 persons.

Two concerned individuals testified in support of this measure. The Department of Human Resources Development testified in opposition to this measure.

The Pre-Tax Transportation Benefit Pilot Program is currently offered to eligible Oahu employees of the State Executive Branch. The Program is a tax savings benefit program which is authorized under the Federal Transportation Equity Act for the 21st Century, Section 132(f) of the Internal Revenue Code, that allows employees to pay for qualified transportation expenses before federal, State, and Federal Insurance Contributions Act taxes are computed. Under the current Program, eligible employees may authorize their employer to have their designated transportation expenses deducted from their paycheck on a pre-tax basis saving the employee money on certain forms of transportation.

While the Program has proven to be successful on Oahu, your Committees find that the transportation needs of each county are different and the chief executive of each county should be granted the authority and flexibility to develop a pretax transportation benefit program that meets the needs of their respective jurisdictions. As such, your Committees have amended this measure by deleting its contents and replacing it with language that:

- (1) Allows the chief executive of certain jurisdictions of the state, including the counties, to establish a wage and salary reduction benefit program which qualifies as a pretax transportation benefit program within the meaning of Section 132 of the Internal Revenue Code; and
- (2) Authorizes the chief executive to enter into all contracts necessary to establish, administer, and maintain a pretax transportation benefit program.

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 Labor & Public Employment and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2254, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2254, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 545-12 Labor & Public Employment on H.B. No. 2571

The purpose of this measure to help increase access to home- and community-based services by extending the exemption from laws relating to unemployment insurance, workers' compensation, temporary disability insurance, and the Prepaid Health Care Act to domestic in-home and community-based services for persons with developmental and intellectual disabilities when the services are provided through state-funded medical assistance to individuals who are ineligible for Medicaid.

The Department of Health, Department of Labor and Industrial Relations, and State Council on Developmental Disabilities testified in support of this measure.

Currently, recipients of federally funded social service payments with developmental and intellectual disabilities are exempt from providing unemployment insurance, workers' compensation insurance, temporary disability insurance, and pre-paid health care when contracting or hiring an individual to perform domestic services for them. However, confusion exists as to whether individuals who are not Medicaid eligible but receive State funded home- and community-based services need to provide these benefits. This measure clarifies this matter by exempting recipients of Department of Human Services' state-funded home- and community-based services from having to provide unemployment insurance, workers' compensation, temporary disability insurance, and pre-paid health care benefits to individuals they hire or contract to perform services for them. Your Committee finds that this exemption will allow greater access to home- and community-based services to needy individuals.

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. 2571, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 546-12 Labor & Public Employment on H.B. No. 2494

The purpose of this measure is to fund the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013 for the employees of collective bargaining unit (10) and for state officers and employees excluded from collective bargaining unit (10) due to an impasse in negotiations. Specifically, this measure provides employer plan contributions of a specific dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of all administrative fees.

The Department of Budget and Finance and United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this measure.

Currently, the Hawaii Labor Relations Board has declared an impasse between public employers and the United Public Workers, the exclusive representative of bargaining unit (10). Under current Hawaii law, public employer contributions for Hawaii Employer-Union Health Benefits Trust Fund benefits are not determined by an arbitration panel and must be determined by an agreement reached separate from the arbitration decision, or if no agreement has been reached within ten working days after the arbitration decision has been issued, then the public employers and the respective union each submits its recommendations for contributions directly to the Legislature for legislative determination and enactment. The public employer's proposed contributions are being submitted through this measure.

Your Committee has amended this measure by:

- (1) Removing the language referencing a dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of the administrative fees was being provided by this measure;
- (2) Removing all contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2494, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 547-12 Labor & Public Employment on H.B. No. 2495

The purpose of this measure is to fund the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013 for the employees of collective bargaining unit (11) and for state officers and employees excluded from collective bargaining unit (11) due to an impasse in negotiations. Specifically, this measure provides employer plan contributions of a specific dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of all administrative fees.

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

Currently, the Hawaii Labor Relations Board has declared an impasse between public employers and the Hawaii Fire Fighters Association, the exclusive representative of bargaining unit (11). Under current Hawaii law, public employer contributions for Hawaii Employer-Union Health Benefits Trust Fund benefits are not determined by an arbitration panel and must be determined by an agreement reached separate from the arbitration decision, or if no agreement has been reached within ten working days after the arbitration decision has been issued, then the public employers and the respective union each submits its recommendations for contributions directly to the Legislature for legislative determination and enactment. The public employer's proposed contributions are being submitted through this measure.

Your Committee has amended this measure by:

- (1) Removing the language referencing that a dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of the administrative fees was being provided by this measure;
- (2) Removing all contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2495, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 548-12 Labor & Public Employment on H.B. No. 2487

The purpose of this measure is to make various housekeeping amendments to the Employees' Retirement System and to restore parity with respect to age and service requirements for current Employees' Retirement System members who become judges after June 30, 2012. Among other things, this measure:

- (1) Restores the age and service retirement requirements for current members of the Employees' Retirement System who become judges after June 30, 2012 to the same age and service retirement requirements as other Contributory Plan members who became Employees' Retirement System members prior to July 1, 2012;
- (2) Deletes erroneous references to water safety officers as Contributory Plan members of the Employees' Retirement System;
- (3) Applies the same benefit multiplier for service retirement benefits and ordinary disability benefits for Hybrid Plan members who become members of the Employees' Retirement System after June 30, 2012; and
- (4) Makes the service requirement for payment of the Hybrid Plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012 the same as the service requirement for an inter vivos withdrawal after the member has terminated service.

The Board of Trustees of the Employees' Retirement System testified in support of this measure.

Act 163, Session Laws of Hawaii 2011, enacted more stringent age and service requirements for retirement by members of the Employees' Retirement System who become members of the system after June 30, 2012. However, upon further review and consideration of the newly established and prospective requirements by the Employees' Retirement System, several technical errors and inconsistencies were discovered in that Act. This measure corrects typographical errors, harmonizes service retirement, ordinary disability retirement, and ordinary death benefits for members of the Employees' Retirement System who become members after June 30, 2012, and restores parity with respect to age and service requirements for current members who become judges after June 30, 2012.

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. 2487 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 Takumi.

SCRep. 549-12 Labor & Public Employment on H.B. No. 1884

The purpose of this measure is to require the Hawaii Public Housing Authority to:

- (1) Conduct a study on the wages and compensation of other public housing authorities in the United States that are comparable in size to the Hawaii Public Housing Authority and comparable in their scope of duties and responsibilities to the Hawaii Public Housing Authority executive director; and
- (2) Submit a report to the United States Department of Housing and Urban Development on the wages and compensation of each of the five highest paid public housing authority executive directors of other comparable states or jurisdictions.

The Hawaii Public Housing Authority of the Department of Human Services provided comments on this measure.

As originally drafted, the purpose of this measure was to authorize the Hawaii Public Housing Authority Board of Directors to determine the salary of the Executive Director of the Hawaii Public Housing Authority, with the following considerations: compensation provided to public housing authority executive directors with comparable duties and responsibilities, comparable state and local officials, and comparable private sector executives. According to the Hawaii Public Housing Authority, under a notice from the United States Department of Housing and Urban Development, the Hawaii Public Housing Authority Board of Directors is required to "explicitly consider comparability in setting or making significant changes to the compensation of Public Housing Authority executive directors or other chief executive officers." However, current statutory requirements establishes the salary of the Executive Director of the Hawaii Public Housing Authority at a level that is equivalent to eighty-five percent of the salary of the Director of Human Resources Development. This does not meet the requirement of the notice from the United States Department of Housing and Urban Development. Should the Hawaii Public Housing Authority fail to provide the United States Department of Housing and Urban Development, upon its request, with specific information used to conduct a comparability analysis in determining the Executive Director's compensation the Hawaii Public Housing Authority may face temporary monetary sanctions from the federal government.

While your Committee understands the grave concerns regarding the current language in this measure voiced by the Hawaii Public Housing Authority and the request that the original language of this measure be reinserted, your Committee has not received prior concurrence from the Committee on Housing to amend the bill in such a manner. However, your Committee would like to continue discussions on this measure in the hopes that this matter may be addressed by the Committee on Finance.

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. 1884, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 550-12 Labor & Public Employment on H.B. No. 1751

The purpose of this measure is to change the representation on the Board of Trustees of the Employees' Retirement System to more adequately reflect the employers associated with the Employees' Retirement System by:

- (1) Increasing Board membership from eight to ten members;
- (2) Increasing the amount of elected board members from four to five;
- (3) Increasing the amount of elected members required to be general employees from two to three;
- (4) Stipulating that one member be appointed by unanimous agreement of the mayor of each of the four counties, be approved by the Hawaii State Association of Counties, and be subject to the advice and consent of the State Senate in the same manner that trustees appointed by the Governor are currently approved; and
- (5) Requiring that each county be responsible for paying all necessary expenses, including travel, board, and lodging expenses, and any other costs incurred in the performance of duties of the Board member representing the counties.

The Office of the Mayor of the County of Hawaii, a member of the Maui County Council representing East Maui, Hawaii State Association of Counties, and Treasurer of the Hawaii State Association of Counties testified in support of this measure. The Department of Budget and Fiscal Services of the City and County of Honolulu testified in support of this measure with an amendment. The Department of Budget and Finance and Board of Trustees of the Employees' Retirement System testified in opposition to this measure.

Although the current representation on the Board of Trustees of the Employees' Retirement System is established in such a way to ensure that a balance exists between members representing the interests of both public employers and employees, current Board membership lacks county representation besides an elected member who is an employee of a county. As counties contribute a considerable share to Employees' Retirement System costs and their employees and retirees make up a large portion of the Employees' Retirement System membership, it seems only fair that some form of county representation be established on the Board.

Your Committee notes that concerns were raised as to the reason why counties were being required to pay for the expenses of the county member of the Board when other trustee's expenses are being paid out of the Employees' Retirement System trust. As such, your Committee has amended this measure by deleting the requirement that counties pay for these costs.

Your Committee has also amended this measure by:

- (1) Changing its effective date to July 1, 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1751, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 551-12 Labor & Public Employment on H.B. No. 2493

The purpose of this measure is to fund the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013 for the employees of collective bargaining unit (9) and for state officers and employees excluded from collective bargaining unit (9) due to an impasse in negotiations. Specifically, this measure provides employer plan contributions of a specific dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of all administrative fees.

The Department of Budget and Finance testified in support of this measure. The Hawaii Government Employees Association testified in opposition to this measure.

Currently, the Hawaii Labor Relations Board has declared an impasse between public employers and the Hawaii Government Employees Association, the exclusive representative of bargaining unit (9). Under current Hawaii law, public employer contributions for Hawaii Employer-Union Health Benefits Trust Fund benefits are not determined by an arbitration panel and must be determined by an agreement reached separate from the arbitration decision; or if no agreement has been reached within ten working days after the arbitration decision has been issued, then the public employers and the respective union each submits its recommendations for contributions directly to the Legislature for legislative determination and enactment. The public employer's proposed contributions are being submitted through this measure.

Your Committee notes that the contribution amounts specified for bargaining unit (9) in this measure are equivalent to the contributions agreed to by other bargaining units represented by the Hawaii Government Employees Association. Nevertheless, your Committee understands that negotiations are continuing over terms and conditions of employment between the public employers and the exclusive representative of bargaining unit (9). As such, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (9) will hopefully produce a settlement.

Your Committee has amended this measure by:

- (1) Removing language referencing a dollar amount equivalent to 50 percent of the premium rates established by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund for the respective health benefit plan plus 50 percent of the administrative fees was being provided by this measure;
- (2) Removing all contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for plan years 2011-2012 and 2012-2013; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2493, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 552-12 Labor & Public Employment on H.B. No. 1811

The purpose of this measure is to strengthen the integrity and sustainability of the Employees' Retirement System by helping to address the pension's growing financial liabilities. Specifically, this measure:

- (1) Requires employers to pay greater Employees' Retirement System contribution rates on their employees' non-base compensation than on their "base" compensation;
- (2) Establishes definitions for "base compensation", "compensation", and "non-base compensation"; and
- (3) Establishes various employer contribution rates for the Employees' Retirement System for different classifications of employees.

The Department of Budget and Finance, Board of Trustees of the Employees' Retirement System, and Finance Department of the County of Hawaii testified in support of the intent of this measure. The Department of Budget and Fiscal Services of the City and County of Honolulu testified in opposition to this measure.

The Employees' Retirement System of the State of Hawaii was established in 1926 to provide retirement allowances and other benefits to State and county government employees. Currently, the Employees' Retirement System has an unfunded actuarial accrued liability of \$8.1 billion.

While contributions from both employers and employees help to partially fund the Employees' Retirement System, the practice of increasing an employee's average final compensation, upon which their retirement allowances are computed, by working more overtime has negatively impacted the Employees' Retirement System because the resultant retirement allowances that are enhanced by overtime pay do not actuarially reflect the contributions made by, and for, the employees during their careers. At present, when employees' retirement allowances are actuarially greater than their accumulated contributions, the excess allowance portion must be paid from the earnings of the Employees' Retirement System.

While your Committee notes that the Employees' Retirement System stated that the problem of enhancing retirement allowances by working increased hours of overtime in an employee's final years of service results in less than a one percent increase on the unfunded liability of the Employees' Retirement System, it is a problem nonetheless. Your Committee finds that the onus for controlling this problem rests with the employer. By placing the burden for paying the portion of an employee's retirement allowance attributed to non-base compensation squarely on the shoulders of the employer rather than on the Employees' Retirement System, your Committee hopes to address this issue.

Your Committee has amended this measure by:

- (1) Specifying that deferred compensation deductions not be considered as a form of payment under the definition of "non-base compensation" when determining an employer's contribution rates to the Employees' Retirement System;
- (2) Stipulating that the increases in employer contributory rates shall only be applicable when a new collective bargaining agreement is negotiated and not for collective bargaining agreements already agreed upon and established; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1811, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Takumi.

SCRep. 553-12 Human Services on H.B. No. 2547

The purpose of this measure is to make an emergency appropriation in the amount of \$70,124.05 for the Department of Human Services to pay attorneys' fees and to reimburse the Department's General Support for Health Care Payments budget for payments made to those attorneys.

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 makes an emergency appropriation in the amount of \$736,478 for the Department of Human Services to fund general assistance payments to address a budget shortfall in the General Assistance Program.

The Department of Human Services, Attorney General, and Phocused testified in support of the proposed draft.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 211 to the House of Representatives, requested immediate consideration and passage of this bill.

Your Committee has amended this measure, as introduced, by:

- (1) Adopting the proposed draft, which replaces the contents with an emergency appropriation in the amount of \$736,478 for the Department of Human Services to fund general assistance payments to address a budget shortfall in the General Assistance Program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2547, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 554-12 Human Services on H.B. No. 1905

The purpose of this measure, as received by your Committee, is to appropriate an unspecified amount of money to the Department of Human Services for programs relating to child abuse and neglect.

For the purposes of a public hearing on this bill, your Committee circulated a proposed draft, Proposed H.B. No. 1905, H.D. 2, and notified the public that it would be accepting testimony on the proposed draft, which allows the Department of Human Services to draw from other funds appropriated to the Department of Human Services in the event the General Assistance appropriation is insufficient to meet General Assistance benefits payments.

Your Committee received testimony from the Department of Human Services in support of Proposed H.B. No. 1905, H.D. 2.

Your Committee has amended this measure by:

- (1) Replacing its contents with provisions that allow the Department of Human Services to draw from other funds appropriated to the Department of Human Services in the event the General Assistance appropriation is insufficient to meet General Assistance benefits payments; and
- (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. 1905, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, H.D. 2, and be referred to the Committee on Finance.

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

SCRep. 555-12 Water, Land, & Ocean Resources on H.B. No. 2553

The purpose of this measure is to recognize the value of and recoup the costs associated with the construction plan review services of the Disability and Communication Access Board by, among other things:

- (1) Requiring the Board to charge established flat-rate review fees based on estimated construction costs;
- (2) Authorizing the Board, in its discretion, to cap the review fee at \$3,000 for infrastructure projects and projects managed by private non-profit entities; and
- (3) Requiring the review fees to be deposited into the Disability and Communication Access Board Special Fund.

The Disability and Communication Access Board, Policy Advisory Board for Elder Affairs, Next Design, LLC, and four individuals testified in support of this measure. The Building Industry Association of Hawaii opposed this measure. The City and County of Honolulu Department of Design and Construction provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the fee schedule to include a fee constituting an unspecified percentage of the estimated construction cost as well as a flat-rate fee based on the estimated construction cost;
- (2) Defining "infrastructure"; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2553, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 556-12 Water, Land, & Ocean Resources on H.B. No. 2793

The purpose of this measure is to add four members to the Board of Land and Natural Resources who shall be considered in determining quorum and majority only on issues relating to ocean resources and who may only vote on issues relating to ocean resources.

Hawaii Nearshore Fishermen and three individuals testified in support of this measure. The Department of Land and Natural Resources and the Ocean Tourism Coalition opposed this measure.

Your Committee notes that there is concern that there is no member with expertise in marine energy on the current Board of Land and Natural Resources.

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. 2793 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 and Carroll.

SCRep. 557-12 Consumer Protection & Commerce on H.B. No. 2169

The purpose of this measure is to establish a peer review process for public accountancy firms that engage in attest work.

MC Group Hawaii, Inc.; Deborah Daniells & Associates, CPAs, Inc.; and four individuals testified in support of this measure. The Board of Public Accountancy testified in opposition to this measure. CW Associates, CPAs; Hawaii Society of Certified Public Accountants; and one individual 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. 2169, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Souki, Ching and Marumoto.

SCRep. 558-12 Consumer Protection & Commerce on H.B. No. 2498

The purpose of this measure is to help protect homebuyers in Hawaii by amending the fee structure for services provided by the Division of Financial Institutions of the Department of Commerce and Consumer Affairs for escrow depository regulation, amending fines for violations of escrow depository regulations, and adjusting bond requirements for escrow depositories.

More specifically, this bill, among other things:

- (1) Mandates that all fees, fines, and payments collected and any other charges assessed by the Commissioner of Financial Institutions (Commissioner) pertaining to escrow depositories must be deposited into the Compliance Resolution Fund;
- (2) Allows the Commissioner to raise or lower any fee by rule and to establish new fees by rule;
- (3) Specifies that any person who violates Chapter 449, Hawaii Revised Statutes (HRS) (escrow depositories), may be subject to an administrative fine of not more than \$10,000 for each violation;
- (4) Requires that the net capital or bond, or a combination thereof, of any corporation in operation on July 1, 2012, that engages in the escrow-depository business be at least \$250,000 before July 1, 2016;
- (5) Establishes a tiered structure with respect to the amount of the escrow depository bond, executed by a surety insurer in Hawaii, that must be maintained by an escrow depository;
- (6) Requires an escrow depository to maintain at all times a fidelity bond, executed by a surety insurer authorized to do business in Hawaii, of at least \$250,000; provided that any bond that is subject to a deductible thereunder that exceeds \$10,000 per occurrence must be approved by the Commissioner;
- (7) Requires an escrow depository to maintain at all times a policy of errors and omissions insurance, executed by an insurer authorized to do business in Hawaii, of at least \$250,000;
- (8) Establishes and amends various fees that every escrow depository must pay to the Commissioner, including:
 - (A) A nonrefundable fee of \$2,000 for review and investigation of an escrow depository's application to be licensed;
 - (B) \$500 for an application for approval to establish a branch office;

- (C) \$500 for an application for approval to relocate an existing office or branch;
- (D) \$500 for initial issuance of an escrow depository's license;
- (E) \$100 for initial issuance of a branch office license;
- (F) \$100 for reissuance of a license for the change in the business address of its office; and
- (G) \$1,000 for reinstatement of a license that has lapsed, plus \$250 for each day that the license was lapsed;
- (9) Raises to \$60 the hourly examination fee that may be charged to escrow depositories examined by the Commissioner or the Commissioner's staff; and
- (10) Establishes a tiered structure with respect to the amount of the renewal fee that an escrow depository must pay to the Commissioner.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Escrow Association and Hawaii Escrow & Title, Inc., opposed this measure. Title Guaranty Escrow Services, Inc., submitted comments.

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

- (1) Removing the provision allowing the Commissioner to raise or lower any fee by rule and to establish new fees by rule;
- (2) Retaining provisions specifying that a person subject to administrative penalties under Chapter 449, HRS, must have been wilful in the person's violation;
- (3) Deleting the specific amount of the administrative fine;
- (4) Deleting the specific dates pertaining to the requirement that an escrow-depository business maintain a minimum of \$250,000 in net capital or a bond, or a combination thereof;
- (5) Deleting the specific amount, including the tiered structure, of the escrow depository's bond that an escrow depository must provide to the Commissioner;
- (6) Deleting the specific excess amount of the per-occurrence deductible under the errors and omissions insurance policy that an escrow depository must maintain, for which the prior approval of the Commissioner is required;
- (7) Deleting the specific amounts of the following fees:
 - (A) Application for approval to establish a branch office;
 - (B) Application for approval to relocate an existing office or branch;
 - (C) Initial issuance of an escrow depository's license;
 - (D) Initial issuance of a branch office license; and
 - (E) Reissuance of a license for the change in the business address of its office;
- (8) Deleting the specific amount, including the tiered structure, of the renewal fee that an escrow depository must pay to the Commissioner;
- (9) Changing its effective date to January 1, 3000, to encourage further discussion; and
- (10) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2498, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 559-12 Consumer Protection & Commerce on H.B. No. 2563

The purpose of this measure is to authorize the Department of Health to allow limited health insurer access to the Hawaii Immunization Registry.

Additionally, the measure authorizes the Hawaii Immunization Registry to store minimal demographic information for individuals who have elected to refuse inclusion in the registry.

The Department of Health, Hawaii Association of Health Plans, Hawaii Medical Service Association, AlohaCare, and a concerned individual supported the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2563 and recommends that it be referred to the Committee on Finance.

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

SCRep. 560-12 Consumer Protection & Commerce on H.B. No. 2570

The purpose of this measure is to modify already-existing regulation of dietitians in Hawaii by, among other things:

- (1) Transferring the oversight and regulation of dietitians from the Department of Health (DOH) to the Department of Commerce and Consumer Affairs (DCCA);
- (2) Clarifying the types of acts or conditions on the part of a licensed dietitian or an applicant for licensing for which the Director of Commerce and Consumer Affairs may refuse to renew, reinstate, or restore or may deny, revoke, suspend, fine, or circumscribe such a license, such as:
 - (A) Engaging in dietetic practice while impaired by alcohol, drugs, physical disability, or mental instability;
 - (B) Engaging in professional misconduct or exhibiting incompetence, gross negligence, or manifest incapacity in dietetic practice; and
 - (C) Engaging in dietetic practice in a manner that causes injury to one or more members of the public; and
- (3) Establishing a \$1,000 fine per violation for licensees or applicants who violate specified licensing laws.

DCCA, DOH, Kaiser Permanente Hawaii, Waianae Coast Comprehensive Health Center, and numerous concerned individuals supported this bill. The Certification Board for Nutrition Specialists, Alliance for Natural Health, Mid-Atlantic Health Coach Association, and numerous concerned individuals opposed this measure.

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

- (1) Further clarifying that Chapter 448B, Hawaii Revised Statutes, which pertains to dietitians, is not intended to restrict the practice of other healthcare practitioners practicing within their own recognized scopes of practice; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2570, 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. 2570, H.D. 2.

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

SCRep. 561-12 Consumer Protection & Commerce on H.B. No. 2665

The purpose of this measure is to improve the treatment of stroke in Hawaii by, among other things:

- (1) Establishing a statewide stroke system of care by designating primary stroke centers and acute stroke capable centers;
- (2) Defining emergency services training and transport protocols;
- (3) Establishing a Stroke Registry Working Group; and
- (4) Establishing a Stroke System of Care Task Force.

The Hawaii Medical Service Association and Policy Advisory Board for Elder Affairs supported this bill. The Department of Health and American Heart Association supported the intent of this measure. The Queen's Health Systems submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 3000, 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2665, 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. 2665, H.D. 2.

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

SCRep. 562-12 Consumer Protection & Commerce on H.B. No. 1741

The purpose of this measure is to help increase the efficiency of health care in Hawaii by requiring the development and use of a uniform prior authorization form for prescription drugs.

The Hawaii Medical Association, American Cancer Society, Faith Action for Community Equity, Epilepsy Foundation of Hawaii, National Multiple Sclerosis Society – Hawaii Office, GBS/CIDP Foundation International, American Academy of Private Physicians, Power of Pain Foundation, Hawaii Academy of Physician Assistants, Neuropathy Action Foundation, and a concerned individual supported this bill. Ohana Health Plan supported the intent of this measure. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, CVS Caremark, and AlohaCare opposed this bill. Kaiser Permanente Hawaii submitted comments.

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

- (1) Limiting the use of the uniform prior authorization form for prescription drugs to drugs that are prescribed for the treatment of diabetes or any form of cancer;
- (2) Clarifying that the use of the uniform prior authorization form for prescription drugs applies to health insurance providers, mutual benefit societies, and health maintenance organizations;
- (3) Providing for the repeal of this measure on July 1, 2017;
- (4) Deleting the definition of "health care insurance provider"; and
- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, 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. 1741, H.D. 2.

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

SCRep. 563-12 Economic Revitalization & Business on H.B. No. 1295

The purpose of this measure is to establish criminal sanctions for unlicensed contracting activities. Specifically, this measure establishes:

- (1) Unlicensed contracting activity as a misdemeanor offense; and
- (2) Habitual unlicensed contracting activity and unlicensed contractor fraud as felonies.

The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney of the City and County of Honolulu, Pacific Resource Partnership, Building Industry Association of Hawaii, and an individual testified in support of this measure. The General Contractors Association of Hawaii testified in support of the intent of this measure. The Subcontractors Association of Hawaii opposed this measure.

Your Committee respectfully requests that the Committees on Judiciary and Consumer Protection & Commerce further examine the issues of affirmative defenses pertaining to the scope of the contractor's license.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012, to facilitate 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1295, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1295, H.D. 2, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

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

SCRep. 564-12 Economic Revitalization & Business on H.B. No. 2025

The purpose of this measure is to assist employers in maintaining their workforce and employees in retaining employment during difficult economic times by, among other things:

- (1) Authorizing the Director of Labor and Industrial Relations to establish and administer a work-sharing program;
- (2) Authorizing certain private employers to administer a work-sharing plan as part of the work-sharing program to avoid temporary layoffs, if approved by the Department of Labor and Industrial Relations; and
- (3) Allowing employees under a work-sharing plan to receive unemployment benefits to compensate for lost wages under certain conditions.

The Department of Labor and Industrial Relations provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2025, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Marumoto and Pine.

SCRep. 565-12 Economic Revitalization & Business on H.B. No. 2318

The purpose of this measure is to require the procurement policy board to adopt rules that include a five percent preference for small businesses, a seven percent preference for veteran-owned businesses, and a nine percent preference for service-disabled veteran-owned businesses.

Military Officers Association of America and the Oahu Veterans Council testified in support of this measure. The Department of Budget and Fiscal Services of the City and County of Honolulu testified in opposition to this measure. The General Contractors Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Authorizing the Chief Procurement Officer to establish the goal that at least three percent of the State's annual purchasing expenditures are awarded to veteran- owned businesses;
- (2) Adding a definition for "veteran-owned business" and "service-disabled veteran-owned business";
- (3) Changing the effective date to July 1, 2112, for the purposes of facilitating 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. 2318, 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. 2318, H.D. 2.

Signed by all members of the Committee except Representative Pine.

SCRep. 566-12 Economic Revitalization & Business on H.B. No. 2402

The purpose of this measure is to repeal the statutory requirement that a trier of fact determine whether or not a risk is inherent to a recreational activity when determining whether a commercial provider of recreational activity is liable for a person's injuries.

Activities & Attractions Association of Hawaii; Kauai Sea Tours; Polynesian Cultural Center; Sunshine Helicopters; Atlantis Adventures Hawaii; Aloha Nui Loa Tours, Inc., dba Hike Maui; Blue Sea Cruises, Inc.; Sea Quest Rafting Adventures; BikeVolcano.com, Inc.; KapohoKine Adventures; and several concerned individuals testified in support 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 H.B. No. 2402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2402, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 567-12 Economic Revitalization & Business on H.B. No. 2408

The purpose of this measure is to change the sunset date of the temporary suspension of general excise tax exemptions for high technology research and development grants and for shipbuilding and ship repairs, as provided for in Act 105, Session Laws of Hawaii 2011.

The Chamber of Commerce of Hawaii; Ship Repair Association of Hawaii; Marisco, Ltd.; Phoenix International Holdings, Inc.; Pacific Shipyards International; Unitek Contracting Group; and an individual testified in support of this measure. NSC Technologies testified in opposition to this measure. The Department of Taxation and the Hawaii Technology Development Corporation commented on this measure.

Your Committee has amended this measure by changing its effective date to June 30, 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. 2408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2408, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 568-12 Economic Revitalization & Business on H.B. No. 2659

The purpose of this measure is to clarify that a licensee who timely suppresses unlawful activity from occurring on licensed premises shall not be deemed to be in violation of the prohibition under section 281-78(b)(6), Hawaii Revised Statutes.

Centerplate testified in support of the measure. The City and County of Honolulu Liquor Commission commented on the measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to June 30, 2112; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and accuracy.

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. 2659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2659, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 569-12 Economic Revitalization & Business on H.B. No. 2869

The purpose of this measure is to promote motion picture, digital media, and film production in the State by:

- (1) Extending the motion picture, digital media, and film production tax credit;
- (2) Raising the qualified production credit ceiling to \$10,000,000 from \$8,000,000;
- (3) Separating the calculation of the credit amount based on wages and salaries from the credit amount based on other qualified production costs;
- (4) Providing that the credit amount includes 15 percent of the wages and salaries paid to all cast, crew, and musicians of the qualified production, plus an additional five percent credit amount on the wages and salaries of cast, crew, and musicians who are state residents; and
- (5) Requiring the Department of Business, Economic Development, and Tourism to provide regular reports to the Legislature and the Governor on the economic impact of the tax credit.

The Chamber of Commerce of Hawaii, Screen Actors Guild, International Alliance of Theatrical Stage Employees Mixed Local 665, American Federation of Musicians Local 667, and Hawaii Teamsters Local 996 testified in support of this measure. The Office of the Mayor of Maui and NBC Universal Media, LLC testified in support of the intent of this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, and the Tax Foundation of Hawaii provided comments on this measure.

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

- (1) Increasing the amount of the motion picture, digital media, and film production income tax credit for counties of the State with a population of 700,000 or less;
- (2) Including in the report to the Legislature any contributions resulting from qualified productions that the Department of Business, Economic Development, and Tourism deems necessary, including donations to improve the education and communities of the State;
- (3) Applying the tax credit for 15 percent of wages and salaries to qualified productions in a county with a population of over 700,000 and applying a comparable tax credit for 20 percent of wages and salaries to qualified productions in a county with a population of 700,000 or less;
- (4) Adding a definition for "animation";
- (5) Amending the definitions of "digital media", "post production", "production", and "resident of the State";
- (6) Extending the motion picture, digital media, and film production tax credit until January 1, 2025;
- (7) Changing the taxable years that this measure applies to for the purposes of facilitating further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2869, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 570-12 Economic Revitalization & Business on H.B. No. 2145

The purpose of this measure is to express as a State policy an intention to complete or facilitate the completion of a list of ten projects by December 31, 2023.

The Department of Transportation, Honolulu Authority for Rapid Transportation, The Chamber of Commerce of Hawaii, Oceanic Time Warner Cable, the Thirty Meter Telescope, and the Airlines Committee of Hawaii testified in support of this measure. The Department of Budget and Finance and Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. The Sierra Club testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with language that identifies essential projects in key economic sectors that the State will complete or facilitate the completion of by December 31, 2023; and
- (2) Changing the effective date to July 1, 2112, for the purposes of facilitating further discussion.

Your Committee respectfully requests that the Committee on Finance further examine the scope of the State's involvement in the projects listed within the key economic sectors.

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. 2145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2145, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 571-12 Economic Revitalization & Business on H.B. No. 2582

The purpose of this measure is to improve the efficiency of the Labor and Industrial Relations Appeals Board of the Department of Labor and Industrial Relations by:

- (1) Allowing the board to establish reasonable fees not to exceed \$30 that can be adjusted by the Director pursuant to rules, for the filing of written appeals;
- (2) Providing for the fees to be waived in certain cases; and
- (3) Establishing the Labor and Industrial Relations Appeals Board Special Fund.

The Department of Labor and Industrial Relations Appeals Board, ILWU Local 142, Vocational Management Consultants, Inc., and an individual testified in support of this measure. An individual testified in opposition to this measure. An individual testified in support of this measure with amendments.

Your Committee has amended this measure by:

- (1) Mandating that the Appellate Board give notice of relevant agency hearings to the appealing party by first class mail, publication, or any other means provided by law;
- (2) Authorizing the Appellate Board to establish fees for administrative costs associated with the processing of workers' compensation appeals;
- (3) Clarifying language concerning the waiving of fees;
- (4) Exempting state agencies from filing and administrative fees; and
- (5) Changing the effective date to July 1, 2112, for the purposes of facilitating 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. 2582, 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. 2582, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Marumoto and Pine.

SCRep. 572-12 Human Services/Health on H.B. No. 1689

The purpose of this measure is to implement the Partnership for Long-Term Care Program, allowing individuals to qualify for Medicaid coverage for continued long-term care prior to exhausting their assets. Specifically, this measure:

- (1) Specifies the purpose of the Partnership for Long-Term Care Program as combining funds from private long-term care insurance and Medicaid, or its successor program, to finance long-term care;
- (2) Defines "certified long-term care insurance partnership policy" and "partnership";

- (3) Sets a minimum level of coverage under the partnership program;
- (4) Requires the Department of Human Services to certify the policies or plans;
- (5) Requires the adoption of certain rules that establishes eligibility, levels of coverage, services, reporting requirements, and other determinations to implement the partnership program; and
- (6) Addresses requirements for application forms and replacement coverage in section 431:10H-221, Hawaii Revised Statutes, as it relates to long-term care insurance and the partnership program.

The Insurance Division of the Department of Commerce and Consumer Affairs, the National Association of Insurance and Financial Advisors, and several concerned individuals supported the measure. The American Council of Life Insurers supported the measure with amendments. The Department of Human Services and the Policy Advisory Board for Elder Affairs opposed the measure.

Your Committees have noted that the Department of Health testified that long-term care partnership programs have not been shown to increase the purchase of long-term care insurance or result in Medicaid savings, and recommended attention be given to the positive recommendations made by the Hawaii Long-term Care Commission, which in its final report considered the long-term care partnership program, but decided to neither recommend nor oppose the program because it did not appear to be an effective way to increase purchase of long-term care insurance.

Your Committees have amended this measure by replacing its contents with that of S.B. No. 2309, S.D.1. More specifically, your Committees have amended this measure by:

- (1) Clarifying that the purpose of the new chapter is the promotion of long-term care insurance instead of the combining of funds from private long-term care insurance and Medicaid;
- (2) Amending the definitions of "certified long-term care insurance partnership policy" and "partnership" and adding a definition for "state medicaid agency";
- (3) Deleting language that set a minimum level of coverage under the partnership program;
- (4) Requiring the Department of Commerce and Consumer Affairs, rather than the Department of Human Services, to certify the policies or plans;
- (5) Deleting language that required the adoption of certain rules that would have either violated the Deficit Reduction Act of 2005 or would have been unnecessary;
- (6) Deleting the amendment to section 431:10H-221, Hawaii Revised Statutes, as being unnecessary, and since exchanges are addressed in section 1 of this measure;
- (7) Changing its effective date to July 1, 2050, to promote further discussion; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1689, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1689, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 573-12 Judiciary on H.B. No. 1800

The purpose of this measure is to appropriate funds to the Judiciary for fiscal year 2012-2013.

The Judiciary and Family Law Section of the Hawaii State Bar Association supported this bill. The City and County of Honolulu Department of the Prosecuting Attorney and the Domestic Violence Action Center provided comments.

Your Committee has amended this bill by:

- (1) Appropriating an additional \$80,000 for two adult community service sentencing program positions for the fifth circuit;
- (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. 1800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 574-12 Judiciary on H.B. No. 2574

The purpose of this measure is to delete the requirement that written notice of a hearing pursuant to charter 91, Hawaii Revised Statutes, be given by registered or certified mail with return receipt requested and, instead, permit notice by first class mail.

The Department of Labor and Industrial Relations and the Labor and Industrial Relations Appeals Board testified in support of this measure. One private individual testified in opposition to this measure.

Your Committee finds that the Department of Labor and Industrial Relations could save thousands of dollars per year if it were allowed to provide notifications of hearing by means of first class mail rather than by registered or certified mail.

Your Committee has amended this measure by:

- (1) Making the proposed language applicable to the Labor and Industrial Relations Appeals Board only, by inserting the proposed language into section 371-4, Hawaii Revised Statutes, instead of section 91-9.5, Hawaii Revised Statutes; and
- (2) Changing the effective date to January 7, 2059, to facilitate further discussion on the 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. 2574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 575-12 Judiciary on H.B. No. 2011

The purpose of this measure is to establish new procedures for the examination and involuntary hospitalization of persons that meet criteria for commitment to psychiatric facilities, including extended involuntary emergency treatment.

Three private individuals testified in support of this measure.

One private individual testified in support of the intent of this measure.

The Department of the Attorney General, Office of the Public Defender, American Civil Liberties Union of Hawaii, United Self Help, Mental Health America of Hawaii, and two private individuals testified in opposition to this measure.

Your Committee amended this measure by:

- (1) Deleting references to "mental health workers";
- (2) Deleting sections 2 (relating to emergency examination and hospitalization) and 6 (relating to the transfer of patients between facilities);
- (3) Extending the period within which a hearing on a petition for court-ordered involuntary hospitalization shall be held from five days to ten days;
- (4) Deleting the preference for hearings on petitions to be open to the public;
- (5) Changing the effective date to January 7, 2059, to facilitate further discussion on the measure; and
- (6) 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2011, 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. 2011, H.D. 2.

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

SCRep. 576-12 Judiciary on H.B. No. 2700

The purpose of this measure is to amend the Comprehensive Public Funding Pilot Project for Elections to the Hawaii County Council by, among other things:

- (1) Clarifying requirements for matching payments for qualified small dollar amounts;
- (2) Expanding the qualifying period to November 15 of the year prior to the general election, as well as the period of time a candidate may seek comprehensive public funding for a primary election;
- (3) Raising the pilot project ceiling to \$350,000;
- (4) Clarifying how the base amount of public funding shall be calculated;

- (5) Replacing the term "equalizing funds" with "matching payment for qualified small dollar contributions"; and
- (6) Repealing the requirement of a minimum fund amount.

The League of Women Voters, Americans for Democratic Action/Hawaii, Common Cause, and numerous concerned individuals testified in support of this measure. The Campaign Spending Commission testified in opposition to this measure. Voter Owned Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the term "participating candidate" to "certified candidate";
- (2) Adding a specific pre-condition that a candidate must demonstrate that the candidate's campaign account has a balance of less than \$2,000 to be eligible for matching payments for qualified small dollar contributions;
- (3) Extending the period of time within which the Campaign Spending Commission has to distribute funds from five days after receipt of a report of receipts of qualified small dollar contributions to 20 days after receipt;
- (4) Specifying that reports of receipts of qualified small dollar contributions shall be filed no more frequently than once every 14 calendar days;
- (5) Requiring qualified small dollar contributions to be made in the form of check or money order payable to the Hawaii Election Campaign Fund to conform with other provisions for public funding;
- (6) Changing the beginning date for the "qualifying period" to September 5;
- (7) Deleting the provision extending the time period for collecting qualifying contributions;
- (8) Adding language clarifying how to calculate base amounts in the event that there was no county council general election in the previous two election periods;
- (9) Adding a new subsection explicitly granting the Campaign Spending Commission the authority to adjust base amounts after a redistricting, using proportional methodology;
- (10) Changing the effective date to January 7, 2059, to promote further discussion of this measure; 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 H.B. No. 2700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2700, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 577-12 Judiciary on H.B. No. 2193

The purpose of this measure is to enact the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, which contains guidelines to permit a determination as to which state has jurisdiction in adult guardianship matters.

Specifically, this measure would facilitate determination of jurisdiction when multiple states might be involved with a guardianship or conservatorship of an incapacitated or protected person. Your Committee finds that this measure will ensure that only one state has jurisdiction over adult guardianship matters at any one time.

The Commission to Promote Uniform Legislation supported this measure. The Judiciary offered comments on the measure.

Your Committee has amended this measure by changing the effective date to January 7, 2059, to facilitate additional 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. 2193, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2193, H.D. 1.

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

SCRep. 578-12 Judiciary on H.B. No. 835

The purpose of this measure is to provide a mechanism to reduce unfunded liabilities for pension benefits and other post-employment benefits for state employees.

More specifically, the measure proposes an amendment to the state constitution to use excess general fund revenues for this purpose in any one fiscal year when the general fund revenues are projected to exceed the previous fiscal year's revenues by seven percent or more.

The Department of Budget and Finance testified in support of this measure. The Legislative Tax Bill Service offered 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 is in accord with the intent and purpose of H.B. No. 835, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman and McKelvey.
(Representative Thielen voted no.)

SCRep. 579-12 Judiciary on H.B. No. 1967

The purpose of this measure is to amend the medical claim conciliation law to emphasize the conciliatory nature of the process. Additionally, this bill changes certain references to medical claim conciliation panels to medical inquiry and conciliation panels.

The Hawaii Medical Association, Hawaii Association for Justice, and a concerned individual testified in support of this measure. The Office of Administrative Hearings of the Department of Commerce and Consumer Affairs provided comments.

The Office of Administrative Hearings noted that if the person who initiated the inquiry failed to meaningfully participate in the inquiry, that person could not institute litigation against the opposing person, whereas there was no corresponding penalty against the opposing person for failing to meaningfully participate.

Your Committee has amended this bill by:

- (1) Deleting the provision that would have prevented the person who initiated the inquiry from being able to institute litigation due to the person's failure to meaningfully participate in the inquiry;
- (2) Changing the effective date to January 7, 2059, to facilitate 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. 1967, 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. 1967, H.D. 2.

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

SCRep. 580-12 Judiciary on H.B. No. 2590

The purpose of this measure is to strengthen enforcement of penalties resulting from aquatic resource violations by:

- (1) Authorizing the Board of Land and Natural Resources to impose natural resource-related community service in lieu of or in addition to monetary fines; and
- (2) Providing a process by which violators with outstanding fines or community service requirements may have their driver's license privileges suspended or revoked after a 30-day notification period and a reasonable opportunity to be heard.

The Department of Land and Natural Resources, The Nature Conservancy, Malama Maunaloa, Conservation Council for Hawaii, Sierra Club Hawaii Chapter, Malama Pupukeya-Waimea, Fish and Coral Think Tank, Lost Fish Coalition, and several concerned individuals provided testimony in support of this measure. The Ocean Tourism Coalition, Friends of Lanai, and one individual provided comments.

Your Committee is encouraged by the addition of subsection (k) to section 187A-12.5, Hawaii Revised Statutes, which allows the Board to delegate to a hearings officer or officers its authority, as it provides greater flexibility, equity and due process to individuals on islands other than Oahu, subject to the Board's general administrative penalties. Additionally, your Committee respectfully requests the Committee on Finance to consider the options for neighbor island participation.

Your Committee notes that the provisions related to the Board's authority to suspend an individual's driver's license are similar to provisions under Chapter 576D, Hawaii Revised Statutes, related to child support enforcement. Your Committee believes provisions related to suspension of an individual's motor vehicle registration, under Chapter 10 of the City & County of Honolulu's Department of Planning and Permitting's Rules and Procedures, are insightful and merits further consideration.

Your Committee has amended this measure 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. 2590, 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. 2590, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 581-12 Legislative Management on H.B. No. 2179

The purpose of this measure is to allow for the diminishment of the auditor's salary by general law applicable to all salaried officers, to conform with statutory provisions of the salaries of other legislative service agency heads. This measure would not diminish the salary of the current auditor unless general law applicable to all salaried officers of the State is enacted concurrently with or after the effective date of this measure.

The League of Women Voters testified in support of this measure. The Auditor and a concerned individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 582-12 Legislative Management on H.B. No. 2751

The purpose of this measure as received by your Committee is to create the offense of disrespect of a house of the Legislature for disorderly or contemptuous behavior by a person who is not a member of the Legislature.

Your Committee circulated a proposed draft prior to the public hearing for purposes of receiving testimony that:

- (1) Establishes a fine or allows for imprisonment for not more than 30 days upon an individual who is not a member of the Legislature who engages in disorderly or contemptuous behavior;
- (2) Entitles the person charged for engaging in disorderly or contemptuous behavior to be heard and present evidence to the appropriate house of the Legislature; and
- (3) Authorizes the Sergeant-at-Arms of the affected house of the Legislature to subject a person in violation of the provisions of this measure to arrest and removal from either house or any committee of a house.

The House Sergeant-At-Arms testified in support of the proposed draft. Hawaii Citizens for the Separation of State and Church opposed both the measure as received by your Committee and the proposed draft. Several individuals opposed this measure. One individual provided comments.

Your Committee respectfully requests the Committee on Judiciary to examine whether the penalties in this measure would be more appropriately placed within the judicial system.

Your Committee has amended this measure by adopting the provisions of the proposed draft and changing the effective date to July 1, 2034, to encourage further discussion.

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. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2751, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 583-12 Legislative Management on H.B. No. 2175

The purpose of this measure is to clarify the conflict of interest law under the State Ethics Code by clarifying the definition of "employee" to exclude a person serving on a task force or working group established by the Legislature for the purpose of recommending possible legislation.

The Department of the Attorney General, Hawaii Credit Union League, a member of the Mortgage Foreclosure Task Force, and the Hawaii Farm Bureau Federation testified in support of this measure. The League of Women Voters of Hawaii and a concerned individual opposed this measure. The Hawaii State Ethics Commission provided comments.

Your Committee has amended this bill by:

- (1) Specifying that the clarifying provisions in the definition of "employee" apply specifically to the State Ethics Code; and
- (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 H.B. No. 2175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2175, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 584-12 Legislative Management on H.B. No. 1611

The purpose of this measure is to increase the effectiveness and efficiency of state and county boards, while encouraging transparency, by:

- (1) Allowing board members to attend:

- (A) Public gatherings and community events that do not relate to matters over which the board is currently exercising its adjudicatory, advisory, or legislative function, as long as the members do not participate in ex parte communications at the public gathering or community event; and
 - (B) Professional-association conferences and professional-development seminars; provided that the board members file a report; and
- (2) Allowing a public notice of a board meeting to be sent out by e-mail to those persons who request notification of meetings.

Several members of the Maui County Council, the League of Women Voters, and Hawaii Farm Bureau Federation testified in support of this measure. The Office of Hawaiian Affairs supported the intent of this measure. The Office of Information Practices opposed this measure. Americans for Democratic Action/Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding provisions to ensure that board members meet the requirements for permitted interactions between board members when attending a public gathering, community event, professional-association conference, or professional-development seminar; and
- (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 H.B. No. 1611, 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. 1611, H.D. 2.

Signed by all members of the Committee.

SCRep. 585-12 Agriculture on H.B. No. 280

The purpose of this measure is to remove:

- (1) The requirement that the Department of Agriculture inspect and certify all Hawaii-grown green coffee beans unless otherwise specified by the Department's Rules; and
- (2) The prohibition on shipping Hawaii-grown green coffee beans outside of the area of geographic origin unless they have been inspected by the Department of Agriculture.

The Department of Agriculture; Maui County Farm Bureau; Onouli Farm, LLC; Kauai Coffee Company, LLC; Hawaii Coffee Growers Association; Coffees of Hawaii- Molokai; Greenwell Farms, Inc.; and numerous individuals submitted testimony in support of this measure. The Hawaii Farm Bureau Federation and Ka'u Farm Bureau submitted testimony in support of the intent of this measure. North Shore Farms, LLC; Kona Rising Coffee Co.; Daily Fix Coffee; and several individuals opposed this measure. Hawaii Farmers Union United and an individual submitted comments on this measure.

Your Committee requests that your Committee on Finance further examine the issue of counterfeit agricultural commodities.

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. 280, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 586-12 Agriculture on H.B. No. 1943

The purpose of this measure is to establish the Hawaii invasive species detection and prevention program within the Department of Agriculture and make an appropriation to the Department of Agriculture.

Oahu Detection Dog Services, LLC; Coordinating Group on Alien Pest Species; The Nature Conservancy; Hawaii Farm Bureau Federation; and a concerned individual offered testimony in support of this measure. The Department of Land and Natural Resources and the Department of Agriculture offered testimony in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting provisions establishing an invasive species detection and prevention program that contracts with private dog handlers to detect invasive species entering the state;
- (2) Specifying a general fund appropriation of \$81,270 to match a federal grant to fund plant quarantine detector dogs;
- (3) Directing the Department of Agriculture to submit a report to the Legislature;
- (4) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of 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. 1943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1943, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 587-12 Agriculture on H.B. No. 1947

The purpose of this measure as received by your Committee is to foster good land stewardship practices and increase worker safety that will ultimately lead to safe products for consumers by, among other things:

- (1) Establishing an Agricultural Safety and Security Program to, among other things, assist the agricultural industry in achieving food, environmental, and worker safety in a cost effective and efficient manner;
- (2) Authorizing the Department of Agriculture to adopt rules adopting generally accepted agricultural management practices; and
- (3) Authorizing monies in the Certification Services Revolving Fund to be used for the Program.

Your Committee held a public hearing and deferred decision making on this measure. Subsequently, your Committee scheduled, held a hearing, and accepted testimony on Proposed House Draft 1 (Proposed H.D. 1) that was circulated for public review and comment.

The Proposed H.D. 1 differed from the measure as received by your Committee in the following material respects:

- (1) Requiring the Department of Agriculture to adopt generally accepted agricultural and management practices, after considering available information and input solicited by the Department;
- (2) Requiring the Department to establish an Audit and Certification Program to audit and certify that producers, who voluntarily request certification, are following generally accepted agricultural and management practices;
- (3) Establishing the Agricultural Practices Audit and Certification Revolving Fund to establish and maintain the generally accepted agricultural and management practices program; and
- (4) Deleting the funding from the Certification Services Revolving Fund for the Agricultural Safety and Security Program.

Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Maui County Farm Bureau, West County Farm Bureau, and Hawaii Cattlemen's Council, Inc., testified in support of the Proposed H.D. 1. The Department of Health, Ala Moana Farmers' Market, Hawaii Kai Farmers' Market, Haleiwa Farmers' Market, Hawaii Farmers Union United, Waialua Farmers Cooperative, and numerous individuals testified in opposition to the Proposed H.D. 1. The Department of Agriculture and Department of Budget and Finance provided comments on the Proposed H.D. 1.

After careful consideration, your Committee has amended the Proposed H.D. 1 by:

- (1) Authorizing, rather than mandating, the Department of Agriculture to establish an Audit and Certification Program; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1947, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto and Riviere.
(Representative Marumoto voted no.)

SCRep. 588-12 Agriculture/Economic Revitalization & Business on H.B. No. 2151

The purpose of this measure is to define agricultural-based commercial operations and authorize agricultural-based commercial operations in agricultural districts.

Kahuku Farms, Kawailoa Plantation, and two individuals testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. The Hawaii Farm Bureau Federation and Maui County Farm Bureau testified in support of this measure with amendments. The City and County of Honolulu Department of Planning and Permitting testified in opposition to this measure.

Your Committee respectfully requests that the Committee on Water, Land, & Ocean Resources further examine the possible issues and challenges regarding the installation of solar photovoltaic systems on agricultural lands where there is no potable water.

Your Committees have amended this measure by:

- (1) Further clarifying the definition of "agricultural-based commercial operations";
- (2) Inserting an effective date of July 1, 2012, and a sunset date of June 30, 2015; 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 Agriculture and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2151, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2151, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 589-12 Energy & Environmental Protection on H.B. No. 2670

The purpose of this measure is to establish a two-year pilot program using the negotiated partner approach to execute energy savings performance contracts.

Honeywell testified in support of this measure. The Department of Accounting and General Services opposed this measure. Life of the Land provided comments on this measure.

Your Committee has amended this measure by:

- (1) Specifying a minimum of three vendors on the list of qualified vendors that a state agency is allowed to negotiate with for a sole-source energy savings performance contract;
- (2) Requiring the agencies to adopt rules for choosing vendors; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2670, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 590-12 Energy & Environmental Protection on H.B. No. 2611

The purpose of this measure is to clarify current exemptions from environmental impact statements for secondary actions and require that applicants prepare environmental assessments when required.

The Department of Transportation, Land Use Research Foundation of Hawaii, Chamber of Commerce of Hawaii, and the Building Industry Association of Hawaii submitted testimony in support of this measure. The Office of Environmental Quality Control and Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company, submitted testimony in support of the intent of this measure. The Sierra Club Hawaii Chapter and Outdoor Circle opposed this measure. The Environmental Center of the University of Hawaii at Manoa submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Authorizing, but not requiring, the reviewing agency to exempt secondary actions from environmental impact statement requirements;
- (2) Limiting those exemptions to cases where the environmental impact of the secondary action is not significant;
- (3) Deleting the requirement that in order to be exempt from the environmental impact statement requirements, the applicant must submit documentation from the appropriate agency confirming that no further discretionary approvals are required;
- (4) Clarifying the intent of this measure by amending the definition of "secondary action" to refer to any infrastructure within the highway or public right of way that is ancillary or incidental to the primary action;
- (5) Sunsetting the measure on July 1, 2013; and
- (6) 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. 2611, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 2611, H.D. 1.

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

SCRep. 591-12 Energy & Environmental Protection on H.B. No. 2669

The purpose of this measure is to:

- (1) Encourage the development and construction of biofuel production facilities in Hawaii by creating an income tax credit for investments in the development and construction of qualified biofuel production facilities in the State; and

- (2) Clarify the circumstances under which an environmental assessment is required for an action proposing an oil refinery.

Aina Koa Pono; Hawaiian Electric Company and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company; Hawaii BioEnergy; and International Longshore and Warehouse Union, Local 142 submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism; Pacific Biodiesel; and Hawaii Renewable Energy Alliance submitted testimony in support of the intent of this measure. The Office of Environmental Quality Control submitted testimony in support of this measure with amendments. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the new definition of "oil refinery" that was to be added to section 343-2, Hawaii Revised Statutes;
- (2) Deleting language that environmental impact statements are required for any action that proposes an oil refinery; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that a similar measure that discusses larger facilities, H.B. 2262, is with your Committee on Finance and requests your Committee on Finance to consider consolidating these measures to the extent possible. Your Committee notes that special purpose revenue bonds may be a more appropriate way to finance the biofuel production facilities, rather than requiring tax payers that receive the tax credit to repay the full amount of the credit in ten years.

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. 2669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2669, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 592-12 Energy & Environmental Protection on H.B. No. 2121

The purpose of this measure is to promote the government's use of renewable energy technologies by:

- (1) Prohibiting government agencies from contracting with private energy providers that claim the renewable energy technologies tax credit; and
- (2) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities.

The Department of Education, the Office of the Mayor of the City and County of Honolulu, City and County of Honolulu Department of Design and Construction, the Mayor of the County of Maui, County of Hawaii Department of Research and Development, County of Hawaii Department of Water Supply, County of Kauai Office of Economic Development, University of Hawaii, Hawaii Renewable Energy Alliance, and Hawaii Solar Energy Association opposed this measure. The Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; and the Hawaii Community Development Authority provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the sum of the general obligation bonds that the director of finance is authorized to issue;
- (2) Changing the effective date to January 1, 2013;
- (3) Clarifying that the purpose of this measure is to ensure the cost effectiveness of renewable energy technology projects; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that despite negative testimony on this measure, it has value to the State. The State is currently investing 24.5 per cent on each of the projects that receive the renewable energy tax credit, which the testimony does not address. These projects may not be paying for themselves and may not ever produce a reasonable return on investment. Your Committee believes that by removing the state tax credit, the projects will be forced to stand on their own merits and with the existing federal tax credits.

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. 2121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2121, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 593-12 Hawaiian Affairs on H.B. No. 2848

The purpose of this measure is to reestablish highly-recognized native Hawaiian cultural practices to reduce recidivism, prevent crime, and ensure long-term positive changes by directing the Department of Public Safety, working with stakeholder groups, to prepare a plan for the creation of a wellness center, preferably on the site formerly used as the Kulani Correctional Facility.

The Association of Hawaiian Civic Clubs, Blueprint for Change, Hawaii Prison News, Ohana Hoopakele, Community Alliance on Prisons, Sovereign Councils of the Hawaiian Homelands Assembly, Malu Aina, Aupuni O Hawaii, and many concerned individuals supported the measure. The

Department of Hawaiian Home Lands, Department of Land and Natural Resources, Office of Hawaiian Affairs, and the Department of Public Safety offered comments on the measure.

Your Committee notes that the site formerly used as the Kulani Correctional Facility is the preferred location for the wellness center because it is a place of deep spirituality for the Hawaiian people and, pragmatically, it has the infrastructure and historical precedent for use in sustainable living. However, your Committee also notes that there may be other locations that can serve as options in determining a viable and ideal site for a wellness center.

Your Committee has amended this measure by:

- (1) Establishing a Wellness Center Task Force within the Legislative Reference Bureau to move forward with the concept of pu'uhonua, or wellness center; and
- (2) Establishing a location for the wellness center on lands owned or controlled by the State with preference given to the site formerly used as the Kulani Correctional Facility in east 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 H.B. No. 2848, 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. 2848, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Mizuno and Pine.

SCRep. 594-12 Hawaiian Affairs on H.B. No. 2820

The purpose of this measure is to require the Department of Land and Natural Resources to establish the east Honolulu fishpond heritage area.

The Office of Hawaiian Affairs, Department of Transportation, Kuliouou/Kalani Iki Neighborhood Board #2, Association of Hawaiian Civic Clubs, Livable Hawaii Kai Hui, Kuakini Hawaiian Civic Club of Kona, Sovereign Councils of the Hawaiian Homelands Assembly, Hawaii Farmers Union United, and several concerned individuals supported the measure. The Maunaloa Fishpond Heritage Center and the Aha Moku Advisory Committee supported the measure with amendments.

Your Committee has amended this measure by:

- (1) Adding as Part II of this measure the contents of H.B. No. 377 H.D. 2 from the 2011 legislative session, which provides state lease preferences for the reconstruction, restoration, repair, or use of Hawaiian fishponds;
- (2) Prohibiting leases of public land containing existing or Hawaiian fishponds or a site of a traditional fishpond if the terms of the lease preclude or foreclose the use of the land as a Hawaiian fishpond, or loko i'a;
- (3) Adding a provision that requires the Board of Land and Natural Resources to provide preference to the retention of the traditional name of a kanaka maoli fishpond, or loko i'a;
- (4) Clarifying that the Hawaiian fishponds and kanaka maoli fishponds are also generally referred to as loko i'a in the Hawaiian language;
- (5) Adding a provision that requires all Hawaiian fishponds held as public lands under the jurisdiction of the Department of Land and Natural Resources to be held in trust and transferred to a Native Hawaiian government upon the establishment of such a government;
- (6) Changing the effective date to July 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2820, 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. 2820, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Mizuno and Pine.

SCRep. 595-12 Hawaiian Affairs on H.B. No. 2672

The purpose of this measure is to establish a commission within the Office of Hawaiian Affairs that will recognize and commemorate more than 21,000 native Hawaiians who in 1897 signed the Petition Against Annexation.

Ke Aupuni O Hawaii and several individuals supported the measure. The Office of Hawaiian Affairs offered comments on the measure.

Your Committee respectfully notes that the Office of Hawaiian Affairs should offer its comments regarding resources and funding for the Petition Against Annexation Memorial Commission to the Committee on Finance.

Your Committee also respectfully notes that the phrase, "overthrow of the Hawaiian Kingdom," may be the accepted and popular phrase, however, the continuing consciousness and assertion of nationality (nation-state) by the Native Hawaiians since 1893, rejects absolutely that presumption. Today, the Native Hawaiian, "the only aboriginal, indigenous, maoli people of Hawaii" are organizing themselves to re-establish their sovereignty and self-governance.

Said the Queen, "I, Liliuokalani, by the grace of God and under the constitution of the Hawaiian Kingdom, Queen, do hereby solemnly protest any and all acts done against myself and the constitutional Government of the Hawaiian Kingdom by certain persons claiming to have established a Provisional Government of and for this Kingdom.

That I yield to the superior force of the United States of America, whose minister plenipotentiary, his excellency John L. Stevens, has caused United States troops to be landed at Honolulu and declared that he would support the Provisional Government.

Now, to avoid any collision of armed forces and perhaps the loss of life, I do, under this protest, and impelled by said force, yield my authority until such time as the Government of the United States shall, upon the facts being presented to it, undo the action of its representative and reinstate me and the authority which I claim as the constitutional sovereign of the Hawaiian Islands."

In October 1897, thousands of Hawaiian loyalists congregated at Palace Square to send a clear message to the United States Congress and President Grover Cleveland, that the vast majority of Hawaiian citizens were against annexation to the United States. Soon after the invasion by the United States in 1893, the so-called "Provisional Government" attempted to annex Hawaii to the United States. President Cleveland, however, refused to pursue annexation, and chastised U.S. Minister to Hawaii John Stevens for his role in the illegal and unconstitutional actions. Cleveland remained in office until March 1897.

Your Committee notes the following historical account:

When William McKinley replaced President Cleveland in 1897, he signed a new treaty of annexation with the Republic of Hawaii, sending it to the U.S. Senate for ratification. The Hawaiian annexation question split the Senate. Congressional delegates arrived in Hawaii to promote one or another side. Senator John Tyler Morgan (D-Alabama), chair of the Senate Foreign Relations Committee and author of the "Morgan Report", supported the taking of Hawaii. Morgan declared Minister Stevens had demonstrated "the privilege of interference", and allowed U.S. Ministers the right to take virtually any diplomatic or military action. This privilege, according to Morgan, ran only in favor of the United States and no other country.

On that October evening, Hawaiian loyalists came from throughout Hawaii to Palace Square. As the sun set, J. Kalua Kaho'okano declared the meeting's purpose to oppose annexation clearly so that Morgan and his fellow congressmen would witness and carry back to the United States the strong message of the Hawaiians. F.J. Testa, ardent Royalist, and editor of *Ka Makaainana*, a Hawaiian language newspaper, read a Memorial in Hawaiian and English, that set forth reasons against annexation. The Memorial declared the people were not supporters and held no allegiance to the Republic of Hawaii, which government had no legitimacy other than the force of arms. It pointed out that the Republic had no popular support and was held up by self-appointed individuals, constituting a minority in the community, most of them aliens. Its constitution was never submitted to a vote of the people, and it was with grief and dismay that the Hawaiian people saw the United States enter into a treaty with the Republic to extinguish the existence of the Hawaiian nation. It asked that no further action be taken until the Hawaiian people were able to vote on the question of annexation. The people gave Testa a resounding acclamation approving the Memorial.

James Keauluna Kaulia, President of Hui Aloha 'aina, challenged and criticized the claims of Senator John Tyler Morgan. Kaulia asked how can the United States annex Hawaii in consistency with her principles, without undoing the theft in which Minister Stevens engaged. "Ask for the voice of Hawaii on this subject — Mr. Senator, and you will hear it with no uncertain tones ring out from Niihau to Hawaii — Independence now and forever."

The following month, four Native Hawaii gentlemen, John Richardson, William Auld, James Kaulia, and David Kalauokalani, left for Washington, D.C., to represent the Hawaiian people against the annexation treaty in Congress. They carried petitions of almost 40,000 names against annexation and presented them, and the Memorial, during the Senate debate on the treaty. The Senate voted and the treaty did not obtain the two-thirds vote required for ratification by the United States Constitution. The four returned home, and Hawaii nei celebrated. Celebration was short.

By mid-1898, the U.S. House of Representatives fashioned and adopted a Joint Resolution for the annexation of Hawaii. It was sent off to the Senate where the opposition attempted a filibuster for several weeks before the resolution was passed by a mere majority. On July 7, 1898, the President McKinley signed the resolution purporting to annex Hawaii as a territory to the United States. Thus, the United States Congress side-stepped, and violated, its own Constitution

Your Committee also notes that there were actually two separate petitions, one from Hui Aloha 'aina and one from Hui Kalai Aina. The women's auxiliary to Hui Aloha 'aina, the Hui Aloha 'aina o Na Wahine, was most active in the distribution of the petitions.

Finally, your Committee hopes that the Legislature will find that the acts of courage and will of Native and other Hawaiians who petitioned against annexation merit commemoration in a permanent public memorial located on a single site.

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. 2672 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jordan.

SCRep. 596-12 Housing/Human Services on H.B. No. 1735

The purpose of this measure is to establish the Hawaii Interagency Council on Homelessness.

The Department of Health, Office of Hawaiian Affairs, Office of Housing and Community Development of the County of Hawaii, Hawaii Youth Services Network, Catholic Charities Hawaii, Hawaii Association of REALTORS, and two individuals testified in support of this measure. The Department of Human Services and Leeward Housing Coalition testified in support of the intent of this measure. The Department of Labor and Industrial Relations commented on the measure.

In discussion, the Department of Human Services requested that the Department of Hawaiian Home Lands be represented on the Hawaii Interagency Council on Homelessness.

Your Committees have amended this measure by:

- (1) Revising the responsibilities of the Hawaii Interagency Council on Homelessness;
- (2) Reducing the number of representatives on the council and revising its membership composition;
- (3) Specifying that in the event a member of the Hawaii Interagency Council on Homelessness is unable to attend a meeting, the member may appoint a designee to attend and to act on the member's behalf during the meeting;
- (4) Clarifying the purpose of the unified, statewide plan;
- (5) Requiring the Department of Human Services to:
 - (A) Conduct a study on the feasibility of establishing safe havens for persons who are homeless in the State; and
 - (B) Submit a report of its findings and recommendations to the Legislature no later than 20 days before the convening of the Regular Session of 2013; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1735, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1735, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, C. Lee and Thielen.

SCRep. 597-12 Housing on H.B. No. 2575

The purpose of this measure is to improve public safety by, among other things:

- (1) Establishing fee schedules for inspections, permits, and examinations of boilers, pressure systems, elevators, and kindred equipment, and amusement rides to provide operating funds for the Department of Labor and Industrial Relations Boiler and Elevator Inspection Branch;
- (2) Establishing the Boiler and Elevator Special Fund for the deposit of fees charged and collected under (1);
- (3) Authorizing the establishment of ten additional permanent positions in the Department of Labor and Industrial Relations Boiler and Elevator Inspection Branch;
- (4) Requiring the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the status of the elevator and boiler inspection backlog no later than 20 days prior to the convening of each regular session, commencing with the Regular Session of 2013;
- (5) Appropriating \$1,000,000 out of the general fund to be deposited into the Boiler and Elevator Special Fund as start up funds to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained; and
- (6) Appropriating \$2,900,000 out of the Boiler and Elevator Special Fund to fully staff the Boiler and Elevator Inspection Branch and maintain timely inspections and safety tests.

The Department of Labor and Industrial Relations; Hawaii's People With Physical Challenges; Hawaii Laborers' Union; Hawaii Building and Construction Trades Council, AFL-CIO; International Union of Elevator Constructors, Local 126; ILWU Local 142; and Community Associations Institute testified in support of this measure. The National Elevator Industry, Inc., and the General Contractors Association commented on 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2575, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2575, H.D. 2.

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

SCRep. 598-12 Housing on H.B. No. 2144

The purpose of this measure is to require the Department of Taxation to submit a report to the Legislature and the Hawaii Housing Finance and Development Corporation on general excise tax exemptions for low-cost housing and affordable rental housing construction and development.

The Department of Taxation opposed this measure. The Tax Foundation of Hawaii commented on this measure.

Recognizing the confidential nature of some of the reporting provisions contained in the measure, your Committee has amended this measure by deleting provisions that require the Department of Taxation to submit information regarding:

- (1) Individual exemptions awarded;
- (2) The criteria under which individuals or entities qualified for the exemption; and
- (3) How long each individual or entity has been exempt,

and instead has amended this measure to require the Department of Taxation to submit a report to the Legislature and the Hawaii Housing Finance and Development Corporation on the general excise tax exemptions granted for development of low-income housing and affordable rental housing during the taxable year beginning after December 31, 2010, as well as a listing of all exemptions awarded and the duration of all exemptions awarded.

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. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2144, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 599-12 International Affairs on H.B. No. 2608

The purpose of this measure is to facilitate international reciprocity by:

- (1) Requiring the Director of the State Department of Transportation to establish and appoint the members of a statewide driver's license reciprocity committee to evaluate the written knowledge and practical examination program of a foreign country whenever a foreign country makes a request for driver's license reciprocity;
- (2) Establishing a process to ensure the standards of the foreign countries' driver's license testing is equivalent to Hawaii's driver's license testing; and
- (3) Providing for the notification to the Legislature of the findings and recommendations of the statewide driver's license reciprocity committee.

The Department of Transportation supported this measure.

Your Committees note the existing agreement made in 1949 at the United Nations Conference on Road and Motor Transport in Geneva. President Truman signed this agreement on behalf of the United States along with ninety-five other countries, including Korea, Japan, Canada, New Zealand, and Australia.

It is your Committee's hope that the Committee on Finance will take a closer look at the financial implications of this measure to ensure that duplication is avoided and that the existing processes, including those that may have been adopted at the 1949 United Nations conference, can be used to streamline driver's license reciprocity. Your Committee notes that other states have adopted the United Nations agreement, which includes international reciprocity.

Your Committee finds that the overall concept of this administration bill is laudable and therefore worthy of passage.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2608, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2608, H.D. 1.

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

SCRep. 600-12 Public Safety & Military Affairs on H.B. No. 2642

The purpose of this measure is to make changes to Chapter 132D, Hawaii Revised Statutes, relating to fireworks, by:

- (1) Amending the "display fireworks" definition to specify that the term includes fused setpieces containing components that together exceed 50 milligrams of pyrotechnic composition;
- (2) Restricting the importation of display fireworks to amounts necessary for a permitted display, except for qualified importers of certain fireworks; and
- (3) Changing the fireworks shipment documentation requirements and the imported display fireworks labeling requirements.

Hawaii Explosives & Pyrotechnics, Inc. testified in support of this measure. The State Fire Council, Honolulu Fire Department, Kauai Fire Department, and the County of Maui Department of Fire and Public Safety testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Retaining existing statutory language whereby:
 - (A) Aerial devices, display fireworks, or articles pyrotechnic for display shall be imported and stored, if necessary, in an amount sufficient for an anticipated three-month inventory; and
 - (B) A licensee who provides such devices, fireworks, or articles more than once a month, may import or store the items for a six-month inventory; and
- (2) Specifying that section 132D-8.5, Hawaii Revised Statutes, relating to the importation of aerial devices, display fireworks, or articles pyrotechnic for display, shall not apply to licensees who provide proof of ownership of an approved fireworks storage facility, accurate recordkeeping and auditing procedures of fireworks, and the production of at least 12 displays within the last 12 calendar months.

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. 2642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2642, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 601-12 Public Safety & Military Affairs on H.B. No. 2358

The purpose of this measure is to promote uniformity in statewide building standards by establishing the Hawaii State Building Code Council and the Natural Disaster Preparedness Commission, and adopting the Hawaii State Building Code.

One individual testified in support of this measure. State Fire Council, Honolulu Fire Department, Department of Labor and Industrial Relations, Maui County Council, Department of Fire and Public Safety of Maui County, Kauai Fire Department, Department of Public Works of the County of Maui, Structural Engineers Association of Hawaii, Institute for Business & Home Safety, and four individuals testified in opposition to this measure. The Hawaii Farm Bureau Federation, Building Industry Association of Hawaii, Hawaii Farmers Union United, and General Contractors Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the representation of voting members on the Hawaii state building code council by including a representative from the State fire council and changing the number of individuals that represent the interests of homeowners from three to two;
- (2) Retaining present requirements that the Hawaii building code must include Hawaii design standards implementing hurricane resistant criteria; 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. 2358, 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. 2358, H.D. 2.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 602-12 Public Safety & Military Affairs on H.B. No. 2313

The purpose of this measure is to safeguard law enforcement and the public by creating the felony offense of resisting arrest in the first degree to apply to an attempt to take a law enforcement officer's firearm during an arrest attempt.

This measure also establishes the existing misdemeanor offense of resisting arrest as a second-degree offense.

The Department of Public Safety; Honolulu Police Department; Hawaii Police Department; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2313, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 603-12 Public Safety & Military Affairs on H.B. No. 2599

The purpose of this measure is to define how pre-trial bail assessments are initiated, and to provide statutory authority to the Department of Public Safety to supervise pre-trial persons ordered released from custody by the courts.

The Department of Public Safety supported the 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2599, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 604-12 Public Safety & Military Affairs on H.B. No. 2113

The purpose of this measure is to protect health and safety by prohibiting the ignition, possession, sale, or use of aerial luminaries, more commonly known as sky lanterns.

The State Fire Council, Honolulu Fire Department, Fire Department of the County of Hawaii, Kauai Fire Department, Department of Fire and Public Safety of the County of Maui, Honolulu Police Department, Maui Wildfire Coordinating Group, Division of Forestry and Wildlife of the Department of Land and Natural Resources, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Fire Chiefs Association, and a concerned individual 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. 2113 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 605-12 Public Safety & Military Affairs on H.B. No. 679

The purpose of this measure is to exempt National Rifle Association certified firearms instructors from absolute liability for injury or damage caused by discharge of their firearms during the course of providing training to persons seeking a permit to acquire firearms.

The Hawaii Rifle Association, Lessons in Firearms Education, Verizon Wireless, and several individuals testified in support of the measure. Hawaii Association for Justice testified in opposition to this measure.

In discussion, your Committee noted the comments raised that under section 663-9.5, Hawaii Revised Statutes, relating to the liability of firearms, a firearm owner is only liable for his or her shooting of the firearm and is not liable if others shoot the firearm. However, under this measure, a National Rifle Association certified firearms instructor would only be liable if he or she shot someone; the instructor would not be liable if another person being trained shoots another person with a firearm provided by the trainer or a firearm brought by the trainee. Your Committee recognizes that the exemption provided in the measure to National Rifle Association-certified firearms instructors creates ambiguity as to what is intended by the exemption. Your Committee respectfully requests the House Committee on Judiciary to consider the comments raised and to consider possible language to address the 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. 679 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.
(Representative Luke voted no.)

SCRep. 606-12 Public Safety & Military Affairs on H.B. No. 1874

The purpose of this measure is to improve the health and safety of our communities and obtain a broader spectrum on the impacts of, and solutions to, the negative effects of vog by expanding the membership of the Interagency Task Force on Vog to include any Representative or Senator representing a district on the Island of Hawaii that is impacted by vog.

No testimony was received on 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. 1874 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 607-12 Public Safety & Military Affairs on H.B. No. 2598

The purpose of this measure is to increase efficiency in the pre-sentence investigative process as it relates to convicted defendants by deleting the Intake Service Center as an agency responsible for preparing the pre-sentence diagnosis and report for defendants and for giving notices of the Crime Victim Compensation Act and other specified restitution procedures.

The Department of Public Safety supported the 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2598, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 608-12 Economic Revitalization & Business on H.B. No. 116

The purpose of this measure is to encourage the development of medical and research services in the State by:

- (1) Establishing medical enterprise zones;
- (2) Establishing a qualified income tax credit of 25 percent for three years; and
- (3) Creating a pilot medical enterprise zone in West Maui.

The Hawaii Medical Association and West Maui Improvement Foundation, Incorporated testified in support of this measure. The Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee respectfully requests that the Committee on Finance further examine the possibility of including more areas for the pilot medical enterprise zones.

Your Committee has amended this measure by:

- (1) Including Honouliuli as a pilot medical enterprise zone;
- (2) Changing the effective date of this measure to January 1, 2112, for the purpose of facilitating further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 116, 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. 116, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Marumoto and Pine.

SCRep. 609-12 Economic Revitalization & Business on H.B. No. 2306

The purpose of this measure is to allow for limited smoking in certain areas by:

- (1) Permitting bars and nightclubs with dispenser or cabaret licenses to permit smoking by posting sufficient "Smoking Permitted" signage; and
- (2) Prohibiting any county ordinance from banning or hindering smoking under the circumstances described in paragraph (1).

The Hawaii Smokers Alliance, Hawaii Bar Owners Association, and numerous concerned individuals supported this bill. The Department of Health (DOH), Hawaii COPD Coalition, Coalition for a Tobacco-Free Hawaii, American Lung Association in Hawaii, American Cancer Society, American Heart Association, and numerous concerned individuals opposed this measure. Three individuals submitted comments.

Your Committee notes that:

- (1) Valid concerns exist about the possible dislocation of employees at bars and nightclubs that permit smoking;
- (2) The possibility of installing air-conditioning filters to try to minimize the amount of smoke that remains in bars and nightclubs that permit smoking was raised,

and encourages your Committee on Judiciary to further consider and explore these important issues.

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

- (1) Permitting smoking in bars and nightclubs in counties with a population of at least 700,000 that:
 - (A) Hold a dispenser or cabaret license;
 - (B) Post sufficient signage;
 - (C) Obtain a license from DOH; and

- (D) Provide adequate space within their premises in which smoking is prohibited;
- (2) Changing the effective date to January 1, 2112, to encourage further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2306, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 610-12 Economic Revitalization & Business on H.B. No. 2152

The purpose of this measure is to increase the fee schedule of compensation for medical care, services, and supplies in workers' compensation cases from 110 percent to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services.

International Longshore and Warehouse Union, Local 142; the Hawaii Association for Justice; Hawaii Chapter, American Physical Therapy Association; Laborers' International Union of North America, Local 368; Hawaii Medical Association; Plumbers and Fitters Union, Local 675; Workstar; International Association of Rehabilitation Professionals-Hawaii; and several concerned individuals testified in support of this measure. The Department of Labor and Industrial Relations supported the intent of this measure.

The American Insurance Association; Hawaiian Electric Co. Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; Hawaii Insurers Council; GEICO; Building Industry Association of Hawaii; and Property Casualty Insurers Association of America opposed this measure. The Department of Human Resources Development, Department of Commerce and Consumer Affairs, and National Council on Compensation Insurance, Inc., provided comments.

Your Committee has amended this measure by:

- (1) Amending the definition of "medical fee schedule" for motor vehicle insurance purposes in order to prevent a possible unintentional raise in motor vehicle insurance premiums; and
- (2) Changing the effective date to July 1, 2112, for the purpose of facilitating 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. 2152, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2152, H.D. 1.

Signed by all members of the Committee.

SCRep. 611-12 Economic Revitalization & Business on H.B. No. 2260

The purpose of this measure is to prevent the excessive use of single-use checkout bags by:

- (1) Requiring businesses in the State to collect a fee for single-use checkout bags provided to the customer;
- (2) Disbursing the collected fees amongst the businesses, natural area reserve fund, and general fund; and
- (3) Requiring a report to the legislature.

Hawaii Food Industry Association, Safeway, Times Supermarket, Nature Conservancy, Trust for Public Land, Conservation Council for Hawaii, Landscape Industry Council of Hawaii, Hawaii Endangered Bird Conservation Program, Princeville Utilities Company, Coordinating Group on Alien Pest Species, Namahana Farms, Ben A. Drye Family Limited Partnership, National Tropical Botanical Garden, Zero Waste Kauai, Kauai Watershed Alliance, Retail Merchants of Hawaii, Pacific Reserve Partnership, Sierra Club Hawaii Chapter, Surfrider Foundation, Environmental Center at the University of Hawaii at Manoa, and numerous individuals testified in support of this measure. Renewable Bag Council and two individuals testified in opposition to this measure. The Department of Land and Natural Resources, Department of Health, Department of Taxation, Office of Information Practices, and Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests that the Committee on Finance examine the possibility of amending the measure to remit a portion of the fees to the Department of Taxation.

Your Committee has amended this measure by:

- (1) Changing the fee amount charged for single-use checkout bags to customers;
- (2) Allowing businesses in counties that have already placed bans on single-use plastic bags to retain up to 40 percent of the fees collected from the single-use checkout bag fee, beginning January 1, 2013;
- (3) Specifying that businesses may, rather than shall, be subject to penalties and interests for late and unpaid fees;

- (4) Removing the requirement that all business that are required to charge and collect single-use checkout bag fees shall annually report to the department the number of reusable bags provided to customers;
- (5) Amending the distribution of the single-use checkout bag fees to include the Agricultural Development and Food Security Special Fund;
- (6) Changing the effective date of this measure to July 1, 2112, for the purposes of facilitating further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2260, 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. 2260, H.D. 2.

Signed by all members of the Committee.

SCRep. 612-12 Economic Revitalization & Business on H.B. No. 1758

The purpose of this measure is to encourage business development in the State by providing enhanced incentives that attract more film and television productions to Hawaii, which will generate increased tax revenues.

The Office of the Mayor of the County of Maui, County of Maui County Council, the Chamber of Commerce of Hawaii, and four individuals provided testimony in support on this measure. NBC Universal Media, LLC provided testimony in support of the intent of this measure. The Department of Business, Economic Development, and Tourism opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with language that authorizes the Director of Business, Economic Development, and Tourism to issue revenue bonds for qualified media infrastructure projects; and
- (2) Changing the effective date of this measure to July 1, 2112, for the purposes of facilitating 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. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 613-12 Economic Revitalization & Business on H.B. No. 1829

The purpose of this measure is to promote fairness in the commercial and industrial rental market by requiring:

- (1) Lessors of commercial and industrial property to afford lessees the option of renewing their leases; and
- (2) In leasehold negotiations, that the rent charged shall be based on fair market value, even if the value is lower than the existing rent and the contract bars lowering the rent upon renegotiation.

Numerous concerned individuals provided testimony in support of this measure. The Department of the Attorney General; Department of Land and Natural Resources; Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; City and County of Honolulu Department of Facility Maintenance; Land Use Research Foundation of Hawaii; Loyalty Development Company, Ltd.; Small Landowners Association; Queen Emma Land Company; Kamehameha Schools; and Reit Management & Research LLC opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement that forces the sale of property if the parties to a lease are unable to agree on terms of a lease renewal;
- (2) Clarifying that this measure only applies to nonresidential property;
- (3) Applying the provisions of this measure to subleases; and
- (4) Changing the effective date of to July 1, 2112, for the purpose of facilitating further discussion.

Your Committee respectfully requests that your Committee on Judiciary examines whether the purpose section of this measure should include references to case law from the Supreme Court of the United States or the State concerning public purposes so that this measure may pass constitutional muster.

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. 1829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1829, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 614-12 Economic Revitalization & Business on H.B. No. 2576

The purpose of this measure is to clarify that employers' contribution rate notices should be appealed to the Employment Security Appeals Referees' Office.

The Department of Labor and Industrial Relations testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012, for the purpose of facilitating further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that your Committee on Finance further examine the removal of language that specifies that the appeal could be brought to a Circuit Court.

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. 2576, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2576, H.D. 1.

Signed by all members of the Committee.

SCRep. 615-12 Economic Revitalization & Business/Higher Education on H.B. No. 2873

The purpose of this measure is to enable the Pacific International Space Center for Exploration Systems (PISCES) to become more efficient by:

- (1) Transferring PISCES from the University of Hawaii to the Department of Business, Economic Development, and Tourism's Office of Aerospace Development;
- (2) Establishing a PISCES board of directors; and
- (3) Appropriating funds and authorizing general obligation bonds to construct the Pacific International Space Center for Exploration Systems Aerospace Research Technology Park project.

The County of Hawaii Department of Research and Development; Northern Centre for Advanced Technology, Inc.; W.H. Shipman, Ltd.; Pacific Science Association; Zeta Corporation; the South African Space Resources Association; Hawaii Aerospace Advisory Committee; Pacific International Space Center for Exploration Systems; Skycorp Incorporated; Google Lunar X PRIZE; Flexure Engineering; JAMSS America, Inc.; Kelso Aerospace Consulting; Honeybee Robotics Spacecraft Mechanisms Corporation; and numerous individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism and University of Hawaii System testified in support of the intent of this measure. The Department of Human Resources Development, NASA, Enterprise Honolulu, International Ventures, White Label Space Foundation, and several individuals provided comments on this measure.

Your Committees have amended this measure by, among other things:

- (1) Adding new language to strengthen the preamble;
- (2) Removing all amendments to the powers and duties of the Director of the Department of Business, Economic Development, and Tourism;
- (3) Adding a new section to specify the powers and duties of the Executive Director of Pacific International Space Center for Exploration Systems;
- (4) Changing the effective date to July 1, 2012, for the purpose of facilitating further discussion; and
- (5) 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 Economic Revitalization & Business and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2873, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2873, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 616-12 Economic Revitalization & Business/International Affairs on H.B. No. 2240

The purpose of this measure is to establish a tax credit for certain businesses that relocate their headquarters to Hawaii.

The Department of Taxation opposed this measure. Tax Foundation of Hawaii provided comments on this measure.

Your Committees have amended this measure by:

- (1) Eliminating the tax credit provided;
- (2) Providing tax exemptions to certain eligible businesses that relocate their corporate headquarters to the State from outside the State; and
- (3) Specifying, among other things, that qualifying businesses must have had worldwide revenues of at least \$100,000,000 in the year preceding the business's application for an exemption.

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. 2240, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2240, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Tokioka, Tsuji and Pine.

SCRep. 617-12 Water, Land, & Ocean Resources/Housing on H.B. No. 1722

The purpose of this measure is to authorize a police officer to enter private property without the prior consent of the property owner in order to exercise all powers, privileges, and authority necessary to enforce the laws of the State; provided that the property is generally open to the public.

The Department of Hawaiian Homelands, Nanakuli Hawaiian Homestead Community Association, and four individuals submitted testimony in support of this measure. Four individuals opposed this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, for the purpose of facilitating further discussion; and
- (2) 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 Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1722, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1722, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 618-12 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 1972

The purpose of this measure is to limit the fees that the Department of Land and Natural Resources may charge related to its comprehensive historic preservation program to amounts sufficient to cover the annual operating costs of the program, taking into account all other sources of program income.

The Department of Land and Natural Resources testified in support of this measure. The Society for Hawaiian Archaeology provided comments on this measure.

Your Committees have amended this measure by changing the effective date to July 1, 2020, for the purpose of facilitating future discussion.

Your Committees note that this measure is not intended to affect any aspect or effect of the existing memoranda of understanding between the Department of Land and Natural Resources and Mookini Heiau.

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. 1972, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1972, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Jordan, C. Lee and Pine.

SCRep. 619-12 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 2398

The purpose of this measure is to establish the Honokohau Marina Development District on the island of Hawaii.

Torpedo Tours; McCormick Marine Service, Inc.; the Kona Boat Club; and numerous individuals submitted testimony in support of this measure. Gentry's Kona Marina, the Association of Hawaiian Civic Clubs, Life of the Land, Kuakini Hawaiian Civic Club of Kona, Kona Hawaiian Civic Club, and an individual opposed this measure. The Department of Land and Natural Resources, the Hawaii Community Development Authority, the Department of Hawaiian Homelands, the Office of Information Practices, and the Department of Budget and Finance submitted comments on this measure.

Your Committees have amended this measure by:

- (1) Removing the 218 acres that border the harbor area to the south and the 7.25 acres that border the harbor to the north from the development district by clearly identifying these areas and stating that they are not within the development district;

- (2) Amending the purpose section to clearly state that major reasons for the redevelopment of the harbor include:
 - (A) Eliminating the current water pollution that is spreading to the nearby culturally sensitive shoreline areas; and
 - (B) Addressing the need to improve security, safety, and environmental impacts of the area;
- (3) Reducing the development district representation on the board to three members and changing its composition to represent:
 - (A) Owners and operators of marina businesses;
 - (B) Harbor boating tenants; and
 - (C) Cultural practitioners representing the Kaloko-Honokohau National Historical Park;
- (4) Changing the effective date so that the establishment of the district takes effect upon approval and the establishment of the revolving fund and the exemption from the procurement code take effect on July 1, 2013; and
- (5) Allowing for the first marina management contract to be exempt from the procurement process under chapter 103D, Hawaii Revised Statutes, for a period not to exceed three years.

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. 2398, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Jordan, C. Lee and Pine.

SCRep. 620-12 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 2246

The purpose of this measure is to:

- (1) Establish the Haiku Valley Cultural Preserve Commission to provide policy and management oversight of the Haiku Valley Cultural Preserve; and
- (2) Initiate the process of conveying Haiku valley in fee simple to the Department of Land and Natural Resources.

The Oahu Council Association of Hawaiian Civic Clubs, Koolaupoko Hawaiian Civic Club, Kakoo Oiwī, Association of Hawaiian Civic Clubs, and several individuals submitted testimony in support of this measure. The Department of Hawaiian Homelands testified in support of the intent of this measure. The Office of Hawaiian Affairs testified in support of this measure with amendments. One individual opposed this measure. The Department of Land and Natural Resources and the Department of Budget and Finance submitted comments on this measure.

Your Committee amended this measure by, among other things:

- (1) Defining the boundaries of the Haiku Valley Cultural Preserve;
- (2) Requiring the Board of Land and Natural Resources to approve all actions that the Department of Land and Natural Resources takes pursuant to this chapter;
- (3) Requiring the Board of Land and Natural Resources to adopt rules to address decisions taken by the Commission;
- (4) Including on the Commission:
 - (A) The executive director of the Koolau Foundation or the executive director's designee; and
 - (B) The administrator of the Office of Hawaiian Affairs or the administrator's designee;
- (5) Clarifying that the jurisdiction of the Commission is limited to public lands within the Haiku Valley Cultural Preserve;
- (6) Allowing existing uses as of the effective date of this measure on private lands to continue;
- (7) Deleting the powers and duties of the Board of Land and Natural Resources with regard to dispositions and approvals pertaining to the Haiku Cultural Valley Preserve;
- (8) Deleting the powers and duties otherwise conferred on the Island Burial Councils and the Department of Land and Natural Resources with regard to the proper treatment of burial sites and iwi kupuna found in the preserve; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the charter schools have not submitted testimony on this measure.

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. 2246, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2246, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Jordan, C. Lee and Pine.

SCRep. 621-12 Consumer Protection & Commerce on H.B. No. 2103

The purpose of this measure is to establish the bank of the State of Hawaii in order to develop a program to acquire residential property in situations where the mortgagor is an owner-occupant who has defaulted on a mortgage or been denied a mortgage loan modification.

A concerned individual testified in support of this bill. The Department of Budget and Finance, Legal Aid Society of Hawai'i, and Hawaii Farm Bureau Federation testified in support of the intent of this measure. The Hawaii Bakers Association and Hawaii Credit Union League testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Department of the Attorney General, and Office of Information Practices 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. 2103, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and McKelvey.
(Representatives Ching and Marumoto voted no.)

SCRep. 622-12 Consumer Protection & Commerce on H.B. No. 2504

The purpose of this measure is to make various amendments to laws relating to entities regulated by the Department of Commerce and Consumer Affairs' Insurance Division, including:

- (1) Statutorily establishing certain fees and penalties for mutual benefit societies and directing their deposit into the Compliance Resolution Fund;
- (2) Clarifying provisions relating to certificates of registration and certificates of authority for mutual benefit societies;
- (3) Deleting obsolete provisions in Hawaii Revised Statutes;
- (4) Increasing certain filing fees for fraternal benefit societies and health maintenance organizations and directing their deposit into the Compliance Resolution Fund; and
- (5) Clarifying laws relating to service contracts.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Medical Service Association and American Council of Life Insurers submitted comments.

Your Committee has amended this bill by:

- (1) Allowing rather than requiring the Insurance Commissioner to adopt rules for the implementation and administration of the laws relating to mutual benefit societies;
- (2) Deleting provisions relating to service contracts;
- (3) Modifying the procedures for late renewals of certificates of authority;
- (4) Deleting the specific amounts of certain filing fees for fraternal benefit societies; and
- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504, 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. 2504, H.D. 2.

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

SCRep. 623-12 Consumer Protection & Commerce on H.B. No. 2524

The purpose of this measure is to modernize the State's broadband and telecommunications infrastructure by, among other things:

- (1) Establishing a Communications Division within the Department of Commerce and Consumer Affairs to be headed by the Communications Commissioner;
- (2) Granting general regulatory supervision over all telecommunications carriers and cable operators to the Commissioner and transferring certain regulatory functions from the Public Utilities Commission to the Communications Division;
- (3) Requiring the Commissioner to develop programs and initiatives to encourage and facilitate the deployment of broadband services and access to those services within the State; and

- (4) Requiring the Commissioner to investigate measures to streamline and expedite permitting and approval processes for the construction of broadband service infrastructure.

The Office of the Governor, Public Utilities Commission, Department of Commerce and Consumer Affairs, and Department of Business, Economic Development, and Tourism supported this bill. Oceanic Time Warner Cable and tw telecom of hawaii lp opposed this measure. The State Procurement Office, Office of Information Practices, Department of Human Resources Development, Hawaiian Telcom, AT&T, Life of the Land, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company 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. 2524, H.D. 1, and recommends that it be referred to the Committees on Finance and Legislative Management.

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

SCRep. 624-12 Consumer Protection & Commerce on H.B. No. 2359

The purpose of this measure is to protect consumers of portable electronics in Hawaii by making portable-electronics insurance available for purchase.

Asurion supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

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

- (1) Removing specific sanctions for vendors who violate the portable-electronics-insurance law;
- (2) Specifying that for an insurer to terminate or otherwise change the terms and conditions of a portable-electronics insurance policy under certain circumstances, it must obtain the consent of both the vendor who sold the policy and the customer who purchased the policy;
- (3) Specifying that initial licenses issued to portable-electronics vendors to sell portable-electronics insurance are valid for at least 24 months and that renewed licenses are valid for 24 months;
- (4) Requiring each portable-electronics vendor who sells portable-electronics insurance to pay to the Insurance Commissioner a fee of \$2,000 for the issuance of the initial portable-electronics limited-lines license, plus a yearly fee of \$1,200 for the initial or a renewed license;
- (5) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (6) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2359, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 625-12 Consumer Protection & Commerce/Judiciary on H.B. No. 1707

The purpose of this measure is to control the proliferation of temporary vacation rentals and to ensure that nonresident owners of a rental property that is rented for 30 days or less pay their fair share of general excise taxes and transient accommodations taxes on the rental income by requiring nonresident owners of residential single family dwellings, apartments, or townhouses who rent their property as a transient accommodation for 30 days or less to rent the property through a licensed real estate broker or salesperson who must collect all applicable taxes.

The Kailua Neighborhood Board, Save Oahu Neighborhoods Hawaii, Save North Shore Neighborhoods, Summit to Sea Realty Corporation, Exclusive Getaways, Rentals Maui Inc., and several concerned individuals testified in support of this measure. The Department of Taxation testified in support of the intent of this measure. Block Enterprises and numerous concerned individuals testified in opposition to this measure. The American Resort Development Association and a concerned individual provided comments.

Your Committees have amended this measure by changing its effective date to January 1, 3000, 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. 1707, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1707, H.D. 2.

Signed by all members of the Committee except Representatives Coffman, Ito, McKelvey, Souki and Marumoto.

SCRep. 626-12 Consumer Protection & Commerce/Judiciary on H.B. No. 1875

The purpose of this measure is to implement the recommendations of the Mortgage Foreclosure Task Force submitted to the Legislature for the Regular Session of 2012. Specifically, this measure, among other things:

- (1) Amends section 667-60, Hawaii Revised Statutes, which makes any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes, to:
 - (A) Specify the types of violations under Chapter 667 that constitute unfair or deceptive acts or practices;
 - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
 - (C) Establish a time limit for filing actions to void title transfers of foreclosed property;
- (2) Makes permanent the process under Act 48, Session Laws of Hawaii 2011, for converting nonjudicial foreclosures of residential property into judicial foreclosures;
- (3) Addresses practical challenges in the operation of the temporary mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, including:
 - (A) Authorizing the Department of Commerce and Consumer Affairs to contract with approved housing counselors and approved budget and credit counselors;
 - (B) Providing owner-occupants with the option of completing the dispute resolution program election form on a website maintained by the Department of Commerce and Consumer Affairs;
 - (C) Increasing the amount of time to schedule a dispute resolution session;
 - (D) Removing the neutral foreclosure dispute resolution specialist's participation in the documentation of agreements between parties to a mortgage foreclosure dispute resolution case, to streamline the dispute resolution process; and
 - (E) Providing that failure by the mortgagee and the owner-occupant to reach an agreement does not constitute failure to comply with the requirements of the dispute resolution program;
- (4) With regard to condominium and planned community associations:
 - (A) Establishes an alternate power of sale process for the collection of unpaid assessments, modeled after the process set forth in Part II of Chapter 667, Hawaii Revised Statutes, as amended by the task force's recommendations;
 - (B) Places a two-year time limit on recorded liens for assessments, and prohibits such liens arising solely from fines, penalties, or late fees;
 - (C) Provides the associations with notice of an owner-occupant's decision to participate in the mortgage foreclosure dispute resolution program; and
 - (D) Allows associations to proceed with a nonjudicial foreclosure notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgagee or of the dispute resolution case opening;
- (5) With regard to planned community associations organized under Chapter 421J, Hawaii Revised Statutes:
 - (A) Provides these associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents; and
 - (B) Exempts these associations from the requirements of the mortgage foreclosure dispute resolution program in Part V of Chapter 667, Hawaii Revised Statutes, and the process under section 667-53, Hawaii Revised Statutes, allowing owner-occupants to convert nonjudicial foreclosures to judicial foreclosures, to parallel the existing exemptions for condominium associations;
- (6) Provides specific language explaining the foreclosure process for the public information notice that must be distributed by persons intending to use the power of sale foreclosure process under Part II of Chapter 667, Hawaii Revised Statutes;
- (7) Clarifies, improves, and corrects provisions of Act 48, Session Laws of Hawaii 2011, a mortgage foreclosure reform measure; and
- (8) Implements additional conforming amendments for consistency and clarity.

The Department of Commerce and Consumer Affairs, Legal Aid Society, Makakilo Cliffs AOA, and a concerned individual testified in support of this measure. The Hawaii Bankers Association, Hawaii Financial Services Association, Hawaii Chapter of the Community Associations Institute, AOA Mauna Luan, Inc., AOA The Coconut Plantation, Mililani Town Association, Hawaiiana Management Co., McKeon Imlay Mehling LLC, Certified Hawaii, Inc., Hawaii First, Inc., and numerous concerned individuals opposed this measure. The Hawaii Association of Realtors, RCO Hawaii LLC, and four concerned individuals provided comments.

Your Committees find that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to develop policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the regular sessions of 2011 and 2012.

Some of the task force's initial recommendations in its report to the Legislature for the Regular Session of 2011 were included in Act 48, Session Laws of Hawaii 2011, a far-reaching mortgage foreclosure reform measure that, among other things:

- (1) Temporarily authorized mortgagors who are occupying, as a primary residence, real property that is subject to nonjudicial foreclosure to either:
 - (A) Participate in the mortgage foreclosure dispute resolution program established under Act 48; or
 - (B) Convert the nonjudicial foreclosure to a judicial foreclosure;
- (2) Imposed a temporary moratorium on all new nonjudicial foreclosures conducted under Part I of Chapter 667, Hawaii Revised Statutes; and
- (3) Specified prohibited conduct and consequences of violations for foreclosing mortgagees, including making any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to the enhanced penalties under Chapter 480, Hawaii Revised Statutes.

The task force met again over several public meetings during the legislative interim of 2011 to continue its work under Act 162. The focus of these meetings was divided among these major issues:

- (1) The new mortgage foreclosure provisions of Act 48, Session Laws of Hawaii 2011;
- (2) Matters involving condominium and other homeowner associations, including association liens and the collection of unpaid assessments; and
- (3) Mortgage foreclosure counseling and dispute resolution issues.

Based upon its deliberations on these issues, the task force adopted further recommendations in its report to the Legislature for the Regular Session of 2012.

Your Committees notes the particular importance of the provisions in this measure dealing with section 667-60, Hawaii Revised Statutes, which deems any foreclosing mortgagee who violates the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, to have committed an unfair or deceptive act or practice under section 480-2, Hawaii Revised Statutes. Following the enactment of these provisions, lenders have bypassed the Act 48 dispute resolution program (which applies only to nonjudicial foreclosures) by instead pursuing foreclosures in court. As a result, the rate of judicial foreclosures has risen dramatically while the dispute resolution program remains dormant.

The principal reason lenders have cited for their refusal to use the dispute resolution program is the risk of incurring significant penalties under section 667-60, Hawaii Revised Statutes, for any violation of the mortgage foreclosure law. Unfair or deceptive acts or practices under section 480-2, Hawaii Revised Statutes, are subject to the imposition of fines for every day that a violation is found pursuant to section 480-3.1; voiding of the contract or agreement pursuant to section 480-12; and awarding of treble damages and reasonable attorneys' fees and costs for the claimant in a civil suit brought under section 480-13. Lenders have expressed concern about potentially incurring such penalties for minor violations of the mortgage foreclosure law, such as missed deadlines or using the wrong font sizes on printed materials.

During the interim following the 2011 legislative session, the task force reached a consensus on amendments to section 667-60, Hawaii Revised Statutes, to specify certain types of mortgage foreclosure violations as unfair or deceptive acts or practices. However, your Committees find that a complete suspension of this provision to address lender concerns appears warranted if it would clear the way for dispute resolution to be used. The hope is that by removing what lenders claim to be the chief obstacle to using the dispute resolution program, more homeowners facing foreclosure can be helped under the nonjudicial foreclosure process, as modified by Act 48 and this measure. Moreover, this action may relieve strain on the courts resulting from the recent increase in judicial foreclosure filings following the enactment of Act 48.

Your Committees also note that with the July 1, 2012, expiration of the moratorium (pursuant to Act 48) on new, nonjudicial foreclosures under Part I of Chapter 667, Hawaii Revised Statutes, Hawaii will again have two discrete but overlapping nonjudicial foreclosure laws. Numerous amendments have been made to the nonjudicial foreclosure process under Part II of Chapter 667 by Act 48 and this measure to craft a fair, comprehensive, and effective nonjudicial foreclosure law. Therefore, repeal of the Part I nonjudicial foreclosure law is warranted.

Your Committees also find that further amendments to this measure are necessary to ensure that association foreclosures and other remedies for the collection of unpaid assessments operate efficiently while preserving consumer protections. In particular, the application of these remedies to planned community associations organized under Chapter 421J, Hawaii Revised Statutes, need to be carefully tailored to fit the processes and operations of these types of associations. Your Committees have adopted several provisions along these lines upon which the various stakeholders have reached a consensus. These stakeholders are urged to continue working toward common ground on other provisions for possible inclusion in later drafts of this measure or the Senate companion measure.

Finally, your Committees note the testimony on this measure indicating that, since the passage of provisions in Act 48 requiring nonjudicial foreclosure notices to be published in a daily newspaper with the largest general circulation, the Judiciary's application of these requirements to judicial foreclosures have resulted in average advertising costs of \$2,000 per judicial foreclosure, compared with \$800 in 2008. This equates to a one hundred fifty per cent increase in judicial foreclosure publication costs between 2008 and 2011. The projected impact on publication costs for nonjudicial foreclosures, which remains to be seen given the halting of nonjudicial foreclosure proceedings since the passage of Act 48, is estimated at up to \$4,300 per foreclosure. These rising publication costs raise consumer protection issues because they are passed on to the borrower in mortgage foreclosure proceedings.

Accordingly, your Committees have amended this measure by:

- (1) Repealing section 667-60, Hawaii Revised Statutes, the statute that automatically makes all violations of the mortgage foreclosure law an unfair or deceptive act or practice, until the expiration of the mortgage foreclosure dispute resolution program on September 30, 2014;

- (2) Following the expiration of the mortgage foreclosure dispute resolution program in 2014, re-enacting section 667-60, Hawaii Revised Statutes, as amended by the recommendations of the Mortgage Foreclosure Task Force and reflected in this measure as received by your Committees;
- (3) Repealing the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, to provide a single nonjudicial foreclosure process under Part II of that chapter;
- (4) With regard to condominium and planned community association liens for unpaid assessments:
 - (A) Specifying that associations are prohibited from foreclosing upon any lien against a unit arising solely from fines, penalties, legal fees, or late fees;
 - (B) Providing that the two-year time limit for recorded association liens is subject to the association's renewal of the lien prior to expiration; and
 - (C) Eliminating the monetary cap (currently \$7,200) on the total amount of unpaid common area maintenance fees that an association may specially assess against a person who purchases a foreclosed unit, but retaining the limit on recoverable amounts to the last twelve months (amended to six months on September 30, 2014) immediately preceding the completion of foreclosure proceedings;
- (5) With regard to the nonjudicial foreclosure process established by this measure for condominium associations under chapters 514A and 514B, Hawaii Revised Statutes, and planned community associations under Chapter 421J, Hawaii Revised Statutes:
 - (A) Eliminating the requirement for staging open houses prior to the public sale of units subject to association foreclosures. On this point, your Committee was informed that in many association nonjudicial foreclosures, the unit's mortgage debt is higher than the unit's market value. This lowers the likelihood that anyone will bid on the unit in the foreclosure sale and, consequently, requiring public showings of the unit only increases the time and expense of foreclosures;
 - (B) Allowing associations to pursue the following remedies when the association is unable to serve the notice of default and intention to foreclose:
 - (i) Obtain court permission to proceed with nonjudicial foreclosure by serving notice only by publication and posting;
 - (ii) Proceed with nonjudicial foreclosure without court permission, after surrendering the right to a deficiency judgment and giving the unit owner a one-year right to redeem the unit; or
 - (iii) Rent out the unit, if the unit is unoccupied and the association sends notice to the unit owner's last known address;
 - (C) Providing that only the association, to the exclusion of other lienholders, may use the amount of the lien held against the unit to satisfy the downpayment required of successful bidders at the public sale of the unit;
 - (D) Amending the distribution of sale proceeds to include government liens against the unit for taxes and assessments;
 - (E) Clarifying what constitutes a "reasonable payment plan" that a delinquent unit owner may submit to the association following receipt of a notice of default and intention to foreclose;
 - (F) Allowing, rather than requiring, associations to record the notice of default and intention to foreclose in a manner similar to the recordation of notices of pendency of action; and
 - (G) Adding a new definition of "assessment" to cover foreclosures of liens for assessments imposed by planned community associations under Chapter 421J, Hawaii Revised Statutes;
- (6) Amending the provisions affecting planned community associations organized under Chapter 421J, Hawaii Revised Statutes, to:
 - (A) Provide that the priority of association liens shall be as set forth in the association's governing documents, where applicable; and
 - (B) Eliminate the arbitration option for the resolution of disputes over amounts claimed by the association and paid in full by the unit owner against whom the claim was made;
- (7) Eliminating the requirement that notices of public sale for the nonjudicial foreclosure process under Part II of Chapter 667, Hawaii Revised Statutes, and for the association nonjudicial foreclosure process established by this measure, be published in a daily newspaper with the largest general circulation within the area where the property lies, and instead establishing alternative criteria to facilitate publication in other newspapers of sufficient circulation; and
- (8) Requiring attorneys filing a judicial foreclosure action for residential property to sign and submit an affirmation that the attorney has verified the accuracy of the documents submitted in the filing, under penalty of perjury and subject to applicable rules of professional conduct.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1875, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito, Souki, Ching and Marumoto.

SCRep. 627-12 Consumer Protection & Commerce/Judiciary on H.B. No. 2162

The purpose of this measure is to implement the amendments to Article 9 of the Uniform Commercial Code, relating to secured transactions, set forth by the Uniform Law Commission.

The Commission to Promote Uniform Legislation supported this measure. The Hawaii Bankers Association submitted comments.

Your Committees have amended this bill by making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2162, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2162, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll, Coffman, Ito, Souki and Fontaine.

SCRep. 628-12 Economic Revitalization & Business on H.B. No. 2099

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing attorney's fees to be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable grounds.

The Department of Labor and Industrial Relations, ILWU Local 142, and several concerned individuals testified in support of this measure. The Hawaii Insurers Council provided comments.

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 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. 2099, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2099, H.D. 1.

Signed by all members of the Committee.

SCRep. 629-12 Economic Revitalization & Business on H.B. No. 2584

The purpose of this measure is to enable the Director of Labor and Industrial Relations to more efficiently process workers' compensation insurance policies issued by private insurers by allowing the Director to accept notice of an employer's workers' compensation insurance from approved third party agencies on a form approved by the Director.

The Department of Labor and Industrial Relations; International Longshore and Warehouse Union, Local 142; The Pacific Resource Partnership; Laborers' International Union of North America, Local 368; and an individual testified in support of this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2112, for the purpose of facilitating future 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. 2584, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2584, H.D. 1.

Signed by all members of the Committee.

SCRep. 630-12 Judiciary on H.B. No. 2514

The purpose of this measure is to implement recommendations of the Justice Reinvestment Working Group relating to improvements in the pre-trial process, parole, restitution, and availability of services in the criminal justice system and Department of Public Safety.

The Governor, Office of the Public Defender, Office of Hawaiian Affairs, Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, and Drug Policy Forum of Hawaii provided testimony in support of this measure. The Department of Public Safety and Hawaii Paroling Authority testified in support, with suggested amendments. The Department of the Prosecuting Attorney of the City and County of Honolulu expressed concerns, with suggested amendments. James Lindblad, of A-1 Bonding, Inc., and the Retail Merchants of Hawaii, provided comments.

Your Committee is concerned with the guidelines regarding staffing to caseload ratios provided for in Section 13 of this measure. Your Committee is not satisfied with the methodology or justification provided by the Department of Public Safety in quantifying and qualifying the use of these ratios. Your Committee believes these guidelines merit closer scrutiny, given the prospective fiscal impact and operational effect they may have upon this measure's success.

Your Committee has amended this measure by:

- (1) Inserting language recommended by the Hawaii Paroling Authority into section 353-66(e), Hawaii Revised Statutes, relating to discretion of the authority to consider if the prisoner constitutes a significant risk to the public or to the prisoner's self and credit for time served;
- (2) Inserting language recommended by the Hawaii Paroling Authority into section 706-670, Hawaii Revised Statutes, relating to discretion of the authority to consider if the prisoner constitutes a significant risk to the public or to the prisoner's self;
- (3) Changing the effective date to January 7, 2059, to facilitate further discussion on 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2514, 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. 2514, H.D. 2.

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

SCRep. 631-12 Judiciary on H.B. No. 2226

The purpose of this measure is to establish a statewide automated victim information and notification system to be funded through a four percent surcharge on all inmate commissary purchases and commission revenue on inmate telephone usage. This measure also establishes the Crime Victim Notification System Special Fund.

The Department of the Attorney General, Department of Public Safety, Hawaii Paroling Authority, Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, City and County of Honolulu Department of the Prosecuting Attorney, Mothers Against Drunk Driving HAWAII, The Sex Abuse Treatment Center, Hawaii State Coalition Against Domestic Violence, and several concerned individuals supported this measure. The Department of Budget and Finance provided comments.

Your Committee respectfully requests the Committee on Finance to consider the funding issues presented in this measure and to confer with the Department of Budget and Finance regarding the need for a new special fund.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2226, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Fontaine and Thielen.

SCRep. 632-12 Judiciary on H.B. No. 1797

The purpose of this measure is to require tolling of the one-year conditional release period that may be granted to a defendant who is acquitted on the grounds of physical or mental disease, disorder, or defect excluding responsibility upon the filing of a motion for revocation of the conditional release or modification of the conditions.

The Judiciary and City and County of Honolulu Department of the Prosecuting Attorney supported this bill. The Department of Health opposed this measure. The Office of the Public Defender provided comments.

Your Committee has amended this bill by:

- (1) Limiting the tolling period to ninety days;
- (2) Commencing the ninety-day tolling period from the date of service of the motion, rather than the filing date of the motion through and including the filing of the written order;
- (3) Requiring rather than authorizing that the period of tolling be granted to the defendant for purposes of the computation of any remaining conditional release period if the court refuses to revoke or modify the conditional release;
- (4) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1797, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Fontaine and Thielen.

SCRep. 633-12 Judiciary on H.B. No. 1793

The purpose of this measure is to protect native species of sandalwood trees by:

- (1) Requiring the Department of Land and Natural Resources to establish rules regarding sandalwood; and
- (2) Establishing penalties for the illegal destruction or harvesting of native sandalwood trees.

The Department of Land and Natural Resources and The Foundation for Islands of Harmony supported this measure with amendments. The Hawaii Forest Industry Association offered comments on the measure.

Your Committee has amended this measure by:

- (1) Expanding protection under this measure to include native forest resources deemed in need of conservation by the Department of Land and Natural Resources, in addition to sandalwood;
- (2) Defining "native forest resources deemed in need of conservation";
- (3) Clarifying the penalty provisions to be both criminal and administrative; and
- (4) 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. 1793, 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. 1793, H.D. 2.

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

SCRep. 634-12 Judiciary on H.B. No. 1777

The purpose of this measure is to create a criminal long-arm statute to authorize district and circuit court judges in the State to order the production of records held by entities located outside of the State.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this measure. The Judiciary provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the definition of "summons" under section 836-1, Hawaii Revised Statutes, to clarify that the term includes both subpoenas ad testificandum and subpoenas duces tecum;
- (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. 1777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1777, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 635-12 Judiciary on H.B. No. 2448

The purpose of this measure is to assist the Department of Human Services in recovering moneys owed by third parties responsible for injuries to medicaid recipients. Specifically, this measure establishes formulas for calculating the amount to be contributed by the Department of Human Services towards a medicaid recipient's attorney fees and costs.

The Department of Human Services testified in support of this measure. The Hawaii Association for Justice testified in opposition to this measure. The Department of the Attorney General provided comments.

Your Committee amended this measure by:

- (1) Deleting the definition of the term "value of damages" because it was not used in the amended section;
- (2) Clarifying the term "reasonable amount" for medicaid liens;
- (3) Changing the effective date to January 7, 2059, in order to facilitate further discussion on this 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2448, 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. 2448, H.D. 2.

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

SCRep. 636-12 Judiciary on H.B. No. 1699

The purpose of this measure is to:

- (1) Require employers to provide meal breaks for employees who work more than a total of five hours a day; and
- (2) Impose penalties on employers who fail to provide meal breaks.

The Department of Labor and Industrial Relations testified in support of the intent of this measure and provided comments. The Hawaii Transportation Association testified in opposition to this measure.

Your Committee finds that neither state nor federal law currently requires employers to provide employees who are sixteen years of age or older any meal break, regardless of how many consecutive hours they may be required to work. Your Committee also finds that requiring employers to provide a reasonable period of time to consume a meal would not only improve workplace morale, but would also likely promote efficiency and effectiveness among employees.

Your Committee has amended this measure by:

- (1) Exempting employers who are subject to Title 49 Code of Federal Regulations, Part 395;
- (2) Clarifying that the penalty imposed on an employer for failing to provide meal breaks shall be based on the employee's hourly rate of pay; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1699, 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. 1699, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Coffman and McKelvey.
(Representative Thielen voted no.)

SCRep. 637-12 Judiciary on H.B. No. 2789

The purpose of this measure is to protect the health, safety, and welfare of the general public by:

- (1) Establishing a photo speed imaging detector system program to improve enforcement of speed limits;
- (2) Allowing county implementation of a photo speed imaging detector system program in areas where excessive speeding has been found to be a problem;
- (3) Establishing a photo speed imaging detector system program account and authorizing fines collected under county-administered programs to be deposited into the account; and
- (4) Authorizing funds from the account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of a photo speed imaging detector system program.

The Hawaii Bicycling League, State Highway Safety Council, and several concerned individuals supported this bill. The Office of the Public Defender and a concerned individual opposed this measure. The Department of Budget and Finance and Office of Information Practices provided comments.

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. 2789, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2789, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Coffman and Souki.
(Representative Thielen voted no.)

SCRep. 638-12 Judiciary on H.B. No. 2868

The purpose of this measure is to establish exoneration and enforcement procedures, for and against, bail bond agents and compensated sureties. Among other things, this measure:

- (1) Establishes a board to list and disseminate the names of compensated sureties who are prohibited from posting bail bonds; and
- (2) Creates a process for the court to handle compensated sureties with forfeited bonds when the terms of bail have been violated, including the process under which the court may collect from compensated sureties for the forfeited bonds.

A-1 Bonding Company, Da-Kine Bail Bonds, and one concerned individual testified in support of this measure. The Judiciary and Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by deleting its contents and replacing it with language contained in S.B. No. 1961 H.D. 1 from the Regular Session of 2008. As amended, this measure establishes:

- (1) Provisions for the comprehensive oversight and regulation of bail bond agents; and
- (2) Procedures for the exoneration of bail bond agents and sureties from bond liabilities and enforcement procedures for compensated sureties.

Your Committee has also amended this measure 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.

Your Committee notes that the replaced provisions amending this measure were the definitions and procedural provisions related to bond forfeiture enforcement, removed by the conference committee on S.B. No. 1961 SD1 HD1, which eventually became Act 134 of the 2008 Session Laws of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2868, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 639-12 Judiciary on H.B. No. 2174

The purpose of this measure is to make various amendments to Hawaii campaign spending law by, among other things:

- (1) Making all reports available for public inspection on the Campaign Spending Commission's (Commission) website in a searchable database;
- (2) Clarifying that an officer of a corporation must file a report regarding expenditures of more than \$1,000 per two year election period made to a candidate, candidate committee, or noncandidate committee;
- (3) Requiring that noncandidate committee reports disclosing expenditures for advertisements or electioneering communications must specify the names, if known, of the candidates identified or to be identified;
- (4) Authorizing the Commission to assess a fine against a person, party, or candidate for failure to file required reports;
- (5) Mandating that the Commission adopt, amend, or repeal rules to ensure the proper disclosure of contributions and expenditures in accordance with Part III of Chapter 11, Hawaii Revised Statutes, along with other requirements; and
- (6) Mandating that the comptroller promptly notify the Legislature of the adoption, amendment, or repeal of the foregoing rules and requirements and provide statewide public notice of the adoption, amendment, or repeal of the rules.

Common Cause Hawaii and two concerned citizens testified in support of this measure. The Department of the Attorney General supported the intent of this measure and suggested amendments. The Campaign Spending Commission and Americans for Democratic Action/Hawaii submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Including a preamble;
- (2) Adding a definition of the word "entity";
- (3) Clarifying that any person who fails to file or files a substantially defective or deficient report is subject to monitoring and penalties;
- (4) Requiring that every report to be filed by an individual or entity must be certified as complete and accurate by that individual or entity;

- (5) Deleting the provisions that attempted to require officers of corporations to file reports, as being redundant;
- (6) Adding additional disclosure requirements for noncandidate committee reports;
- (7) Requiring that any expenditure paid for that will be rendered during the last three days of an election period must also be included in a late expenditures report;
- (8) Requiring late reports from entities that make contributions or independent expenditures in an aggregate amount of more than \$500 within fourteen through four calendar days prior to any election;
- (9) Replacing the Comptroller with the Executive Director of the Campaign Spending Commission as the person who must notify the Legislature and public regarding the adoption, amendment, or repeal of rules concerning the disclosure of contributions and expenditures;
- (10) Mandating additional information to be contained in each statement of information;
- (11) Mandating certain requirements for advertisements;
- (12) Changing the effective date for this bill to January 7, 2059, to promote further discussion; and
- (13) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 640-12 Judiciary on H.B. No. 2600

The purpose of this measure 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 and Schedule II controlled substances; and
- (2) Requires a separate registration for each principal place of business or professional practice that recommends the medical use of marijuana.

The Department of Public Safety and several concerned individuals testified in support of this measure. The American Civil Liberties Union of Hawaii, Big Island Chapter of Americans for Safe Access, the Drug Policy Forum of Hawaii, Global H.O.P.E, Religion of Jesus Church, Maui County Citizens For Democracy In Action, Community Alliance on Prisons, and numerous concerned individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision that requires a separate registration for each principal place of business or professional practice that recommends the medical use of marijuana;
- (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. 2600, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2600, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Coffman and McKelvey.
(Representative Herkes voted no.)

SCRep. 641-12 Judiciary on H.B. No. 2798

The purpose of this measure is to enhance the effectiveness of the criminal justice system in regards to veterans of war and their unique needs by creating the Temporary Hawaii Veterans Treatment Court.

The Judiciary, Department of Defense, Department of Veterans Affairs Pacific Island Health Care System, Papa Ola Lokahi, Military Women of America, The Chamber of Commerce of Hawaii, Oahu Veteran's Council, theStrategist, Military Officers Association of America, Hawaii Chapter, and numerous individuals testified in support of this measure. Vietnam Veterans Post 10583 of the Veterans of Foreign Wars testified in support with amendments to this measure. The Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy, and Department of the Prosecuting Attorney provided comments on this measure.

Your Committee has amended this measure by:

- (1) Establishing that the transfer of a veteran's case from the regular court system to the Temporary Hawaii Veterans Treatment Court needs to be approved by the prosecuting attorney, except that where the veteran is on probation with the court to which the veteran is petitioning for transfer, then approval of the transfer shall be left to the court;
- (2) Revising the definition of "veteran" to include those who have been federally activated and upon release from active duty are eligible for services from the United States Department of Veterans Affairs;
- (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. 2798, 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. 2798, H.D. 2.

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

SCRep. 642-12 Judiciary on H.B. No. 2235

The purpose of this measure is to create a process for a person convicted of committing the offense of prostitution or an offense related to prostitution to file a motion to vacate the judgment under certain circumstances and to establish procedures for the motion to vacate.

Polaris Project and four individuals testified in support of this measure. The Department of the Attorney General and Department of the Prosecuting Attorney of the City and County of Honolulu testified in opposition to this measure. The Office of the Public Defender, Honolulu Police Department, IMUAlliance, Harm Reduction Hawaii, Pacific Alliance to Stop Slavery, Tahirih Association, and two individuals provided comments.

Your Committee has amended this measure by:

- (1) Deleting references to victimization under Hawaii Revised Statutes Section 712-1203 and 18 United States Code section 2422, section 2423(a) and section 2425 as an avenue to qualify for relief;
- (2) Changing the term "local government agency" to "local law enforcement agency" to clarify those who can provide official documentation of a person's status as a victim of trafficking; and
- (3) Narrowing the list of those qualified to provide official documentation of a person's status as a victim of trafficking.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2235, 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. 2235, H.D. 2.

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

SCRep. 643-12 Judiciary on H.B. No. 2790

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

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

Mothers Against Drunk Driving HAWAII, Hawaii Bicycling League, State Highway Safety Council, and four concerned individuals testified in support of this measure. The Office of the Public Defender and a concerned individual testified in opposition to this measure. The Department of Budget and Finance and Office of Information Practices provided comments.

Your Committee has amended this measure by:

- (1) Changing the effective date of the appropriation for the establishment of the photo red light imaging detector systems program to January 7, 2059, to continue 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. 2790, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2790, H.D. 1.

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

SCRep. 644-12 Judiciary on H.B. No. 2594

The purpose of this measure is to protect the health and safety of Hawaii's people by proposing an amendment to the Constitution of the State of Hawaii that would authorize the State to issue special purpose revenue bonds and use the proceeds to assist dam and reservoir owners to bring their facilities up to current safety standards.

The Department of Budget and Finance; Land Use Research Foundation of Hawaii; Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Hawaii Farm Bureau Federation; Ka'u Farm Bureau; Maui Cattlemen's Association; Kahua Ranch, Ltd.; and a concerned individual testified in support of this measure.

Your Committee has amended this measure by clarifying the constitutional amendment question to be placed on the ballot to specify that the proceeds from the sale of the special purpose revenue bonds will be used to assist dam and reservoir owners to make their facilities compliant with current safety standards.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2594, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2594, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Coffman and McKelvey.
(Representative Souki voted no.)

SCRep. 645-12 Judiciary on H.B. No. 1672

The purpose of this measure is to reward a portion of any collected proceeds to individuals who provide information to the Department of Taxation regarding any violation of Title 14, Hawaii Revised Statutes, that is the basis of an administrative or judicial action brought by the Department.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending one of the criteria for receiving an award amount to require that the amount in dispute exceed \$500,000, rather than \$2,000,000;
- (2) Conforming subsection (b) of the new section created by this measure to Title 26 United States Code Section 7623 to clarify that where information providing the basis of a Department of Taxation administrative or judicial action was principally derived from a source other than the individual, the Director of Taxation may award such sums as the Director determines to be appropriate;
- (3) Changing the effective date to January 7, 2059, to facilitate further discussion of the matter; 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. 1672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1672, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 646-12 Judiciary on H.B. No. 2486

The purpose of this measure is to streamline operations and establish a maximum fee structure for unclaimed property locators. Specifically, this measure:

- (1) Requires holders of unclaimed property to pay or deliver all property not held in a safekeeping depository with their November 1 semi-annual report to the Director of Finance;
- (2) Specifies the maximum fee professional unclaimed property locators may charge; and
- (3) Authorizes payments out of the trust funds of the State of any undistributed balances or proceeds that a person is legally entitled to as an heir or devisee of a decedent.

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

Your Committee has amended this measure by:

- (1) Allowing an owner the right to assert that an agreement is invalid on grounds other than unjust or excessive compensation and allowing the court to award reasonable attorney's fees to an owner who prevails in such an action;
- (2) Specifying that payments of undistributed balances or proceeds that a person is legally entitled to as an heir or devisee of a decedent be paid out of the Unclaimed Property Trust Fund;
- (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. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2486, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 647-12 Judiciary on H.B. No. 1995

The purpose of this measure is to assist victims of human trafficking by:

- (1) Requiring establishments to place posters providing specific information about human trafficking, including the National Human Trafficking Resource Center Hotline, in a conspicuous place near the entrance or the place where posters are customarily displayed in the establishment;
- (2) Defining the term "establishment", which lists those entities required to display the posters with specified human trafficking information; and
- (3) Creating fines for those establishments that fail to display the required posters in accordance with this measure.

The Pacific Alliance to Stop Slavery, Polaris Project, IMUAlliance, and two concerned individuals testified in support of this measure. The Sex Abuse Treatment Center testified in support of the intent of this measure. Harm Reduction Hawaii testified in opposition to this measure. The Department of Labor and Industrial Relations provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing strip clubs from the definition of "establishment";
- (2) Reducing the amount of the fine for failure to display the posters from \$10,000 to \$100; 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. 1995, 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. 1995, H.D. 2.

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

SCRep. 648-12 Judiciary on H.B. No. 2589

The purpose of this measure is to clarify responsibility for the disposing of abandoned vessels within the State. This measure also amends the description of abandoned vessel.

The Ocean Tourism Coalition supported this bill. The City and County of Honolulu Department of Customer Services opposed this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the mayor of each county may act through a designee;
- (2) Requiring the Department of Land and Natural Resources to provide each county with access to vessel registration or marine document records;
- (3) Specifying that a county's responsibility under the bill will commence when the Department of Land and Natural Resources provides access to its vessel registration or marine document records or January 1, 2013, whichever is earlier; 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. 2589, 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. 2589, H.D. 2.

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

SCRep. 649-12 Judiciary on H.B. No. 2829

The purpose of this measure is to establish certain time limitations within which inmates can file habeas corpus complaints and seek post-conviction relief in state courts.

The Department of the Attorney General, Department of the Prosecuting Attorney for the County of Maui, and Office of the Prosecuting Attorney for the County of Hawaii testified in support of this measure. The Office of the Public Defender testified in opposition to this measure.

Your Committee notes that under Article I, Section 15 of the Constitution of the State of Hawaii, and pursuant to the Supreme Court of Hawaii order entitled *In the Matter of the HAWAII RULES OF PENAL PROCEDURE*, dated November 7, 2007, provisions relating to limitations on post-conviction relief are most appropriately addressed by the Legislature and not the court.

Your Committee has amended this measure 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. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2829, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 650-12 Judiciary on H.B. No. 2320

The purpose of this measure is to promote safety on Hawaii's roadways by continuing to address some of the unresolved issues of Hawaii's ignition interlock law. Among other things, this measure:

- (1) Allows for renewal of a driver's license that has been revoked for driving under the influence of an intoxicant if certain requirements are met;
- (2) Allows repeat intoxicated drivers to install ignition interlock devices in any vehicle they operate, by eliminating the requirement to surrender motor vehicle registrations and license plates;
- (3) Provides eligibility requirements and guidelines for ignition interlock instruction permits and ignition interlock permits; and
- (4) Makes numerous technical and housekeeping amendments to Hawaii's ignition interlock law to address the new provisions contained in (1) through (3) above.

The Department of Transportation and Honolulu Police Department supported this measure. One individual supported the intent of this measure. The Office of the Prosecuting Attorney of the County of Hawaii, Mothers Against Drunk Driving HAWAII, and a concerned individual testified in support of this measure with amendments. The Department of the Attorney General, Administrative Driver's License Revocation Office of the Judiciary, and Department of Customer Services of the City and County of Honolulu provided comments on this measure.

Your Committee has amended this measure by:

- (1) Conforming the requirements for the contents of a petition to reinstate eligibility for a license and privilege to operate a motor vehicle without an interlock device to consistently reflect the three-year minimum period required between issuance of the device and petition to remove the device;
- (2) Deleting references to the prosecuting attorney that were rendered obsolete when your Committee on Transportation removed the Department of the Prosecuting Attorney's authority to submit a written request for hearing;
- (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. 2320, 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. 2320, H.D. 2.

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

SCRep. 651-12 Judiciary on H.B. No. 2350

The purpose of this measure is to consolidate services in one location to assist victims of domestic violence by appropriating funds as a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Honolulu Family Justice Center.

The City and County of Honolulu Department of the Prosecuting Attorney and City and County of Honolulu Department of Community Services supported this measure.

Your Committee notes that the Prosecuting Attorney requested an appropriation amount of \$350,000 and that this appropriation is to cover the unknown cost to rent or lease a yet to be determined location for one year. Funding is also being sought from the Honolulu City Council.

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 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. 2350, 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. 2350, H.D. 2.

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

SCRep. 652-12 Judiciary on H.B. No. 2515

The purpose of this measure is to help strengthen the State's public safety and corrections system by:

- (1) Permitting a sentence of probation for certain second-time drug offenders;
- (2) Permitting a three-year probation term for individuals convicted for class B and class C felonies that are not related to sexual or child abuse, criminal homicide, offenses against the family and against incompetents, or prostitution offenses; and
- (3) Increasing the threshold valuation for theft in the second degree to more than \$750 from more than \$300.

The Governor, Department of Public Safety, Office of the Public Defender, Office of Hawaiian Affairs, Crime Victim Compensation Commission, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawai'i, and Community Alliance on Prisons supported the measure. The Judiciary supported the measure with amendments. The Department of the Prosecuting Attorney of the City and County of Honolulu expressed concerns and suggested amendments to the measure. The Council of State Governments Justice Center offered comments on the measure. The Retail Merchants of Hawaii opposed the measure.

Your Committee has amended this measure by:

- (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. 2515, 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. 2515, H.D. 2.

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

SCRep. 653-12 Judiciary/Consumer Protection & Commerce on H.B. No. 2192

The purpose of this measure is to safeguard the elderly from financial exploitation by:

- (1) Establishing the criminal offense of financial exploitation of an elder; and
- (2) Requiring financial institutions to immediately report suspected financial abuse to the Adult Protective Services Division of the Department of Human Services and the appropriate county police department.

The Judiciary, Department of Human Services, Department of Commerce and Consumer Affairs, Executive Office on Aging, Department of the Prosecuting Attorney for the City and County of Honolulu, Hawaii Bankers Association, Hawaii Credit Union League, Community Alliance on Prisons, Kokua Council, and one individual testified in support of this measure.

Your Committees have amended this measure by:

- (4) Clarifying the offense of financial exploitation of an elder in Section 1, by:
 - (A) Making the two elements that describe the offense mutually exclusive as opposed to requiring that both the elements be committed in order for a person to be charged with the offense;
 - (B) Increasing the monetary threshold from \$500 to \$750 between a misdemeanor and class C felony;
- (5) Amending section 412:3-114.5, Hawaii Revised Statutes by:
 - (A) Requiring financial institutions to report suspected financial abuse of an elder only to the appropriate federal or county law enforcement authority and deleting the requirement to report to the Adult Protective Services Division of the Department of Human Services;
 - (B) Deleting provisions that relieve financial institutions from liability if they fail to report suspected financial abuse; and

- (C) Authorizing the Commissioner of Financial Institutions to prescribe a standardized form on which financial institutions may report suspected financial abuse of an elder;
- (6) Removing provisions relating to the relationship between the principal and witnesses to a power of attorney for health care;
- (7) Inserting the contents of H.B. 2098, H.D. 1, authorizing a private right of action for financial exploitation of a vulnerable adult, and replacing the term "vulnerable adult" with "elder";
- (8) Changing the effective date to January 7, 2059, to encourage further discussion on this measure; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2192, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2192, H.D. 2.

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

SCRep. 654-12 Culture & the Arts/Hawaiian Affairs/Education on H.B. No. 1557

The purpose of this measure is to enrich the activities provided in the After-School Plus Program by requiring programs to include Hawaiian language, culture, and arts activities for students. Additionally, this measure allows individual schools to develop a volunteer kupuna program that will allow community elders to teach Hawaiian cultural activities.

Aupuni O Hawaii; Nanakuli Hawaiian Homestead Community Association, Sovereign Councils of Hawaiian Homelands Assembly; Kewalo Hawaiian Homestead Community Association, Sovereign Councils of Hawaiian Homelands Assembly; Mokupuni O Oahu, Sovereign Councils of Hawaiian Homelands Assembly; Waianae Kai Homestead Community Association, Sovereign Councils of Hawaiian Homelands Assembly; Kuakini Hawaiian Civic Club of Kona; Sovereign Councils of Hawaiian Homelands Assembly; and one individual testified in support of this measure. The Department of Education provided comments.

Your Committees have amended this measure by:

- (1) Requiring the after-school plus program to include "activities", rather than "instruction", in Hawaiian language, culture, or art; and
- (2) Authorizing, rather than requiring, the Department of Education to adopt implementing rules.

As affirmed by the records of votes of the members of your Committees on Culture & the Arts and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1557, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1557, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, C. Lee, Nakashima, Nishimoto, Saiki, Yamane and Pine.

SCRep. 655-12 Culture & the Arts on H.B. No. 1556

The purpose of this measure is to appropriate funds for capital improvements in the 47th representative district relating to cultural practices.

Mu'olaulani, Hālau Hula Ka No'eau; Native Books, Na Mea Hawaii; Kāko'o 'Oiwī; Artspace; and numerous individuals testified in support of this measure. Pa'i Foundation and the Kaneohe Canoe Club provided comments.

Your Committee has amended this measure by:

- (1) Requiring the recipient organizations or departments to provide partial matching funds for funds received through these capital improvement project appropriations; and
- (2) Updating figures for the Kāko'o 'Oiwī and Kaneohe Canoe Club projects.

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 is in accord with the intent and purpose of H.B. No. 1556, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1556, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Pine.

SCRep. 656-12 Culture & the Arts on H.B. No. 2297

The purpose of this measure is to support an Oahu-based symphony orchestra by:

- (1) Allowing no more than 3 percent of the principal as well as the income and capital gains from the State of Hawaii Endowment Fund to be used for operations in exigent circumstances;
- (2) Providing for funding to be used for music education of children in schools; and

- (3) Deleting requirements that an Oahu-based symphony orchestra obtain matching funds for appropriated funds distributed to the State of Hawaii Endowment Fund.

The State Foundation on Culture and the Arts provided comments.

Your Committee has amended this measure by:

- (1) Restricting the use of funds in the State of Hawaii endowment fund to a symphony or orchestra that existed prior to the enactment of this measure;
- (2) Providing that funds used for youth education shall be for an existing youth symphony; 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 Culture & the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2297, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Pine.

SCRep. 657-12 Judiciary on H.B. No. 46

The purpose of this measure is to improve the living environment in public housing projects and state low-income housing projects by prohibiting smoking in the enclosed or partially enclosed common areas of these projects. This measure also permits the eviction of a tenant, licensee, or other occupant upon a third violation of this law.

The Hawaii Public Housing Authority and Coalition for a Tobacco-free Hawaii supported this bill. The Department of Health supported the intent of this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Requiring the Hawaii Public Housing Authority to adopt rules expanding the areas to which the smoking prohibition will apply within eighteen months of the bill's enactment;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 46, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 46, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 658-12 Agriculture on H.B. No. 2429

The purpose of this measure is to allow the three ex officio voting members of the Board of Agriculture to designate representatives to attend board meetings.

The Department of Agriculture and Department of Land and Natural Resources testified in support of this measure. The Hawaii Farm Bureau Federation supported the intent 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2429, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 659-12 Culture & the Arts on H.C.R. No. 41

The purpose of this concurrent resolution is to request that the Auditor conduct a sunrise analysis of the regulation of the profession of music therapy as contemplated under H.B. No. 2062, introduced during the Regular Session of 2012 and submit any findings and recommendation, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Sounding Joy Music Therapy, Inc., and five individuals testified in support of this measure.

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.C.R. No. 41 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Pine.

SCRep. 660-12 Culture & the Arts on H.C.R. No. 18

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to support efforts to establish a permanent home in the nation's capital for the National Women's History Museum.

The Hawaii State Commission on the Status of Women testified in support of this measure.

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.C.R. No. 18 and recommends its adoption.

Signed by all members of the Committee except Representatives Jordan, C. Lee and Pine.

SCRep. 661-12 Consumer Protection & Commerce on H.B. No. 2497

The purpose of this measure is to clarify and correct ambiguities and errors in Hawaii's securities laws.

The Department of Commerce and Consumer Affairs 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. 2497 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 662-12 Consumer Protection & Commerce/Judiciary on H.B. No. 2458

The purpose of this measure is to amend the State's Nonprofit Corporation law by repealing existing provisions that expressly allow charities that exist in corporate, rather than charitable trust form, to convert to other kinds of entities.

The Department of the Attorney General testified in support of 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. 2458 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 Coffman and Ito.

SCRep. 663-12 Public Safety & Military Affairs on H.B. No. 2769

The purpose of this measure is to amend the definition of "public safety agency" to specify that it refers to a state or county agency.

The Enhanced 911 Board, Department of Accounting and General Services, Honolulu Police Department, Hawaii Police Department, Maui Police Department, City and County of Honolulu Department of Information Technology, State Fire Council, and Honolulu Fire Department testified in support of the measure. The City and County of Honolulu, Honolulu Emergency Services Department testified in support of the intent of the measure. Oceanic Time Warner Cable commented on the 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. 2769 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

SCRep. 664-12 Judiciary on H.B. No. 1772

The purpose of this measure is to resolve the current conflict in the elements of the offenses of violation of privacy in the first degree and violation of privacy in the second degree by amending violation of privacy in the second degree to exclude the surveillance of another in a stage of undress or sexual activity as such acts are covered by violation of privacy in the first degree.

The Department of the Attorney General and Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony 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. 1772 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 Thielen.

SCRep. 665-12 Consumer Protection & Commerce on H.B. No. 1965

The purpose of this measure is to clarify the continuing education requirements for pharmacists in Hawaii by amending the definition of "continuing education courses" to mean courses approved by the Accreditation Council for Pharmacy Education.

Kaiser Permanente Hawaii and the Board of Pharmacy supported the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

SCRep. 666-12 Consumer Protection & Commerce on H.B. No. 1746

The purpose of this measure is to promote fairness and conservation in energy consumption by permitting a condominium board of directors to authorize the installation of separate meters to determine individual units' use of utilities as long as the condominium association bears the cost of installing the utility meters.

Several concerned individuals supported this bill. A concerned individual opposed this measure. Hawaii Energy submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 667-12 Consumer Protection & Commerce on H.B. No. 994

The purpose of this measure is to ensure uniformity and fairness in the covered loss deductible provision of the Insurance Code by excluding benefits paid or incurred under the workers' compensation law in automobile accident cases from the covered loss deductible requirements.

The Hawaii Association for Justice supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 668-12 Consumer Protection & Commerce on H.B. No. 2799

The purpose of this measure is to authorize a private entity that governs a multi-family residential dwelling or townhouse to assign specific stalls for placement of electric vehicle charging stations when parking stalls under the private entity's control are not assigned.

Numerous individuals 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. 2799, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey and Ching.

SCRep. 669-12 Consumer Protection & Commerce/Judiciary on H.B. No. 1969

The purpose of this measure is to provide for the prompt payment of subcontractors and materialmen on government and nongovernment projects by:

- (1) Shortening the time in which subcontractors are to receive progress and final payments from contractors on government and non-government construction projects; and
- (2) Establishing interest penalties for contractors who fail to make payment to subcontractors within a specified period of time.

The Ironworkers Stabilization Fund and the Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this measure. The Subcontractors Association of Hawaii testified in support of the intent of this measure. The Contractors License Board, Department of Design and Construction of the City and County of Honolulu, Building Industry Association of Hawaii, and General Contractors Association testified in opposition to the 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. 1969, H.D. 1, and recommend that it pass Third Reading.

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

SCRep. 670-12 Judiciary on H.B. No. 1928

The purpose of this measure is to repeal section 291E-68, Hawaii Revised Statutes, which makes refusal to submit to a breath, blood, or urine test by any person arrested for the use of intoxicants while operating a vehicle a petty misdemeanor.

The Office of the Public Defender and Department of the Prosecuting Attorney of the County of Maui testified in support of this measure. Mothers Against Drunk Driving 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. 1928 and recommends that it pass Third Reading.

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

SCRep. 671-12 Judiciary on H.B. No. 2852

The purpose of this measure is to maintain the natural beauty of our islands by creating a private cause of action for damages due to the maintenance of real property in a manner that injures another person or the property of another person provided that the property is not used for a permitted use, public use, agricultural use, permitted or otherwise authorized construction, or unimproved land.

The Waialae-Kahala Neighborhood Board 3 and a concerned individual testified in support of this measure. The Department of Environmental Services of the City and County of Honolulu, Department of Facility Maintenance of the City and County of Honolulu, and Insurance Auto Auctions testified in opposition to this measure. The Department of the Attorney General, Department of Design and Construction of the City and County of Honolulu, Honolulu Authority for Rapid Transportation, and Hawaii Farm Bureau Federation provided comments and concerns.

Your Committee has amended this bill by:

- (1) Restricting the applicability of the offense of maintaining a property nuisance to land zoned exclusively for residential use;
- (2) Exempting from the applicability of the offense certain uses or conditions including:
 - (A) Public works, publicly funded projects, and property for agricultural use;
 - (B) Vacant property that has never been built upon that is in a predominantly natural state; and
 - (C) Construction and demolition activity pursuant to a permit, law, ordinance, regulation, or an emergency and material for a reasonable time after construction and demolition;
- (3) Changing its effective date to January 7, 2059, to facilitate 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. 2852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2852, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

SCRep. 672-12 Judiciary on H.B. No. 1771

The purpose of this measure is to add certain felonies for which criminal charges may be instituted by written information.

The Department of the Prosecuting Attorney of the City and County of Honolulu and a concerned citizen supported this measure. The American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, and two concerned individuals opposed this measure.

Your Committee has amended this measure by:

- (1) Inserting the recently codified statutory section for the offense of unauthorized entry in a dwelling in the first degree; 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. 1771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1771, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 673-12 Judiciary on H.B. No. 1709

The purpose of this measure is to create the offense of aggravated harassment by impersonation, a class C felony.

Citizens Against Crooked Politicians and one individual provided testimony in support of this measure. The Office of the Public Defender provided testimony opposed to this measure.

Your Committee has amended this measure 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. 1709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1709, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 674-12 Judiciary on H.B. No. 1776

The purpose of this measure is to allow governmental entities to access electronic communications from a communication service provider when an emergency involving danger of death or serious physical injury to a subscriber exists.

The Department of the Prosecuting Attorney of the City and County of Honolulu and Citizens Against Crooked Politicians provided testimony in support of this measure. The American Civil Liberties Union testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Inserting language requiring certification of the emergency by the governmental entity;
- (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. 1776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1776, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 675-12 Judiciary on H.B. No. 2623

The purpose of this measure is to allow spouses and reciprocal beneficiary partners to transfer property held in tenancy by the entirety to revocable or irrevocable trusts without losing the benefits of holding property as tenants by the entirety.

The Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii; Honolulu Pride; and a concerned individual testified in support of the measure with amendments. The Hawaii Bankers Association opposed this measure. The Department of the Attorney General provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the definition of "spouse";
- (2) Limiting the ability of spouses and reciprocal beneficiary partners to transfer property held in tenancy by the entirety to trusts without losing the benefits of holding property as tenants by the entirety to revocable trusts; 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. 2623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2623, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Coffman.

SCRep. 676-12 Judiciary on H.B. No. 1788

The purpose of this measure is to address cybercrime by, among other things:

- (1) Creating the offenses of computer fraud in the third degree and use of spyware;

- (2) Increasing the grade of offense for computer fraud in the first and second degrees;
- (3) Incorporating the element of phishing into all three computer fraud offenses; and
- (4) Adding new definitions to computer crime.

Two concerned individuals supported this bill. The High Technology Development Corporation opposed this measure. The Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company provided comments.

Your Committee has amended this measure by adopting a proposed House Draft 1 that:

- (1) Deletes the use of spyware as a separate offense;
- (2) Deletes the definition of "cookie;"
- (3) Incorporates into the new computer fraud offense and existing computer fraud offenses the use of spyware in addition to phishing;
- (4) Incorporates into existing unauthorized computer access offenses phishing and the use of spyware;
- (5) Limits the offenses of unauthorized computer access in the first and second degrees to the acquisition of identifying information;
- (6) Increases the threshold of the value of identifying information obtained under the offense of unauthorized computer access in the first degree from \$5,000 to \$20,000;
- (7) Increases the grades of offense for unauthorized computer access in the first, second, and third degrees;
- (8) Changes the effective date to January 7, 2059, to encourage further discussion; and
- (9) Makes 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. 1788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1788, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 677-12 Judiciary on H.B. No. 2295

The purpose of this measure is to create the offense of harassment by cyberbullying.

Several concerned citizens supported this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu and Hawaii Youth Services Network supported the intent of this measure. The Office of the Public Defender and Citizens Against Crooked Politicians opposed this measure. The Department of the Attorney General provided comments on this measure.

Your Committee has amended this measure by adopting a proposed House Draft 1 that:

- (1) Removes vague language pertaining to use of electronic communication "to embarrass, humiliate, impersonate, or discredit the other person";
- (2) Adds the definition of "digital nuisance" into the offense of harassment by cyberbullying and Chapter 708, Hawaii Revised Statutes, regarding offenses against property rights and the use of a computer in the commission of a separate crime;
- (3) Clarifies that the terms "electronic communication" and "nonconsensual contact" have the same meaning in the context of harassment by cyberbullying as elsewhere in related sections of the Hawaii Penal Code; and
- (4) Reduces the severity of the offense of harassment by cyberbullying to a petty misdemeanor.

Your Committee has also amended this measure 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. 2295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2295, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 678-12 Judiciary on H.B. No. 2241

The purpose of this measure is to exempt antique slot machines from the offense of possession of a gambling device.

Two concerned citizens testified in support of this measure. Hawai'i Coalition Against Legalized Gambling, Aupuni O Hawaii, and a concerned citizen provided testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Replacing the term "antique slot machine" with "antique gambling device" to conform the exemption with existing law;
- (2) Defining "antique gambling device" as any inoperable, non-electronic, mechanical gambling device that is at least 25 years old and is used for display purposes only;
- (3) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2241, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 679-12 Judiciary on H.B. No. 2679

The purpose of this measure is to add equines to those animals that may be subject to impoundment or forfeiture in the course of an animal cruelty case.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Humane Society, Humane Society of the United States, Maui Humane Society, and a plethora of concerned individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Replacing the term "equine" with "equine animal" to conform with the style of existing law;
- (2) Adding the term "equine animal" to section 711-1109.1, Hawaii Revised Statutes, which authorizes law enforcement to enter premises where there is probable cause to believe certain animal cruelty offenses are occurring in order to impound or provide care to a pet animal;
- (3) Replacing the term "shall" with "may" as it relates to the award of attorney's fees and costs as restitution where the defendant has been convicted;
- (4) Clarifying the term "pet animal or equine animal" includes offspring born to those impounded pet animals or equine animals during their impoundment that were pregnant at the time of rescue;
- (5) Inserting a savings clause;
- (6) Changing the 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. 2679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2679, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

SCRep. 680-12 Judiciary on H.B. No. 2296

The purpose of this measure is to prohibit the purchase, sale, transportation, and delivery of any product, item, or substance containing, or labeled or advertised as containing bear gallbladders or bile.

The Humane Society of the United States, Born Free USA, the Hawaiian Humane Society, the West Hawaii Humane Society, Hui Pono Holoholona, and numerous concerned individuals supported this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the prohibition applies to bear gallbladders and bile as well as any product, item, or substance that contains bear gallbladder or bile;
- (2) Precluding the applicability of exemptions set forth in section 159-29, Hawaii Revised Statutes, to violations relating to the prohibitions regarding bear gallbladders and bile; and
- (3) Changing the effective date to January 7, 2059, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2296, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

SCRep. 681-12 Agriculture on H.B. No. 1589

The purpose of this measure is to designate the month of February as "Hawaiian Grown Cacao Month."

The Hawaii Farm Bureau Federation testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to January 20, 2020, for the purposes of facilitating 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1589, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana, Evans and McKelvey.

SCRep. 682-12 Health on H.B. No. 2079

The purpose of this measure is to establish and designate the bacterium *Nesiotobacter exalbescens*, translated from Latin as "an island-derived rod whose color fades to white", as the official microbe of the State.

Several individuals testified in support of this measure.

Your Committee notes that microbes are the most abundant organisms in Hawaii and on Earth. The bacterium *Nesiotobacter exalbescens* is a rare microbe and was isolated from a remote environment, a hypersaline lake on Laysan atoll, Northwestern Hawaiian Islands. Your Committee believes that designation of the bacterium *Nesiotobacter exalbescens* as the State microbe will enhance awareness of microbiology and science, as well as stimulate interest in microbial discoveries and applications.

Recognizing the connection of the bacterium *Nesiotobacter exalbescens* to Hawaii, your Committee requests that this bacterium also be known by the Hawaiian phrase "kinohi 'ākala", which translated into English means "pinkish, reddish endemic genesis".

Your Committee has amended this measure by:

- (1) Changing its effective date to August 16, 2161, to facilitate continued discussion; and
- (2) Making a technical, nonsubstantive amendment 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. 2079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2079, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 683-12 Economic Revitalization & Business on H.B. No. 2658

The purpose of this measure is to apply the lower shareholder voting requirements to approve a plan of merger or share exchange of corporations incorporated after June 30, 1987, to publicly traded corporations.

Alexander & Baldwin and Maui Land & Pineapple Company, Incorporated testified in support of this measure with amendments.

Your Committee has amended this measure by:

- (1) Extending the lower shareholder voting requirements to approve a plan of merger or share exchange to a corporation incorporated before July 1, 1987, if:
 - (A) The plan is a merger plan of a publicly traded parent corporation with or into a subsidiary corporation; and
 - (B) All the shares of the subsidiary are owned by the parent corporation;
- (2) Adding a definition for publicly traded corporation; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2658, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 684-12 Labor & Public Employment on H.B. No. 2024

The purpose of this measure is to assist unemployed individuals by providing an opportunity to these individuals to become self-sufficient and less dependent on unemployment insurance benefits for economic support. Specifically, this measure provides for the payment of self-employment assistance benefits in lieu of regular unemployment benefits under certain conditions allowing recipients to focus on receiving training and assistance to become self-employed.

The General Contractors Association of Hawaii testified in opposition to this measure. The Department of Labor and Industrial Relations provided comments.

The recent economic downturn that has affected Hawaii, as well as the rest of the nation, has resulted in an increased number of individuals receiving unemployment insurance benefits. This has not only put a strain on unemployment insurance trust funds but has also slowed economic recovery. Providing an opportunity for unemployed individuals to become self-sufficient and less dependent on unemployment insurance benefits for economic support by allowing for the payment of self-employment assistance benefits in lieu of regular unemployment benefits that would allow recipients to focus on receiving training and assistance to become self-employed is one method to employ more individuals and improve the economy.

While this measure attempts to improve Hawaii's economic outlook and provide assistance to unemployed individuals, your Committee notes that, on February 22, 2012, the Middle Class Tax Relief and Job Creation Act of 2012 was enacted which, among other things, authorizes states to create Self-employment Assistance Programs. According to the Department of Labor and Industrial Relations, the United States Department of Labor will eventually provide model legislation which will allow states to conform state law to federal requirements. Until such time, however, it has been suggested that legislation be crafted to model legislation enacted in other states that have already adopted Self-employment Assistance Programs.

As such, your Committee has amended this bill by deleting its contents and replacing it with language that, among other things:

- (1) Establishes a temporary Self-Employment Assistance Program within the Department of Labor and Industrial Relations;
- (2) Establishes content and eligibility requirements for the Program;
- (3) Requires the Department to identify unemployed individuals that are likely to exhaust regular benefits before finding employment and notify these individuals of the opportunity to enroll in the Program;
- (4) Specifies that individuals participating in the Program shall be eligible to receive benefits under the federal Emergency Unemployment Compensation Program;
- (5) Stipulates that an individual participating in the Program who fails to participate in self-employment assistance activities or who fails, on a full-time basis, to actively engage in establishing a business and becoming self-employed shall be disqualified from participating in the Program;
- (6) Requires the Director of Labor and Industrial Relations to take all steps necessary to carry out the purposes of the Program to assure collaborative involvement of interested parties in the development of the Program, and to ensure that the Program meets all federal criteria for withdrawal under the federal Emergency Unemployment Compensation Program;
- (7) Allows the Director to approve, as self-employment assistance programs, existing self-employment training programs available through community colleges, workforce investment boards, or other organizations;
- (8) Stipulates that the Director is not obligated to expend any departmental funds for the operation of self-employment assistance programs, unless specific funding is provided to the Department for that purpose through federal or state appropriations;
- (9) Provides non-compete provisions for individuals completing the Program with the individual's separating employer for a specific time period and in a specific geographic area as determined by the Director;
- (10) Requires the Director to adopt rules; and
- (11) Repeals the Program on June 30, 2015.

Your Committee has also amended this measure by changing its effective date to January 1, 2049, to facilitate 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. 2024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2024, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cullen, M. Lee, Luke, Saiki and Johanson.

SCRep. 685-12 Consumer Protection & Commerce on H.B. No. 2238

The purpose of this measure as received by your Committee is to authorize the issuance of a driver's license for operation of autonomous motor vehicles and require the Department of Transportation to adopt rules for the operation of autonomous motor vehicles.

Prior to the public hearing, a Proposed H. D. 1 was circulated for public review and comment.

The purpose of the Proposed H. D. 1 is to prohibit motor vehicle manufacturers or distributors from recovering for increased warranty reimbursement from dealers.

Numerous individuals testified in support of the Proposed H. D. 1. The Alliance of Automobile Manufacturers testified in opposition to the Proposed H. D. 1.

After careful consideration your Committee has amended the Proposed H. D. 1 by:

- (1) Changing the effective date to July 1, 3000, for the purposes of facilitating 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2238, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey and Ching.

SCRep. 686-12 Consumer Protection & Commerce/Judiciary on H.B. No. 2047

The purpose of this measure is to protect individuals from identity theft by:

- (1) Requiring every business that maintains personal information to implement a comprehensive, written policy and procedure to prevent identity theft by January 1, 2014;
- (2) Requiring the policy and procedure to include administrative, technical, and physical safeguards for the protection of personal information; and
- (3) Providing penalties for businesses that do not comply with these personal information requirements.

ID Theft Solutions of America testified in support of this measure. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs testified in support of the intent of this measure. The Consumer Data Industry Association; Hawaii Bankers Association; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; and Hawaii Credit Union League testified in opposition to this measure. The Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs, Retail Merchants of Hawaii, and American Council of Life Insurers provided comments.

Your Committees have amended this bill by:

- (1) Changing its 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 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. 2047, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2047, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Coffman.
(Representatives Ching, Marumoto and Thielen voted no.)

SCRep. 687-12 Hawaiian Affairs/Health on H.C.R. No. 6

The purpose of this measure is to request the State's full compliance with section 5 of Act 178, Session Laws of Hawaii (SLH) 2006, which requires the Department of Land and Natural Resources with cooperation from other State departments and agencies that use or manage public lands, to provide an accounting of all receipts from those lands described in section 5(f) of the Admission Act.

The Office of Hawaiian Affairs, Oahu Council of the Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club of Kona, and several concerned individuals supported the measure. Aupuni O Hawaii opposed the measure. The Department of Land and Natural Resources, Hawaii Public Housing Authority, and Hawaii Housing Finance and Development Corporation offered comments on the measure.

Your Committees note that some of the State departments and agencies that use or manage public trust lands need to be more transparent in their reporting of all revenues generated from the use of those lands. For example, while section 5 of Act 178, SLH 2006, requires an accounting of all revenues from lands described in section 5(f) of the Admission Act, State departments currently provide to the Department of Land and Natural Resources an accounting of only the revenues they determine should be transferred to the Office of Hawaiian Affairs, resulting in a gap in accounting.

Your Committees have amended the measure by:

- (1) Removing references to the Hawaii Public Housing Authority, the Hawaii Health Systems Corporation, and the Hawaii Housing Finance and Development Corporation being non-compliant, because these departments and agencies have either provided an accounting of receipts or are currently working to provide an accounting of receipts from lands described in section 5(f) of the Admission Act as required by section 5 of Act 178, SLH 2006;
- (2) Instead of mentioning specific State departments and agencies, requesting the Governor to direct all State departments or agencies to provide an accounting of all receipts from lands described in section 5(f) of the Admission Act as required by section 5 of Act 178, SLH 2006; 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 Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 6, as amended herein, and recommend that it be referred to the Committees on Water, Land, & Ocean Resources and Housing, in the form attached hereto as H.C.R. No. 6, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Mizuno, Ching, Pine and Ward.

SCRep. 688-12 Labor & Public Employment on H.R. No. 23

The purpose of this measure is to help address the shortage of qualified teachers in Hawaii and improve the access to teaching in Hawaii for teachers with out-of-state teaching licenses by requesting the Hawaii Teacher Standards Board to review rules regarding the licensing of teachers in Hawaii with out-of-state teaching licenses to determine if there are barriers to those teachers being licensed in Hawaii.

The Hawaii State Teachers Association testified in support of this measure. The Hawaii Teacher Standards Board testified in support of the intent of this measure.

Currently, Hawaii is experiencing a shortage of public school teachers. While enabling qualified teachers with out-of-state teaching licenses to obtain a teaching license in Hawaii would increase the number of qualified teachers in the State and work to address this shortage, concerns have been raised that teachers with out-of-state teaching licenses have experienced difficulties in obtaining such a license. Your Committee finds that determining if barriers do exist to out-of-state licensed teachers obtaining a Hawaii teaching license is a first step in working to address this concern and addressing the teacher shortage in Hawaii.

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. 23 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki and Johanson.

SCRep. 689-12 Labor & Public Employment on H.C.R. No. 43

The purpose of this measure is to help address the shortage of qualified teachers in Hawaii and improve the access to teaching in Hawaii for teachers with out-of-state teaching licenses by requesting the Hawaii Teacher Standards Board to review rules regarding the licensing of teachers in Hawaii with out-of-state teaching licenses to determine if there are barriers to those teachers being licensed in Hawaii.

The Hawaii State Teachers Association testified in support of this measure. The Hawaii Teacher Standards Board testified in support of the intent of this measure.

Currently, Hawaii is experiencing a shortage of public school teachers. While enabling qualified teachers with out-of-state teaching licenses to obtain a teaching license in Hawaii would increase the number of qualified teachers in the State and work to address this shortage, concerns have been raised that teachers with out-of-state teaching licenses have experienced difficulties in obtaining such a license. Your Committee finds that determining if barriers do exist to out-of-state licensed teachers obtaining a Hawaii teaching license is a first step in working to address this concern and addressing the teacher shortage in Hawaii.

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. 43 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki and Johanson.

SCRep. 690-12 Agriculture on H.B. No. 2809

The purpose of this measure is to designate the month of October as "Kalo Appreciation Month."

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and Hawaii Farm Bureau Federation testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 20, 2020, for the purposes of facilitating 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2809, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2809, H.D. 1.

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

SCRep. 691-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 2150

The purpose of this measure is to authorize the use of photovoltaic systems producing energy for use in the agricultural activities of the fee or leasehold owner of property in agricultural districts.

The Hawaii Aquaculture and Aquaponics Association, Kamehameha Schools, and three individuals provided testimony in support of this measure. Hawaii Farm Union United provided testimony in support of this measure with amendments.

Your Committees have amended this measure by authorizing property owners in agricultural districts to use biogas and other small-scale renewable energy systems producing energy solely for use in the agricultural activities in addition to photovoltaic systems.

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. 2150, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2150, H.D. 2.

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

SCRep. 692-12 Judiciary/Consumer Protection & Commerce on H.B. No. 2298

The purpose of this measure, as received by your Committees, is to specify that with regard to the public disclosure of government records, a professional or vocational licensee does not have a significant privacy interest with respect to information regarding complaints made against the licensee if the licensee was given an opportunity to respond to the complaint.

The Hawaii Association of REALTORS testified in support of this measure. The American Physical Therapy Association, Hawaii Chapter testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Office of Information Practices, and Common Cause Hawaii commented on this measure.

After sound discussion and upon consideration, your Committees have amended this bill by deleting its contents and inserting provisions that establish a Complaints Disclosure Task Force within the Department of Commerce and Consumer Affairs to research, assess, plan, and evaluate:

- (1) The feasibility, benefits, and drawbacks of disclosing a complaint against a licensee as currently practiced by the Department of Commerce and Consumer Affairs Regulated Industries Complaints Office, or of disclosing at an earlier date;
- (2) The most effective means of protecting the public's right to know about dishonest, deceitful, and careless licensees and permitting disclosure of a complaint versus a licensee's privacy rights and the entitlement to fully contest a complaint and to be free from the disclosure of unwarranted complaints;
- (3) How other states manage complaints and address the timing for the disclosure of complaints against licensees to the public; and
- (4) Whether, and what, if any, legislation is needed to address issues of timing and the conditions for disclosure of complaints against licensees and the privacy rights of licensees.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2298, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2298, H.D. 2.

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

SCRep. 693-12 Judiciary/Consumer Protection & Commerce on H.B. No. 1295

The purpose of this measure is to address the problem of unlicensed contracting by:

- (1) Creating a new part in the penal code that provides for criminal penalties against unlicensed contracting activity, habitual unlicensed contracting activity, and unlicensed contractor fraud; and
- (2) Making amendments to section 436B-27, Hawaii Revised Statutes, the existing law providing sanctions for unlicensed activity to increase the maximum monetary penalty possible for unlicensed activity to \$2,000.

The Professional and Vocational Licensing Division and Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney for the City and County of Honolulu, Building Industry Association of Hawaii, Pacific Resource Partnership, Subcontractors Association of Hawaii, GW Construction & Yamada Paint Contracting, Complete Construction Services, and two concerned individuals supported the measure. The General Contractors Association of Hawaii supported the intent of the measure.

Your Committees believe that the elements for the foregoing penal offenses can be more succinctly stated. Your Committees also want to make it clear that the penal offense for unlicensed contracting activity solely is not meant to cover a first instance involving the inadvertent failure of a licensee to renew a previously existing license.

Your Committees have amended this measure by:

- (1) Clarifying the specific elements for the penal offenses;
- (2) Making it clear that the penal offense for unlicensed activity is not meant to apply to a circumstance of first instance involving the inadvertent failure of a licensee to renew a previously existing license; 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 H.B. No. 1295, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1295, H.D. 3.

Signed by all members of the Committee except Representatives Coffman and Ito.

SCRep. 694-12 Judiciary on H.B. No. 1730

The purpose of this measure is to prohibit any member of the Land Use Commission from voting on a matter before the Commission if the member has a conflict of interest.

Life of the Land testified in support of this measure with amendments. An individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 7, 2059, for the purpose of facilitating 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1730, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1730, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 695-12 Judiciary on H.B. No. 69

The purpose of this measure is to clarify the right of members of planned community associations in displaying the United States flag and the State of Hawaii flag on their properties, and prohibiting planned community associations and their boards from:

- (1) Disallowing members or their bona fide tenants from displaying house-mounted United States flags 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 displays of these flags.

The Oahu Veterans Council testified in support of this measure. The Mililani Town Association testified in opposition and one concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that the display of both the United States flag and Hawaii State flag must be in accordance with the requirements under federal law for the proper display of the United States flag;
- (2) Changing the effective date to January 7, 2059, to promote further discussion; and
- (3) Making technical, nonsubstantive changes 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. 69, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 69, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 696-12 Judiciary on H.B. No. 2587

The purpose of this measure is to amend the definition of "sailing school vessel" to include compliance with title 46 Code of Federal Regulations part 169, among existing requirements for size, ownership, and use.

The Department of Land and Natural Resources provided comments on this measure.

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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2587, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2587, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

SCRep. 697-12 Judiciary on H.B. No. 2617

The purpose of this measure is to establish a penalty for persons who violate the motor vehicle bumper height requirements established under section 291-35.1, Hawaii Revised Statutes.

The Department of Transportation testified in support of this measure.

Your Committee has amended this measure by:

- (1) Amending section 291-35.1, Hawaii Revised Statutes, to prohibit a person from operating a motor vehicle upon a public roadway with a bumper height in excess of the maximum bumper height requirements;
- (2) Adding a savings clause; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2617, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2617, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Coffman, Herkes, Luke and Marumoto.

SCRep. 698-12 Judiciary on H.B. No. 2537

The purpose of this measure is to permit the Department of Human Services to disclose information concerning applicants and recipients pursuant to a court order after the court reviews the records in camera, upon a showing of good cause by the party seeking to have the information disclosed.

The Department of Human Services supported this measure. A concerned individual opposed 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 H.B. No. 2537, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2537, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 699-12 Judiciary on H.B. No. 2232

The purpose of this measure is to prohibit a physician, osteopathic physician, surgeon, or medical student from performing a pelvic exam on an anesthetized or unconscious female patient unless:

- (1) With an anesthetized female patient, specific informed consent was obtained, or the health care professional or medical student has the patient's permission to be involved in the patient's care and a pelvic examination is within the specified scope of care; or
- (2) With an unconscious female patient, the pelvic exam is required for diagnostic purposes.

The Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Hawaii State Democratic Women's Caucus, Hawaii Medical Board, Healthy Mothers Healthy Babies Coalition of Hawaii, Planned Parenthood of Hawaii, and numerous concerned individuals testified in support of this measure. The University of Hawaii John A. Burns School of Medicine testified in support of the measure with proposed amendments.

Your Committee has amended this measure by:

- (1) Clarifying that informed consent can be given both verbally and in writing;
- (2) Removing findings that were disputed by different testifiers; 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. 2232, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2232, H.D. 2.

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

SCRep. 700-12 Judiciary on H.B. No. 2441

The purpose of this measure is to bring the Hawaii Child Support Enforcement Agency into compliance with federal law by specifying that:

- (1) Information for a newly-hired employee that an employer is required to report to the Hawaii Child Support Enforcement Agency includes the date services for remuneration were first performed by the employee; and
- (2) An employer or union receiving notice of medical support has 20 business days from the date of the notice to transfer the notice to the appropriate plan providing health care coverage for an eligible child, and such an employer is required to notify the Hawaii Child Support Enforcement Agency when employment is terminated.

The Department of the Attorney General 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 H.B. No. 2441, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2441, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 701-12 Judiciary on H.B. No. 2591

The purpose of this measure is to clarify that land accreted after May 20, 2003, shall be public land except as otherwise provided by law.

The Department of the Attorney General and the Department of Land and Natural Resources testified in support of this measure, with the recommendation that the measure take effect upon its approval.

Upon consideration, your Committee has amended this measure by:

- (1) Changing its effective date to take effect 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2591, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2591, H.D. 2.

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

SCRep. 702-12 Judiciary on H.B. No. 2276

The purpose of this measure is to protect the health and safety of Hawaii's youth by requiring that children under sixteen years of age wear a skate helmet while operating a skateboard. This measure also provides penalties for a violation.

The Department of Health, Injury Prevention Advisory Committee, ThinkFirst Hawaii, Soto Academy, and several concerned individuals supported this bill.

Your Committee finds that the danger of traumatic brain damage and other serious head injuries that may result from riding a skateboard without a helmet is not limited to children under the age of sixteen. In particular, your Committee notes testimony attesting to the tragic death of individuals in their twenties who were killed in skateboarding accidents when their deaths could have been prevented had they been wearing a helmet.

Accordingly, your Committee has amended this measure by removing the age requirements, thereby requiring all operators of skateboards to wear a skate helmet.

Your Committee has also amended this measure by changing its effective date to January 7, 2019, 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. 2276, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2276, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Coffman, Herkes, Luke and Marumoto.

SCRep. 703-12 Judiciary on H.B. No. 2533

The purpose of this measure is to ensure the State's compliance with the federal Child Abuse Prevention and Treatment Act and Title IV-E State Plan by amending the definition of "aggravated circumstances" to include situations where a parent:

- (1) Has committed sexual abuse against another child of the parent; or
- (2) Is required to register as a sex offender.

The Department of Human Services, Department of the Attorney General, and Family Programs Hawaii testified in support of this measure.

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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2533, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2533, H.D. 2.

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

SCRep. 704-12 Judiciary on H.B. No. 2228

The purpose of this measure is to ensure full equality for women in the workplace by amending section 378-10, Hawaii Revised Statutes (HRS), the current law relating to breastfeeding in the workplace by:

- (1) Requiring employers with 20 or more employees to make reasonable efforts to provide a clean location for breastfeeding employees to express breast milk in privacy;
- (2) Requiring covered employers to post notice pertaining to this provision in a conspicuous location; and
- (3) Establishing a fine of \$50 for the failure of an employer to provide the required location and notice.

The Office of Hawaiian Affairs, American Civil Liberties Union of Hawaii, Hawaii State Commission on the Status of Women, Hawaii State Democratic Women's Caucus, Planned Parenthood of Hawaii, League of Women Voters of Hawaii, and two concerned individuals supported the measure. The Hawaii Civil Rights Commission offered comments on the measure.

Your Committee has amended this measure by:

- (1) Moving the provisions of this measure to Chapter 387, HRS, regarding wage and hour law;
- (2) Repealing section 378-10, HRS;
- (3) Changing its 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. 2228, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2228, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 705-12 Judiciary on H.B. No. 2312

The purpose of this measure is to encourage private persons to perform early cardiopulmonary resuscitation (CPR) on a patient experiencing a cardiac arrest, without hesitation due to potential liability, by clarifying that Hawaii's Good Samaritan law:

- (1) Covers persons who perform CPR in response to a perceived medical emergency, as opposed to an actual life-threatening situation;
- (2) Relieves a person who provides a CPR training program from vicarious liability for the act of a Good Samaritan who attempts CPR on a patient in a perceived emergency; and
- (3) Relieves physicians and physician assistants who administer CPR training programs from liability resulting from acts that occurred in the administration of CPR.

The Department of Education; AED Institute of America, Inc.; and one individual testified in support. The American Heart Association made comments.

Your Committee has amended this measure by:

- (1) Changing the term "patient" to "individual" because individuals experiencing cardiac arrest may not be under medical care; and

- (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. 2312, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2312, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Coffman, Herkes, Luke and Marumoto.

SCRep. 706-12 Judiciary on H.B. No. 578

The purpose of this measure is to establish an administrative fine for shark feeding. Specifically, this measure:

- (1) Permits violators to be assessed an administrative fine plus administrative fees and costs and attorney's fees and costs;
- (2) Mandates that each day of violation shall constitute a separate offense;
- (3) Notes that an action to impose or collect a penalty herein shall be considered a civil action; and
- (4) Mandates that any criminal prosecution or penalty imposed for a violation of the section or rule pursuant thereto shall not preclude the imposition of any administrative fine and costs or attorney's fees and costs.

The Department of Land and Natural Resources, The Humane Society of the United States, Kihei Canoe Club, Safe Waters for Hawaii, Kuliouou/Kalani Iki Neighborhood Board #2, and many concerned individuals supported the measure.

Your Committee has amended this measure by:

- (1) Adding a savings clause;
- (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. 578, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 578, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 707-12 Judiciary on H.B. No. 2564

The purpose of this measure is to add pharmacists to the list of volunteer medical assistance personnel who are granted immunity from liability for acts undertaken on behalf of and authorized by the State or a county, except in cases of wilful or criminal misconduct, gross negligence, or reckless misconduct.

The Department of Health, The Queen's Health Systems, and a concerned individual testified in support of this measure.

Your Committee has amended this measure by:

- (1) Adding pharmacists to the list of volunteer emergency medical disaster response personnel who are granted immunity under section 321-23.3, Hawaii Revised Statutes, from liability for acts undertaken in emergency response to a mass casualty event or disaster condition, except in cases of wilful misconduct;
- (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. 2564, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2564, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Coffman, Herkes, Luke and Marumoto.

SCRep. 708-12 Judiciary on H.B. No. 2113

The purpose of this measure is to protect health and safety by prohibiting the ignition, possession, sale, or use of aerial luminaries, more commonly known as sky lanterns.

The Honolulu Police Department; the Maui County Department of Fire and Public Safety; the Hawaii Fire Chiefs Association; and Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company, supported this measure. The State Fire Council, the

Honolulu Fire Department, the Department of Land and Natural Resources, the County of Hawaii Fire Department, and the County of Kauai Fire Department supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 7, 2059, for the purpose of facilitating further discussion;
- (2) Adding a savings clause; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2113, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2113, H.D. 1.

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

SCRep. 709-12 Consumer Protection & Commerce on H.B. No. 518

The purpose of this measure is to protect purchasers of residential and agricultural real property by requiring the seller or the seller's agent to disclose to the buyer in writing the existence of any specified access that burdens or may burden the property.

The Hawaii Association of REALTORS and two individuals supported this bill. The Land Use Research Foundation of Hawaii opposed this measure.

Your Committee has amended this measure by:

- (1) Requiring that the disclosure be prepared in good faith and with due care in accordance with established law;
- (2) Changing its 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 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. 518, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 518, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 710-12 Consumer Protection & Commerce on H.B. No. 1706

The purpose of this measure is to protect owners and tenants of residential condominiums in Hawaii by requiring that an owner of a residential unit who:

- (1) Resides out-of-state or on a different island from that on which the unit is located; and
- (2) Rents or leases the unit to a tenant,

annually provide the managing agent or resident manager with the name, address, and telephone number of the rental agent located in Hawaii who is responsible for the management of the unit.

South Kohala Management Corp. and several concerned individuals supported this bill. The Hawaii Association of Realtors submitted comments.

Your Committee notes that issues were raised about the licensure and taxation of rental agents and that it was also suggested that rental agents be required to live on the island on which the residential unit they are managing is located.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 3000, 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1706, H.D. 1.

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

SCRep. 711-12 Consumer Protection & Commerce on H.B. No. 2013

The purpose of this measure is to strengthen the regulation of mixed martial arts in Hawaii by defining it as a full contact sport in which the objective is to physically damage an opponent.

The Department of Commerce and Consumer Affairs (DCCA) supported this bill. Mmahawaii.com and two concerned individuals opposed this measure. The Regulated Industries Complaints Office of DCCA submitted comments.

After careful consideration, your Committee has amended this measure by specifying instead that:

- (1) Mixed martial arts includes grappling, kicking, and striking; and
- (2) Kickboxing, pankration, muay Thai, and xtreme martial arts are also considered mixed martial arts.

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. 2013, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2013, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 712-12 Consumer Protection & Commerce on H.B. No. 1966

The purpose of this measure is to expand the availability of vaccinations to Hawaii residents by allowing pharmacists, in accordance with a valid prescription, to administer the influenza vaccine (flu vaccine) to persons between fourteen and seventeen years of age.

The Department of Health, Hawaii Association of Health Plans, Hawaii Medical Service Association, Walgreen Co., Safeway, and Times Supermarkets supported this bill. The Board of Pharmacy supported the intent of this measure.

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

- (1) Requiring that pharmacists who administer the flu vaccine to persons between the ages of fourteen and seventeen years complete a training program approved by the Accreditation Council for Pharmacy Education, instead of other organizations;
- (2) Requiring that pharmacists who administer the flu vaccine to persons between the ages of fourteen and seventeen years complete an approved course every other biennial renewal period, rather than each biennial renewal period;
- (3) Clarifying that pharmacists who administer the flu vaccine to persons between the ages of fourteen and seventeen years must comply with all requirements--not simply the reporting and training requirements--of the new statute authorizing them to perform such activities; and
- (4) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1966, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1966, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

SCRep. 713-12 Consumer Protection & Commerce on H.B. No. 425

The purpose of this measure is to require the Public Utilities Commission (PUC), in exercising its authority and duties, to consider the costs and benefits of a diverse fossil fuel portfolio and of maximizing the efficiency of all electric utility assets to lower and stabilize the cost of electricity, without subverting the obligation of electric utilities to meet renewable portfolio standards.

The PUC, State Energy Office, and a concerned individual supported this bill. The Sierra Club - Hawaii Chapter opposed this measure.

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

- (1) Requiring the PUC to consider the costs and benefits of a diverse fuel portfolio, not necessarily a diverse fossil fuel portfolio;
- (2) Changing its effective date to January 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 425, H.D. 3.

Signed by all members of the Committee except Representatives Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey and Ching. (Representative Thielen voted no.)

SCRep. 714-12 Finance on H.B. No. 2740

The purpose of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by making permanent the temporary reduction of the fuel tax on naphtha used in a power-generating facility.

The Public Utilities Commission and Kauai Island Utility Cooperative supported this measure. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by extending the sunset date to December 31, 2015, rather than repealing the sunset date.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2740, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 715-12 Finance on H.B. No. 1838

The purpose of this measure is to:

- (1) Authorize the issuance of general obligation bonds to finance project appropriations contained in specified acts of the Legislature for which the means of financing is designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Make a declaration of findings with respect to such authorizations as mandated by the Constitution of the State of Hawaii.

The Department of Budget and Finance 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. 1838 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 716-12 Finance on H.B. No. 283

The purpose of this measure, as originally received by your Committee, is to assist the State in addressing its financial needs by:

- (1) Temporarily suspending the authority of the Department of Agriculture to make, insure, guarantee, or participate in new loans under the agricultural and aquaculture loan programs;
- (2) Requiring monies in, or received by, the Agricultural Loan Revolving Fund and Aquaculture Loan Revolving Fund to be transferred to the general fund; and
- (3) Appropriating the amounts transferred into the general fund to the Department of Agriculture, and to the Hawaii Farm Bureau Federation as a grant-in-aid, to be used to support farming activities.

Prior to the public hearing on this measure, your Committee circulated for review and comment, and received testimony on, a Proposed House Draft 1. As amended, the purpose of the Proposed House Draft 1 of H.B. No. 283 is to address invasive species affecting Hawaii's coffee industry. Specifically, the Proposed House Draft 1 of H.B. No. 283:

- (1) Authorizes the Director of Finance to transfer excess monies in the Agricultural Loan Revolving Fund to the Pest Inspection, Quarantine, and Eradication Fund; and
- (2) Appropriates monies from the Pest Inspection, Quarantine, and Eradication Fund for a program to control and eradicate the coffee borer beetle, including the destruction of feral coffee trees.

The Hawaii Farm Bureau Federation, Kona County Farm Bureau, Hawaii Coffee Growers Association, Maui Coffee Association, and numerous concerned individuals testified in support of this measure. Two concerned individuals testified in opposition to this measure. The Department of Agriculture provided comments.

Your Committee notes that this measure is intended to be a one-time appropriation to deal with this emergency situation.

After further consideration, your Committee has amended the original measure by adopting the language contained in the Proposed House Draft 1 of H.B. No. 283.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 283, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 717-12 Finance on H.B. No. 1181

The purpose of this measure, as received by your Committee, is to create the program realignment and closure committee to recommend state programs that should be discontinued or consolidated.

Prior to 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 contains the contents of H.B. No. 2468, H.D. 1, Regular Session of 2012.

The proposed draft brings laws relating to false claims to the State and to the counties into compliance with the federal False Claims Act in order to meet federal requirements that state laws provide the same or greater protections as those established under section 1909 of the Social Security Act.

The Attorney General supported the proposed draft.

Your Committee has amended the proposed draft 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. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1181, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 718-12 Finance on H.B. No. 1454

The purpose of this measure as received by your Committee is to increase the minimum distance between dealer-operated gasoline stations and new stations owned and operated by a manufacturer or wholesaler, from one-eighth of a mile to one mile.

Prior to the public hearing, a Proposed H.D. 1 was circulated for public review and comment.

The purpose of the Proposed H.D. 1 is to ensure that Hawaii's high fuel prices remain competitive and are not artificially inflated from a lack of competition by:

- (1) Requiring motor vehicle fuel wholesalers and similar entities that offer volume discounts to any retail service station to offer the same volume discounts to all retail service stations; and
- (2) Allowing gasoline dealers to enter into cooperative purchasing agreements to acquire discounts on gasoline purchases.

An individual testified in support of the Proposed H.D. 1. The Western States Petroleum Association testified in opposition to the Proposed H.D. 1. An individual provided comments on the Proposed H.D. 1.

Your Committee has amended the Proposed H.D. 1 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 719-12 Finance on H.B. No. 1980

The purpose of this measure is to change the deadline for the filing and payment of various specified taxes from the twentieth day of the month to the last day of the month.

The Chamber of Commerce of Hawaii and a concerned individual testified in support of this measure. The Department of Taxation, Department of Commerce and Consumer Affairs, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2014;
- (2) Making the changes in the deadline for the filing and payment of various specified taxes applicable to taxable years beginning after December 31, 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. 1980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1980, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 720-12 Finance on H.B. No. 2605

The purpose of this measure is to update Hawaii's income tax law and conform the law to changes made to the Internal Revenue Code in calendar year 2011.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii provided 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2605, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 721-12 Finance on H.B. No. 2606

The purpose of this measure is to improve the efficiency and effectiveness of the Department of Taxation by authorizing the Department to impose:

- (1) A \$20 fee for a tax clearance application;
- (2) A \$5 fee for a certified copy of a tax clearance; and
- (3) Additional fees related to the issuance of tax clearances.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing the Department of Taxation to charge additional fees related to the issuance of tax clearances; and
- (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. 2606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2606, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 722-12 Finance on H.B. No. 2874

The purpose of this measure is to promote and increase the use of broadband technology in Hawaii's educational system by establishing the Broadband Special Fund to be used by the Department of Business, Economic Development, and Tourism, to support an initiative to provide:

- (1) Broadband access to public schools; and
- (2) The means necessary for technology-based learning in public schools, including the provision of laptop computers to public school students.

Oceanic Time Warner Cable testified in support of this measure. The Department of Commerce and Consumer Affairs, Americans for Democratic Action Hawaii, Community Alliance on Prisons, Maui Community Television, Hawaii Fathers-4-Justice, Ka Lei Maile Alii Hawaiian Civic Club, Asian Pacific Management Consultants, Kailua Neighborhood Board, World Can't Wait Hawaii, GODS LOVE, Koani Foundation, and numerous concerned individuals testified in opposition to this measure. The Department of Business, Economic Development, and Tourism, Olelo Community Media, PBS Hawaii, and several concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Specifying that the term "laptop computers" means portable computer devices; and
- (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. 2874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2874, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 723-12 Finance on H.B. No. 1705

The purpose of this measure is to exempt from the state income and general excise taxes, federally tax-exempt section 501(c)(12) privately-owned nonprofit public water systems that supply potable water.

Numerous individuals testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption from the state income and general excise taxes applies to federally tax-exempt section 501(c)(12) privately-owned nonprofit public water systems that supply potable water to communities that lack any access to public utility water services;
- (2) Changing its effective date to July 1, 2030, to encourage 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 H.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1705, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 724-12 Finance on H.B. No. 2328

The purpose of this measure is to allow for the more efficient collection of estate and transfer taxes by establishing a new chapter in the Hawaii Revised Statutes governing estate and generation-skipping taxes.

The Department of Taxation, Hawai'i Association of REALTORS, and a concerned individual supported this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Permitting an exception to the generation-skipping transfer tax for generation-skipping transfers that are subject to the federal gift tax; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2328, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 725-12 Finance on H.B. No. 530

The purpose of this measure as received by your Committee is to increase the valuation threshold for developments required to have special management area use permits and special management area minor permits.

For the purpose of a public hearing, your Committee circulated a proposed draft that deleted this measure's contents and replaced them with provisions that, among other things, temporarily:

- (1) Makes the Office of Planning responsible for granting or denying special management area permits, including special management area emergency permits, for state projects;
- (2) Provides that an action may not be brought against the Office of Planning for specified actions regarding the granting or denying of special management area permits;
- (3) Makes the Office of Planning responsible for granting or denying a variance for a state structure or activity in a shoreline area; and
- (4) Repeals the requirement that Department of Transportation construction projects be submitted for review and that they be found not in conflict with any county ordinances, zoning laws, and building codes.

The proposed draft also appropriates \$100,000 in general revenues to employ two planner positions to perform the duties of the Office of Planning under this measure.

The Chamber of Commerce of Hawaii, Building Industry Association-Hawaii, and a concerned individual supported this bill. The Department of Transportation, Conservation Council for Hawai'i, Sierra Club-Hawai'i Chapter, and several concerned individuals opposed this measure. The Department of Business, Economic Development, and Tourism and Department of Land and Natural Resources provided comments.

Your Committee has amended this measure by adopting the proposed draft and further amending the draft by:

- (1) Granting the Department of Land and Natural Resources and Department of Transportation the authority to exempt state projects from the requirements for special management areas and shoreline setbacks in Chapter 205A, Hawaii Revised Statutes, as long as projects implemented under this authority are subject to consultation with the Office of Conservation and Coastal Lands, the Office of Planning, and the requirements associated with environmental impact statements;
- (2) Repealing the authority granted to Department of Land and Natural Resources and Department of Transportation under number (1) above on June 30, 2013;
- (3) Making unspecified the appropriation amount;
- (4) Specifying that the intention of this measure is not to jeopardize the receipt of federal funds and that any provision that has that effect shall be void;
- (5) Inserting a severability clause; 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. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 530, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 726-12 Finance on H.B. No. 2347

The purpose of this measure is to provide additional financial flexibility to the counties by allowing counties to pledge certain receipts, including rates, rentals, fees, charges, taxes, and state or federal grants, in addition to real property taxes, to secure its general obligation bonds.

The City and County of Honolulu 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 H.B. No. 2347 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 727-12 Finance on H.B. No. 304

The purpose of this measure, as originally received by your Committee, is to clarify the state budget law by making technical amendments to the requirement that an annual report be submitted by the Director of Finance on transfers of non-general funds to the general fund.

Prior to the public hearing on this measure, your Committee circulated for review and comment, and received testimony on, a Proposed House Draft 1. As amended, the purpose of the Proposed House Draft 1 of H.B. No. 304 is to increase the economic flexibility of the State by allowing the Department of Budget and Finance to enter into agreements with other bond issuers to pool allocations for the issuance of bonds if certain conditions are met.

Two concerned individuals testified in support of the Proposed House Draft 1. The Department of Budget and Finance provided comments on the Proposed House Draft 1.

Your Committee has amended the original measure by adopting the language contained in the Proposed House Draft 1 of H.B. No. 304.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 304, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 728-12 Finance on H.B. No. 1033

The purpose of this measure, as received by your Committee, is to allow for the efficient management of limited resources by setting forth the State's allocation of any annual or other limit on the principal amount of bonds that may be issued by issuers within Hawaii, including tax exempt interest, tax credits, interest subsidies or other benefits under the Internal Revenue Code.

For purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deletes the provisions of H.B. No. 1033, as introduced, and instead contains language that establishes the Clean Economy Bank of the State of Hawaii.

The State Representative of District 42 of the State of Oregon, Applied Solutions, Pacific Biodiesel, Hawaiian Electric Vehicle Network, Hawaii LECET, and several individuals testified in support of this measure. The Department of Budget and Finance and the Hawaii Bankers Association opposed

this measure. The Department of Commerce and Consumer Affairs, Office of Information Practices, IMUAlliance, and an individual commented on this measure.

Your Committee has amended this measure by deleting its contents and:

- (1) Inserting the language of the proposed H.D. 1 version, the purpose of which is to establish the Clean Economy Bank of the State of Hawaii to, among other things:
 - (A) Enable the State, along with other participating states, territories, and municipalities, to leverage aligned resources and collective influence to build a national clean economy;
 - (B) Support clean economic development; and
 - (C) Lessen the burden on the State and other participating states, territories, and municipalities to finance clean economy projects; and
- (2) Making additional amendments to:
 - (A) Change the effective date of the measure to July 1, 2030, to facilitate further discussion; and
 - (B) Make technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1033, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1033, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 729-12 Judiciary on H.B. No. 42

The purpose of this measure is to protect public health and safety by making permanent the prohibition against public urination and defecation within the boundaries of downtown Honolulu.

The Downtown Neighborhood Board No. 13, The Slippah Foundation, and a concerned individual testified in support of this measure. The Office of the Public Defender 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. 42 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 730-12 Judiciary on H.B. No. 2686

The purpose of this measure is to exempt the owner of private property from liability for injury, death, loss, or damage suffered by another if the person was allowed on the premises due to an emergency by the owner of the private property or an agent of the owner of the private property, unless it was intentionally inflicted or caused by the gross negligence of the owner or an agent of the owner.

The State Department of Defense, Hau'ula Community Association, and several concerned individuals testified in support of this measure. The Hawaii Association for Justice testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption to liability applies to circumstances where an owner of private property provides access to land, shelter, or subsistence during a disaster in good faith and without remuneration or expectation of remuneration;
- (2) Replacing the term "owner of private property and the agent of the owner of the private property" with the term "owner" and adding a definition of that term that includes any of the listed individuals, groups, or entities that control, possess or use the land;
- (3) Adding a definition of "disaster";
- (4) Including any wanton acts or omissions of the owner in those actions which are not exempted from liability;
- (5) Changing the effective date to January 7, 2059, 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. 2686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2686, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Herkes.

SCRep. 731-12 Judiciary on H.B. No. 1791

The purpose of this measure is to increase highway safety by:

- (1) Requiring driver's license revocations of up to ten years upon a conviction of manslaughter resulting from the operation of a motor vehicle;
- (2) Requiring driver's license revocations of up to five years upon conviction for negligent homicide in either the first or second degree;
- (3) Making imprisonment of up to two years a discretionary condition of probation for manslaughter convictions; and
- (4) Clarifying that probation is an available sentence for manslaughter.

The Department of the Attorney General, Office of the Prosecuting Attorney of the County of Hawaii, Department of the Prosecuting Attorney of the County of Maui, Honolulu Police Department, Maui Police Department, and Kauai Police Department 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. 1791 and recommends that it pass Third Reading.

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

SCRep. 732-12 Consumer Protection & Commerce on H.B. No. 1925

The purpose of this measure is to support the local manufacture of liquor by allowing holders of Class 1 manufacturer liquor licenses to sell in any quantity for private use and consumption other specified liquor made from fruits or other products grown in Hawaii.

Maui Brewing Co. and Island Distillers, Inc., supported this bill with amendments. The Liquor Commission of the City and County of Honolulu and a concerned individual submitted comments.

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

- (1) Allowing for the sale in any quantity of beer; wine, whether or not manufactured from grapes or other fruits grown in Hawaii; and other specified liquor, whether or not manufactured from fruits or other products grown in Hawaii, that are manufactured or distilled in Hawaii:
 - (A) At wholesale in original packages to any person who holds a license to resell it; and
 - (B) To any person for private use and consumption;
- (2) Changing its effective date to January 1, 3000, to encourage further discussion; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1925, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1925, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey and Ching.

SCRep. 733-12 Consumer Protection & Commerce on H.B. No. 1964

The purpose of this measure is to reduce the cost of chemotherapy for cancer patients, including non-generic medications, under health-insurance plans.

The Hawaii Medical Association, Hawaii Medical Service Association, and American Cancer Society supported this bill. The Department of Budget and Finance supported the intent of this measure. The Department of Commerce and Consumer Affairs and Kaiser Permanente Hawaii submitted comments.

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

- (1) Clarifying that the affected provisions of Hawaii Revised Statutes in this bill apply to cancer treatment in general and not solely chemotherapy services;
- (2) Clarifying that health-insurance plans must provide payment or reimbursement for all types of chemotherapy--not necessarily the entire cost of the chemotherapy treatment--that are considered medically necessary;
- (3) Specifically prohibiting insurers from raising the cost of intravenously administered chemotherapy to comply with the provisions in this bill;

- (4) Broadening the definition of "cost-share" or "cost-sharing" beyond only oral, intravenous, or injected non-generic cancer medications; and
- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1964, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1964, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey and Ching.

SCRep. 734-12 Consumer Protection & Commerce on H.B. No. 2272

The purpose of this measure is to:

- (1) Clarify the definition of "landscape architect"; and
- (2) Replace the existing definition of "surveyor" or "land surveyor" with new definitions for "land surveying" and "professional surveyor", "professional land surveyor", or "land surveyor".

The Board of Professional Engineers, Architects, Surveyors, and Landscape Architects supported the intent of this bill. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and a concerned individual submitted comments.

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

- (1) Further modifying the definition of "land surveying", including specifying that this definition does not apply to any person working within the scope of practice of another licensed profession as long as the person does not purport to be a land surveyor;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2272, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2272, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey and Ching.

SCRep. 735-12 Consumer Protection & Commerce/Judiciary on H.B. No. 1957

The purpose of this measure is to help protect the privacy of health care consumers by clarifying that persons and entities governed by the Health Insurance Portability and Accountability Act (HIPAA) who use or disclose individually identifiable health information that is consistent with HIPAA regulations are deemed to be in compliance with Hawaii's privacy statutes and rules.

The Office of the Governor, Department of Health, Hawaii Medical Service Association, Kaiser Permanente Hawaii, Hawaii Association of Health Plans, Healthcare Association of Hawaii, Hawaii Disability Rights Center, Hawaii Health Information Exchange, Hawaii Chapter - American Physical Therapy Association, and National Alliance on Mental Illness Hawaii supported this bill. The Hawaii Health Information Corporation supported the intent of this measure. The Department of Commerce and Consumer Affairs (DCCA), Regulated Industries Complaints Office of DCCA, Hawaii Association for Justice, and a concerned individual submitted comments.

After careful consideration, your Committees have amended this bill by, among other things:

- (1) Establishing the applicability of the new statute;
- (2) Adding definitions for "breach", "disclosure", "unsecured protected health information", and "use";
- (3) Providing that any notice of breach of unsecured protected health information that complies with 45 Code of Federal Regulations, Part 164, Subpart D, will be deemed to comply with all state laws relating to notice of breach of protected health information;
- (4) Providing that nothing in the new statute will be construed to limit or otherwise affect any evidentiary privilege, limitation on discovery, or confidentiality protection provided by any state law, decision, or order in relation to individually identifiable health information sought, used, or produced in any judicial or administrative proceeding;
- (5) Changing its effective date to January 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 1957, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1957, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Keith-Agaran, Carroll, Coffman, Luke, McKelvey, Ching and Fontaine.

SCRep. 736-12 Finance on H.B. No. 2226

The purpose of this measure is to enhance timely notification and information provided to victims and concerned members of the community regarding the status of inmates by, among other things:

- (1) Establishing a permanent statewide automated victim information and notification system in the Department of Public Safety;
- (2) Creating the Automated Victim Information and Notification System Special Fund for the development and operating expenses of the victim information and notification system; and
- (3) Establishing an automated victim information and notification system governance committee to advise the Department of Public Safety on implementing the automated victim information and notification system.

The Crime Victim Compensation Commission; Hawaii Paroling Authority; Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, Victim/Witness Assistance Division, County of Maui; The Sex Abuse Treatment Center; and several individuals testified in support of the measure. The Department of Budget and Finance, Ohana Health Plan, and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Defining "offender";
- (2) Specifying that the automated victim information and notification system governance committee is allowed, rather than required, to include representatives from certain specified private entities;
- (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. 2226, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2226, H.D. 2.

Signed by all members of the Committee.

SCRep. 737-12 Finance on H.B. No. 2258

The purpose of this measure is to help address unemployment issues faced by Hawaii's service men and women upon separation by allowing professional and vocational licensing authorities to apply military education, training, or service toward the qualifications required to receive a license.

The Oahu Veterans Council; Military Officers Association of America, Hawaii Chapter; and The Chamber of Commerce of Hawaii supported this bill. The Department of Commerce and Consumer Affairs and Office of the Deputy Assistant Secretary of Defense provided comments.

Your Committee has amended this measure by:

- (1) Requiring that every licensing authority consider the education, training, or service completed by an individual during the individual's tenure in the military or its state-level counterparts;
- (2) Specifying that the military training or experience will satisfy a licensing authority's training or experience requirements unless the board determines that it is not substantially equivalent to the standards of the State;
- (3) Adding a ten-year sunset date;
- (4) Changing its effective date to July 1, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2258, H.D. 2.

Signed by all members of the Committee.

SCRep. 738-12 Finance on H.B. No. 2410

The purpose of this measure is to strengthen Hawaii's economy and maintain the mutually beneficial relationship between the State and the military by requiring the Governor to enter into a memorandum of understanding with the United States Department of Defense to:

- (1) Enhance the State's relationship with the military; and

- (2) Provide continued support for the military's presence in Hawaii.

The Chamber of Commerce of Hawaii and Military Officers Association of America, Hawaii Chapter testified in support of this measure. The Department of the Navy commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the Navy's military operations include Joint Base Pearl Harbor Hickam and the Pacific Missile Range Facility, rather than the Pearl Harbor Naval Air Station and Barbers Point Naval Air Station;
- (2) Specifying that collaborative efforts under the memorandum of understanding include:
 - (A) Retaining or expanding military bases and training areas including research, development, and testing and evaluation; and
 - (B) Limiting the development of areas adjacent to military bases and training areas to ensure land uses that are compatible with base activities and that sustain military readiness; 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. 2410, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2410, H.D. 1.

Signed by all members of the Committee.

SCRep. 739-12 Finance on H.B. No. 2600

The purpose of this measure is to protect public health and safety by updating Hawaii's controlled substances law to conform to federal law. Specifically, this measure updates the list of controlled substances under the designation of Schedule I and Schedule II controlled substances.

The Department of Public Safety testified in support of this measure.

Your Committee has amended this measure 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2600, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2600, H.D. 2.

Signed by all members of the Committee.

SCRep. 740-12 Finance on H.B. No. 2601

The purpose of this measure is to increase the efficiency of the Department of Public Safety by:

- (1) Allowing persons authorized by the rules of court to serve non-criminal legal process in addition to sheriffs and police officers;
- (2) Reserving the responsibility to serve criminal summons, warrants, attachments, and other criminal processes to sheriffs and police officers; and
- (3) Removing inconsistencies in language throughout the Hawaii Revised Statutes regarding service of process.

The Department of Public Safety testified in support of this measure.

Your Committee has amended this measure 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2601, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2601, H.D. 3.

Signed by all members of the Committee.

SCRep. 741-12 Finance on H.B. No. 2639

The purpose of this measure is to assist Hawaii's military personnel by requiring the University of Hawaii's college equivalency program to award academic credits for professional experience gained in the United States Armed Forces. This measure also requires the University of Hawaii to develop an associated learning assessment to determine college-level learning gained during such experience.

The Oahu Veterans Council, The Chamber of Commerce of Hawaii, and an individual supported this measure. The Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2639, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2639, H.D. 2.

Signed by all members of the Committee.

SCRep. 742-12 Finance on H.B. No. 2642

The purpose of this measure is to address the State's fireworks law by, among other things:

- (1) Exempting licensees who provide proof of ownership of an approved fireworks storage facility, accurate recordkeeping and auditing procedures, and the production of at least twelve displays with the last twelve calendar months from provisions relating to the importation of aerial devices, display fireworks, and articles pyrotechnic for display;
- (2) Amending the requirements of licensees with respect to required notifications; and
- (3) Specifying additional labeling requirements and procedures for display fireworks and requiring that the labeling be attached no later than fifteen days after importation into the State.

The State Fire Council, Honolulu Fire Department, County of Maui Department of Fire and Public Safety, Kauai Fire Department, and Hawaii Fire Department provided comments.

Your Committee has amended this bill by:

- (1) Requiring that a licensee provide proof of a licensed fireworks storage facility rather than proof of ownership of an approved fireworks storage facility to be exempt from provisions relating to the importation of aerial devices, display fireworks, and articles pyrotechnic for display; and
- (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. 2642, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2642, H.D. 2.

Signed by all members of the Committee.

SCRep. 743-12 Finance on H.B. No. 2681

The purpose of this measure is to repeal the requirement for the Conservation and Resources Enforcement Program of the Department of Land and Natural Resources to obtain national accreditation prior to using or obtaining electric guns, related equipment, and training.

The Department of Land and Natural Resources and several concerned individuals testified in support of this measure. The American Civil Liberties Union of Hawaii testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Inserting a five year sunset provision; and
- (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. 2681, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2681, H.D. 1.

Signed by all members of the Committee.

SCRep. 744-12 Finance on H.B. No. 2798

The purpose of this measure is to enhance the effectiveness of the criminal justice system in regards to veterans of war and their unique needs by creating the Temporary Hawaii Veterans Treatment Court.

The Office of the Mayor of the City and County of Honolulu, Oahu Veterans Center, The Chamber of Commerce of Hawaii, Military Officers Association of America, and several individuals testified in support of this measure. The Judiciary, Office of Veterans Services, and Office of the Deputy Assistant Secretary of Defense provided comments on this measure.

Your Committee has amended this measure by:

- (1) Broadening the definition of "veteran" in order to serve as many veterans as possible; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2798, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2798, H.D. 3.

Signed by all members of the Committee.

SCRep. 745-12 Finance on H.B. No. 2848

The purpose of this measure is to reestablish highly-recognized native Hawaiian cultural practices to reduce recidivism, prevent crime, and ensure long-term positive changes by:

- (1) Establishing a Wellness Center Task Force within the Legislative Reference Bureau to move forward with the concept of pu'uhonua, or wellness center; and
- (2) Requiring the task force to establish a location for the wellness center on lands owned or controlled by the State with preference given to the site formerly used as the Kulani Correctional Facility in east Hawaii.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, Ohana Hoopakele, Pacific and Asian American Center for Theologies and Strategies, Global Hawaii Organization for Peace and the Environment, Royal Order of Kamehameha I, Malu Aina Center for Non-Violent Education and Action, and many concerned individuals supported the measure. The Department of Land and Natural Resources, Department of Public Safety, Legislative Reference Bureau, and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Requiring the Legislature to be the administrator of the Wellness Center Task Force, and not the Legislative Reference Bureau;
- (2) Authorizing the President of the Senate and the Speaker of the House of Representatives to appoint members of the task force;
- (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. 2848, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2848, H.D. 3.

Signed by all members of the Committee.

SCRep. 746-12 Finance on H.B. No. 1874

The purpose of this measure is to improve the health and safety of our communities and obtain a broader spectrum of views on the impacts of, and solutions to, the negative effects of vog by expanding the membership of the Interagency Task Force on Vog to include any Representative or Senator representing a district on the Island of Hawaii that is impacted by vog.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1874 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 747-12 Finance on H.B. No. 2409

The purpose of this measure is to authorize the Director of Commerce and Consumer Affairs to enforce certain federal laws to protect military members and their families from abusive lending practices.

The Office of Consumer Protection of the Department of Commerce and Consumer Affairs, the Oahu Veterans Council, and The Chamber of Commerce of Hawaii testified in support of this measure. The Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy 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. 2409 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 748-12 Finance on H.B. No. 2599

The purpose of this measure is to define how pre-trial bail assessments are initiated, and to provide statutory authority to the Department of Public Safety to supervise pre-trial persons ordered released from custody by the courts.

The Department of Public Safety 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. 2599, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 749-12 Finance on H.B. No. 2598

The purpose of this measure is to increase the efficiency of the pre-sentence investigative process as it relates to convicted defendants by deleting the Intake Service Center as an agency responsible for preparing the pre-sentence diagnosis and report for defendants and for giving notices of the Crime Victim Compensation Act and other specified restitution procedures.

The Department of Public Safety 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. 2598, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 750-12 Finance on H.B. No. 2100

The purpose of this measure is to support agricultural production by appropriating general funds to the University of Hawaii for bee hive research statewide.

The Department of Agriculture, Hawaii Farm Bureau Federation, and an individual supported this measure. Hawaii Farmers Union United and an individual commented on this measure.

Your Committee has amended this measure by changing the appropriation figures to unspecified amounts.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2100, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2100, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 751-12 Finance on H.B. No. 2093

The purpose of this measure is to support agricultural education in the State by establishing a Center for Agricultural Leadership within the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo and requiring the University of Hawaii to establish a two-year pilot project at one high school in each county to determine the steps necessary for a school farm to be food safety certified by the state Department of Agriculture. This measure also appropriates funds to the University of Hawaii to implement its intent.

The Hawaii Association of Independent Schools and two concerned individuals supported this bill. The Hawaii Farm Bureau Federation opposed this measure. The Department of Agriculture, Department of Education, University of Hawaii System, Hawaii Farmers Union United, 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. 2093, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 752-12 Finance on H.B. No. 1942

The purpose of this measure is to allow monies in the Pest Inspection, Quarantine, and Eradication Fund to be expended for the Electronic Importer Manifest Program and to make an appropriation to implement the program.

The Department of Agriculture, Department of Land and Natural Resources, The Nature Conservancy of Hawaii, Coordinating Group on Alien Pest Species, Hawaii Farm Bureau Federation and one individual testified in support.

Your Committee amended this measure by:

- (1) Changing the appropriation figure to a blank amount;
- (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. 1942, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1942, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 753-12 Finance on H.B. No. 1943

The purpose of this measure is to provide funding for invasive species detector-dog positions to the Department of Agriculture.

The Hawaii Farm Bureau Federation, The Nature Conservancy of Hawai'i, Coordinating Group on Alien Pest Species, Hawaii Farmer's Union and four individuals testified in support of this measure. The Department of Agriculture and Department of Land and Natural Resources provided comments.

Your Committee has amended this measure by:

- (1) Leaving blank the amount appropriated for the 2012-2013 fiscal year to match the grant provided by the federal Office of Insular Affairs to fund the plant quarantine detector-dog program;
- (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. 1943, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1943, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 754-12 Finance on H.B. No. 1947

The purpose of this measure is to strengthen the Agricultural Safety and Security Program, which assists the agricultural industry in achieving food, environmental, and worker safety in a cost effective and efficient manner by:

- (1) Requiring the Department of Agriculture to adopt generally accepted agricultural and management practices, after considering available information and input solicited by the Department;
- (2) Requiring the Department to establish an Audit and Certification Program to audit and certify that producers, who voluntarily request certification, are following generally accepted agricultural and management practices; and
- (3) Establishing the Agricultural Practices Audit and Certification Revolving Fund to establish and maintain the generally accepted agricultural and management practices program.

The Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and four individuals supported this measure. Hawaii Farmers Union United and eight individuals opposed this measure. The Department of Agriculture, the Department of Budget and Finance, and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1947, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.
(Representatives Marumoto and Riviere voted no.)

SCRep. 755-12 Finance on H.B. No. 280

The purpose of this measure is to repeal the requirement that all Hawaii-grown green coffee beans be inspected and certified by the Department of Agriculture for grade and origin and the related prohibition on shipping uninspected green coffee beans outside the area of geographic origin.

The Kona Coffee Council; Hawaii Coffee Company; Hawaii Coffee Association; Rural Kona Mill and Museum; Greenwell Farms, Inc.; Hawaii Coffee Growers Association; Dole Food Company; Captain Cook Coffee Company; McDonalds of Hawaii; and numerous concerned individuals testified in support of this measure. The Kona Coffee Farmers Association and many concerned individuals testified in opposition to this measure. The Department of Agriculture, Hawaii Farm Bureau Federation, and Ka'u Farm Bureau 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. 280, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 756-12 Finance on H.B. No. 2244

The purpose of this measure is to authorize the Department of Agriculture to establish, maintain, and enforce compliance agreements with federal or state departments of agriculture authorizing agriculture inspectors from the state of origin to monitor:

- (1) The growing and packing of commodities;
- (2) Any treatment procedures to ensure compliance with quarantine laws; and
- (3) The assessment of fees for conducting inspections.

The Department of Agriculture and two individuals testified in support of this measure. The Nature Conservancy 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. 2244, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 757-12 Finance on H.B. No. 2004

The purpose of this measure is to provide limited economic relief to airport concessionaries by temporarily providing the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to extend the term of the concession contract and to modify and amend terms of the contract in exchange for revenue-enhancing improvements that are made or paid for by the concession.

The Department of Transportation, Island Shoppers, the Airport Concessionaire Committee, and two individuals supported this measure. The Office of Hawaiian Affairs opposed this measure. The Airlines Committee of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2004, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2004, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 758-12 Finance on H.B. No. 2614

The purpose of this measure is to assist the Department of Transportation's Harbors Division in addressing the management and operations of its commercial harbor facilities by, among other things:

- (1) Establishing that citations for non-criminal violations issued by enforcement officers or harbor agents shall be adjudicated through the administrative hearings process, rather than District Court;

- (2) Stipulating that fines and penalties for non-criminal violations are to be deposited into the Harbor Special Fund;
- (3) Removing jurisdictional references to recreational properties, properties used for the landing of fish, and Kewalo Basin, as the Hawaii Community Development Authority currently has jurisdiction over that facility;
- (4) Clarifying that law enforcement officers conferred with police powers by the Director of Transportation shall issue citations and notices of violations for traffic code and other criminal statutes; and
- (5) Requiring commercial harbor tenants and users whose violation of any federal maritime transportation security law or rule results in a fine assessed by the United States Coast Guard to reimburse the Department of Transportation for the fine.

The Department of Transportation supported this measure.

Your Committee has amended this measure by:

- (1) Requiring that a purported violator:
 - (A) Remit a fee to the Harbor Special Fund in lieu of appearing at an administrative hearing to contest the charges and forfeit the opportunity to appear at the administrative hearing; or
 - (B) Appear before an administrative hearing and answer to the charge against the purported violator; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2614, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2614, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 759-12 Finance on H.B. No. 2626

The purpose of this measure is to enhance traffic safety around Hawaii's schools and enable and encourage children to walk and bicycle to school by statutorily establishing the Safe Routes to School Program introduced under Act 100, Session Laws of Hawaii 2009. This measure also establishes:

- (1) The Safe Routes to School Program Special Fund; and
- (2) A Safe Routes to School Program surcharge of:
 - (A) \$10 on all moving violations; and
 - (B) \$25 on violations involving speeding in a school zone.

The Department of Education, Department of Transportation, County of Kauai Planning Department, Hawaii Nutrition and Physical Activity Coalition, Hawaii Bicycling League, Kauai County Housing Agency, Hawaii Public Health Association, two members of the Kauai County Council, and several concerned individuals supported this bill. The Department of Health and Department of Budget and Finance 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. 2626, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2626, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 760-12 Finance on H.B. No. 2684

The purpose of this measure is to help alleviate traffic congestion by requiring the Department of Transportation to conduct a study on the feasibility of extending the zipper lane westward from Waipahu toward Kapolei, west of the Kunia on-ramp on the island of Oahu.

The Department of Transportation and three concerned individuals supported this bill.

Your Committee has amended this measure by:

- (1) Directing that funds for the study be appropriated from the State Highway Fund rather than general revenues;
- (2) Making unspecified the appropriation 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. 2684, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2684, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 761-12 Finance on H.B. No. 2154

The purpose of this measure is to assist the Department of Transportation in the effective and efficient operation of its airport facilities by providing a temporary exemption from special management area minor and use permit requirements for airport facility development that is necessary to comply with Federal Aviation Administration requirements.

The Department of Transportation, Department of Business, Economic Development, and Tourism, and General Contractors Association of Hawaii testified in support of this measure. Several 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. 2154, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 762-12 Finance on H.B. No. 2380

The purpose of this measure is to assist the residents and businesses of Molokai and Lanai by establishing a working group to study and consider ways to reduce the time and cost of shipping goods from Molokai and Lanai to Oahu, including amending existing laws, exploring the feasibility of alternative modes of transportation, reducing taxes, and creating tax incentives.

The Office of Hawaiian Affairs, Molokai Farm Bureau, Hawaii Farm Bureau Federation, a member of the Maui County Council, and an individual testified in support of this measure. The Department of Business, Economic Development, and Tourism and Young Brothers, Limited 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. 2380, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 763-12 Finance on H.B. No. 2608

The purpose of this measure is to facilitate international reciprocity by:

- (1) Requiring the Director of the Department of Transportation to establish and appoint the members of a statewide driver's license reciprocity committee to evaluate the written knowledge and practical examination program of a foreign country whenever a foreign country makes a request for driver's license reciprocity;
- (2) Establishing a process to determine whether the standards of the foreign countries' driver's license testing are equivalent to Hawaii's driver's license testing; and
- (3) Requiring that the Driver's License Reciprocity Committee notify the Legislature of its findings and recommendations.

The Department of Transportation, the Department of Customer Services of the City and County of Honolulu, and the Consulate General of the Republic of Korea 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 H.B. No. 2608, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 764-12 Finance on H.B. No. 2789

The purpose of this measure is to protect the health, safety, and welfare of the general public by:

- (1) Establishing a photo speed imaging detector system program to improve enforcement of speed limits;
- (2) Allowing county implementation of a photo speed imaging detector system program in areas where excessive speeding has been found to be a problem;

- (3) Establishing a photo speed imaging detector system program account and authorizing fines collected under county-administered programs to be deposited into the account; and
- (4) Authorizing funds from the account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of a photo speed imaging detector system program.

The State Highway Safety Council, Hawaii Bicycling League, and several concerned individuals testified in support of this bill. The Department of Budget and Finance and Office of Information Practices 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. 2789, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 765-12 Finance on H.B. No. 2790

The purpose of this measure is to protect public health, safety, and welfare by:

- (1) Establishing a photo red light imaging detector systems program that may be implemented by any county on state or county highways;
- (2) Establishing a photo red light imaging detector systems program account as a special account within the general fund to receive all fines collected under the program and to be expended in the county in which the fine was imposed to establish, operate, manage, and maintain the photo red light imaging detector system; and
- (3) Appropriating unspecified amounts allocated to each county to establish the photo red light imaging detector systems program.

The Department of Transportation, State Highway Safety Council, Mothers Against Drunk Driving HAWAII, Hawaii Bicycling League, and two concerned individuals 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 H.B. No. 2790, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 766-12 Finance on H.B. No. 2602

The purpose of this measure is to clarify that a defendant will not earn credit on a sentence imposed for a subsequent conviction for time served on a previous unrelated felony conviction.

The Department of Public Safety commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that this measure relates to the time credited while the defendant is in custody rather than to concurrent or consecutive sentencing;
- (2) Changing the effective date to July 1, 2012; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2602, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2602, H.D. 2.

Signed by all members of the Committee.

SCRep. 767-12 Finance on H.B. No. 1754

The purpose of this measure is to permit, in lieu of the operation of polling places, the mailing of absentee ballots to all registered voters in certain small population pockets that require a unique ballot type.

The Office of Elections; Office of the County Clerk of the County of Maui; Office of the County Clerk of the County of Kauai; and League of Women Voters of Hawaii 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. 1754, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 768-12 Finance on H.B. No. 1756

The purpose of this measure is to increase the transparency of the electoral system by amending the campaign spending law to, among other things:

- (1) Define the term "matching payment period";
- (2) Make housekeeping revisions that neither enlarge nor curtail the duties of the Campaign Spending Commission;
- (3) Amend the filing requirements for candidate committee reports by changing the deadline for the first preliminary report for a primary election, and requiring that the January supplemental report be filed annually;
- (4) Ensure greater clarity and specificity by requiring noncandidate committees to include in their reports:
 - (A) Contributions made and 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, and whether the expenditure supports or opposes the candidate; and
- (5) Establish the deadline for the filing of the voluntary expenditure limits affidavit.

The Campaign Spending Commission and Americans for Democratic Action Hawaii supported this measure. The League of Women Voters 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. 1756, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 769-12 Finance on H.B. No. 1777

The purpose of this measure is to create a criminal long-arm statute to authorize district and circuit court judges in the State to order the production of records held by entities located outside of the State.

The Department of the Prosecuting Attorney of the City and County of Honolulu 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 H.B. No. 1777, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 770-12 Finance on H.B. No. 1892

The purpose of this measure is to ensure that the Reapportionment Commission has adequate funding to effectively carry out its mission by:

- (1) Placing the Reapportionment Commission within the Office of Elections for administrative purposes only; and
- (2) Requiring the Chief Election Officer, during each regular legislative session that immediately precedes an apportionment year, to request an appropriation for the Reapportionment Commission.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1892 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 771-12 Finance on H.B. No. 2174

The purpose of this measure is to make various amendments to Hawaii's campaign spending law by, among other things:

- (1) Adding a definition of the word "entity";
- (2) Clarifying that any person who fails to file or files a substantially defective or deficient report is subject to monitoring and penalties;
- (3) Requiring that every report to be filed by an individual or entity must be certified as complete and accurate by that individual or entity;
- (4) Making all reports available for public inspection on the Campaign Spending Commission's (Commission) website in a searchable database;
- (5) Adding additional disclosure requirements for noncandidate committee reports;

- (6) Requiring that any expenditure that is contracted or paid for and that will be rendered during the last three days of an election period must also be included in a late expenditures report;
- (7) Requiring late reports from entities that make contributions or independent expenditures in an aggregate amount of more than \$500 within fourteen through four calendar days prior to any election;
- (8) Authorizing the Commission to assess a fine against a person, party, or candidate for failure to file required reports;
- (9) Mandating additional information to be contained in each statement of information;
- (10) Mandating certain requirements for advertisements;
- (11) Replacing the Comptroller with the Executive Director of the Campaign Spending Commission as the person who must notify the Legislature and public regarding the adoption, amendments, or repeal of rules concerning disclosure of contributions and expenditures; and
- (12) Mandating that the Commission adopt, amend, or repeal rules to ensure the proper disclosure of contributions and expenditures in accordance with Part III of Chapter 11, Hawaii Revised Statutes, along with other requirements.

The League of Women Voters and numerous individuals testified in support of this measure. The Campaign Spending Commission, Department of the Attorney General, Common Cause Hawaii, and Americans for Democratic Action provided comments on this measure.

Your Committee notes the concern of the Department of the Attorney General that corporations are already required to file disclosure reports under current campaign finance laws.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2174, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 772-12 Finance on H.B. No. 2251

The purpose of this measure is to require the county clerk of any county with a population of less than 100,000 to mail an absentee ballot for each primary, special primary, special, general, and special general election to all registered voters on any island of the county that is not contiguous with the island where the county seat of government is located.

The Office of Elections; Office of the County Clerk, County of Maui; Elections Division of the Office of the County Clerk, County of Kauai; and the League of Women Voters submitted testimony 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. 2251 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 773-12 Finance on H.B. No. 1755

The purpose of this measure is to modify voter registration and related procedures by, among other things:

- (1) Allowing online voter registration, and establishing that using the electronic application for registration constitutes consent by the applicant for confirmatory information to be obtained from other government databases regarding the applicant's information;
- (2) Amending record keeping requirements affecting the maintenance of voters' names, affidavits of registration, and the use of tabulating cards, computer tapes, the register, and voter lists;
- (3) Deleting requirements that the county clerk maintain segregated records for the Office of Hawaiian Affairs registered voters, and the requirement that a person voting for the Board of Trustees of the Office of Hawaiian Affairs affirm that the person is Hawaiian;
- (4) Deleting the requirement that the county clerk prepare a list of all registered voters in each precinct to be posted at the precinct polling place on election day;
- (5) Appropriating \$500,000 from the general fund for the planning, designing, and implementation of an online voter registration system; and
- (6) Requiring the Chief Election Officer and county clerks to consider and report on the feasibility of using the last four digits of the social security number in lieu of using that number in its entirety in voter registration and record keeping.

The Elections Division of the Office of the Clerk of the County of Kauai, Americans for Democratic Action Hawaii, and five individuals supported this measure. The Office of Elections, The Office of the County Clerk of the County of Maui, Common Cause Hawaii, and the League of Women Voters of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount;
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1755, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 774-12 Finance on H.B. No. 2401

The purpose of this measure is to propose an amendment to Article IV, section 2, of the Constitution of the State of Hawaii to require a residency requirement for members appointed to the Reapportionment Commission, such that the officials designated as selecting authorities must each select two persons from different counties, or basic island units.

Common Cause Hawaii and the League of Women Voters of Hawaii commented on the measure.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2401, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2401, H.D. 2.

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

SCRep. 775-12 Finance on H.B. No. 2454

The purpose of this measure is to strengthen public safety in the State by:

- (1) Specifying that agencies and entities statutorily authorized under section 846-2.7(b), Hawaii Revised Statutes, to conduct state and national criminal history record checks on personnel, may participate in the rap back program such that these agencies and entities will be notified when participating employees or licensees are arrested subsequent to their initial criminal history record checks; and
- (2) Requiring these agencies and entities to notify applicants and employees that their fingerprints will be also retained by the Federal Bureau of Investigation.

The Department of the Attorney General, Department of Human Services, Department of Commerce and Consumer Affairs, Department of Human Resources of the City and County of Honolulu, and Hawaii Health Systems Corporation testified in support of this measure. The Hawaii Civil Rights Commission 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. 2454, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 776-12 Finance on H.B. No. 2007

The purpose of this measure is to help ensure that students receive quality instructional time by:

- (1) Requiring the Department of Education to devise up to four standard bell schedules for elementary, middle, and high schools and allowing individual schools the discretion to implement one of the available schedules;
- (2) Clarifying the definition of "student instructional hours"; and
- (3) Repealing the general requirement that all public schools except charter schools and multi-track public schools include 1,080 student instructional hours.

The Department of Education supported this bill. The Hawaii State Teachers Association and a concerned individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2007, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 777-12 Finance on H.B. No. 2046

The purpose of this measure is to support adult and community education in the State by establishing the Adult and Community Education Program Special Fund with separate accounts for each community school for adults and clarifying that the adult and community education program will be funded through legislative appropriations supplemented by student fees.

Several concerned individuals supported this measure. The Department of Education provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2046 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 778-12 Finance on H.B. No. 2127

The purpose of this measure is to support quality education in the State by extending to June 30, 2017, the lapse date of the special purpose revenue bonds authorized to assist Hawaii Preparatory Academy in Act 116, Session Laws of Hawaii 2007.

Hawaii Preparatory Academy, the Hawaii Association of Independent Schools, the Kohala Center, and several concerned individuals 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 H.B. No. 2127 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 779-12 Finance on H.B. No. 2513

The purpose of this measure is to provide the Department of Education with flexibility in the implementation of student health programs by repealing certain operational requirements established for a 1970 pilot project for health services.

The Department of Education 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 H.B. No. 2513, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 780-12 Finance on H.B. No. 2816

The purpose of this measure is to support quality education in Hawaii by authorizing the issuance of special purpose revenue bonds to assist Le Jardin Academy to finance and refinance the construction, improvement, and equipping of its educational facilities.

The Hawaii Association of Independent Schools 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 H.B. No. 2816, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 781-12 Finance on H.B. No. 1683

The purpose of this measure is to more efficiently provide early learning opportunities in the State by eliminating junior kindergarten beginning with the 2014-2015 school year.

The Early Learning Council supported this measure. The Department of Human Services and Hawaii State Teachers Association provided 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. 1683, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1683, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 782-12 Finance on H.B. No. 2106

The purpose of this measure is to help alleviate the administrative burden upon public schools by allowing schools to claim student activity funds left in the school by a graduating class immediately after the graduation of the class rather than five years after the class graduates or upon a donation by the class within that five-year period.

The Department of Education supported this measure.

Your Committee has amended this measure by clarifying that student activity funds left in the school's non-appropriated local school fund account will be available to the school for general school needs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2106, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2106, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 783-12 Finance on H.B. No. 2527

The purpose of this measure is to help improve the public education system in the State by requiring, among other things:

- (1) The Department of Education to establish a consistent performance management program that includes an evaluation component for teachers and educational officers; and
- (2) That teachers entering the service of the Department of Education for the first time serve a minimum probationary period of three years.

The Governor supported this bill. The Hawaii State Teachers Association, IMUAlliance, and a concerned individual opposed this measure. The Office of Hawaiian Affairs provided 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2527, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2527, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 784-12 Finance on H.B. No. 2143

The purpose of this measure is to make the nomination process more flexible for filling resident member vacancies on the Hawaii Public Housing Authority Board of Directors by allowing for at least three individuals but no more than five individuals on the list of nominees for the resident member seat.

The Department of Human Services and the Hawaii Public Housing Authority 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 H.B. No. 2143 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 785-12 Finance on H.B. No. 755

The purpose of this measure is to streamline the public housing eviction process by conforming procedural requirements to federal law. Specifically, this measure:

- (1) Changes the notification and eviction hearings process for tenants who face eviction; and
- (2) Reconfigures the size of the eviction board from a minimum of three members to a minimum of one member and a maximum of three members.

The Hawaii Public Housing Authority and Kewalo Hawaiian Homestead Community Association testified in support of this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 755, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 755, H.D. 3.

Signed by all members of the Committee.

SCRep. 786-12 Finance on H.B. No. 1398

The purpose of this measure is to encourage joint ventures with private parties for the development of public housing by:

- (1) Authorizing the Hawaii Public Housing Authority to develop public housing projects under a partnership or development agreement with a private party;
- (2) Exempting the Hawaii Public Housing Authority from Chapter 103, Hawaii Revised Statutes, relating to the expenditure of public money and contracts, and Chapter 103D, Hawaii Revised Statutes, the Hawaii Procurement Code, if not prohibited by federal law or regulation; and
- (3) Requiring the Hawaii Public Housing Authority to submit an annual report to the Legislature prior to the convening of each regular session on the status of all public housing projects being developed using partnership or development agreements.

The Hawaii Public Housing Authority testified in support of this measure. The State Procurement Office testified in opposition to this measure. The Hawaii Building and Construction Trades Council provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purposes of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1398, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1398, H.D. 1.

Signed by all members of the Committee.

SCRep. 787-12 Finance on H.B. No. 2302

The purpose of this measure is to:

- (1) Address economic revitalization by temporarily exempting from the state and county civil service persons hired or contracted to perform specified work relating to vacant public housing units or capital improvement projects; and
- (2) Improve public housing inventory by appropriating funds from general obligation bonds to renovate public housing units that are uninhabitable.

The Hawaii Public Housing Authority of the Department of Human Services and Catholic Charities Hawaii supported this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposed this measure.

Your Committee requests that updated information be collected on the number of public housing units that are in poor condition, and the estimated cost to repair those units. The Hawaii Public Housing Authority testified that a Physical Needs Assessment in 2009 reported a capital repair backlog agency-wide of more than \$350,000,000. The Hawaii Public Housing Authority estimates that the current backlog is \$200,000,000.

Your Committee has amended this measure by:

- (1) Appropriating an unspecified dollar amount, instead of \$5,000,000, out of general obligation bonds to the Hawaii Public Housing Authority for renovating uninhabitable public housing units;
- (2) Changing its effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2302, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2302, H.D. 2.

Signed by all members of the Committee.

SCRep. 788-12 Finance on H.B. No. 2248

The purpose of this measure is to support higher education in the State by authorizing the issuance of special purpose revenue bonds to assist Hawaii Pacific University and one or more of its not-for-profit affiliates to finance, refinance, and reimburse costs related to the planning, acquisition, and construction of various capital projects.

The Hawaii Association of Independent Schools supported this bill. Hawaii Pacific University provided comments.

Your Committee has amended this bill by permitting a limited liability company of which Hawaii Pacific University is the sole member to be considered a not-for-profit affiliate of Hawaii Pacific University.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2248, H.D. 2.

Signed by all members of the Committee.

SCRep. 789-12 Finance on H.B. No. 2819

The purpose of this measure is to require the Hawaii Community Development Authority to determine the costs and benefits of selling and purchasing certain properties within the Kakaako Community Development District.

A few individuals opposed this measure. The Hawaii Community Development Authority 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. 2819, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 790-12 Finance on H.B. No. 1972

The purpose of this measure is authorize the Department of Land and Natural Resources to charge fees related to its comprehensive historic preservation program in amounts sufficient to cover the annual operating costs of the program, taking into account all other sources of program income.

The Department of Land and Natural Resources and Department of Transportation provided comments on this measure.

Your Committee has amended this measure by further specifying that the fees shall be proportional to the nature and complexity of the projects or services provided.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1972, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1972, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 791-12 Finance on H.B. No. 2339

The purpose of this measure is to clarify the requirements for community representatives of the Kalaeloa Community Development District appointed to the Hawaii Community Development Authority.

Additionally, this measure clarifies the selection process for vacancies among the three county members on the Hawaii Community Development Authority.

The Hawaii Community Development Authority commented on this measure.

Your Committee has amended this measure by further clarifying the requirements for the two community representatives by stating that the members shall be residents of the Kalaeloa Community Development District, the Ewa zone (zone 9, sections 1 through 2), or the Waianae zone (zone 8, sections 1 through 9) of the first tax map key division to ensure clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2339, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2339, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 792-12 Finance on H.B. No. 2481

The purpose of this measure is to clarify the notice requirements for public hearings held by the Hawaii Community Development Authority. Specifically, this measure requires the Authority to publish notice in a publication with statewide circulation for rulemaking hearings and in a publication with county-wide circulation for development plan approval public hearings.

The Hawaii Community Development Authority testified in support of this measure.

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. 2481, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2481, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 793-12 Finance on H.B. No. 2345

The purpose of this measure is to provide for the public health, safety, and general welfare of the community by authorizing the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

Healthcare Association of Hawaii, Hawaii Catholic Conference, and St. Francis Healthcare System of Hawaii 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. 2345, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 794-12 Finance on H.B. No. 1952

The purpose of this measure is to appropriate funds, subject to a dollar-for-dollar match in private funds, as a grant pursuant to Chapter 42F, Hawaii Revised Statutes, for Hawaii Pacific Health to establish a bone marrow transplant center in Hawaii.

Healthcare Association of Hawaii, Hawaii Pacific Health, and American Cancer Society testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified amount;
- (2) Changing its effective date to July 1, 2030, to facilitate ongoing 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. 1952, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1952, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 795-12 Finance on H.B. No. 1953

The purpose of this measure is to provide for the medical needs of the community in light of the closure of Hawaii Medical Center's two hospitals, by appropriating funds to:

- (1) Increase the on-call availability of emergency medical services and ambulance services in Leeward Oahu; and
- (2) Assist Wahiawa General Hospital in providing additional emergency room services.

The United Public Workers, AFSCME, Local 646, AFL-CIO; Healthcare Association of Hawaii; and Emergency Services Department of the City and County of Honolulu testified in support of this measure.

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 facilitate ongoing 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. 1953, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1953, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 796-12 Finance on H.B. No. 2097

The purpose of this measure is to extend the lapse date of the authorization to issue special purpose revenue bonds to assist The Queen's Health Systems.

The Healthcare Association of Hawaii supported the measure. The Queen's Health Systems offered comments on the measure.

Your Committee has amended this measure by:

- (1) Changing the lapse date of the authorization to issue special purpose revenue bonds to assist The Queen's Health Systems from June 30, 2018, to June 30, 2017; and
- (2) Changing its effective date to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2097, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2097, H.D. 2.

Signed by all members of the Committee.

SCRep. 797-12 Judiciary on H.B. No. 2175

The purpose of this measure is to exempt persons serving on a task force, working group, or other similar entity established by the Legislature for the purpose of recommending possible legislation from the conflict of interest law under the State's Code of Ethics, by clarifying that an employee, as defined therein, does not include task force members, and by amending section 84-14, Hawaii Revised Statutes (HRS), the conflict of interest law to expressly exclude task force members.

The Hawaii Farm Bureau Federation, Hawaii Credit Union League, Hawaii Youth Services Network, and one concerned individual testified in support of this measure. The League of Women Voters, Common Cause Hawaii, Americans for Democratic Action/Hawaii, and Country Talk Story testified in opposition to this measure. The Department of the Attorney General and Hawaii State Ethics Commission provided comments on this measure.

After careful consideration, your Committee has amended this bill by deleting its contents and inserting provisions that will allow and encourage persons with knowledge and expertise necessary to the State to serve as members of temporary groups convened to study an issue, make recommendations, or offer advice to state officers, even where these persons have a professional or financial connection to the subject which they will consider by:

- (1) Adding a definition of "task force" to Chapter 84, HRS, to include any group convened for a limited, specified period by legislative or executive act or order, or by invitation of a state officer for the purpose of studying a subject or issue, making recommendations, or advising state officials; and
- (2) Amending the definition of "employee" in Chapter 84, HRS, to explicitly exempt members of a task force, unless they would be considered a state employee for reasons other than their participation as a member of the task force.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2175, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2175, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

SCRep. 798-12 Judiciary on H.B. No. 2313

The purpose of this measure is to safeguard law enforcement and the public by:

- (1) Creating the class C felony offense of resisting arrest in the first degree when an individual intentionally prevents a law enforcement officer from effecting an arrest by removing or attempting to remove a firearm from the law enforcement officer; and
- (2) Changing the name of the misdemeanor offense of "resisting arrest" to "resisting arrest in the second degree".

The Department of Public Safety and Honolulu Police Department testified in support of this measure. The Office of the Public Defender opposed this measure. The Hawaii Government Employees Association commented on this measure.

Your Committee has amended this measure 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. 2313, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2313, H.D. 2.

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

SCRep. 799-12 Judiciary on H.B. No. 1666

The purpose of this measure is to promote highway safety by establishing mandatory minimum sentencing and increasing the grade of offense for negligent homicide in the second and third degrees and negligent injury in the second degree where the victim is a vulnerable user.

The Honolulu Police Department, Hawaii Bicycling League, Kauai Path, and several concerned individuals supported this bill. The Office of the Public Defender and a concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting language that establishes mandatory minimum sentencing for specified offenses involving a vulnerable user;
- (2) Deleting reference to an electric assist bicycle in the definition of vulnerable user;
- (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. 1666, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1666, H.D. 1.

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

SCRep. 800-12 Judiciary on H.B. No. 2736

The purpose of this measure is to extend the prohibition of promoting a controlled substance in, on, or near schools, school vehicles, or public parks to include public housing projects and complexes.

The Department of Public Safety and a concerned individual supported the measure. The Hawaii Public Housing Authority supported the measure with amendments. The Office of the Public Defender and the Drug Policy Forum of Hawaii opposed the measure.

Your Committee has amended this bill by:

- (1) Amending the definition of "public housing project or complex" to include housing projects established under state as well as federal low-rent public housing programs; and
- (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. 2736, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2736, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

SCRep. 801-12 Judiciary on H.B. No. 2609

The purpose of this measure is to promote highway safety by:

- (1) Prohibiting a person from operating a commercial motor vehicle without a commercial driver's license in the driver's possession;
- (2) Prohibiting a person from operating a commercial motor vehicle while using a mobile electronic device, including while using the mobile electronic device for texting, but making an exception when the person makes a "911" emergency communication;
- (3) Providing exemptions from the mobile electronic device prohibition for certain drivers;
- (4) Specifying penalties for a person who operates a commercial motor vehicle while using a mobile electronic device; and
- (5) Adding texting while driving to the definition of "serious traffic violation" under the commercial driver licensing law.

The Department of Transportation and Hawaii Transportation Association supported the measure. General Motors, LLC offered comments on the measure.

Your Committee recognizes that the content of this measure may violate Article III, section 14 of the Hawaii State Constitution. Nonetheless, your Committee finds this measure warrants further discussion.

Accordingly, 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. 2609, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2609, H.D. 2.

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

SCRep. 802-12 Judiciary on H.B. No. 2309

The purpose of this measure is to protect personal information while providing reasonable access to this information in certain circumstances by allowing the scanning and retention of personal information contained in a state identification card or driver's license for limited purposes.

The American Civil Liberties Union of Hawaii and the Retail Merchants of Hawaii supported this measure. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs testified in support of the intent of this measure. The Department of Customer Services of the City and County of Honolulu; AT&T Services, Inc.; and Consumer Data Industry Association submitted comments regarding this measure.

Prior to decision making on this measure, your Committee circulated a Proposed House Draft 1 for H.B. No. 2309. As amended, the Proposed House Draft 1 of H.B. No. 2309, among other things:

- (1) Places language contained in the new section being added to the Hawaii Revised Statutes regarding the unlawful use of a Hawaii identification card or driver's license under statutory provisions dealing with Social Security number protection (Chapter 487J, Hawaii Revised Statutes) rather than under statutory provisions addressing the destruction of personal information records (Chapter 487R, Hawaii Revised Statutes);
- (2) Makes the unlawful use of a Hawaii identification card or driver's license apply to a business rather than a person;
- (3) Permits the use of scanned identification to establish or maintain a contract between a business and an individual and limits the information that may be obtained;
- (4) Allows the transmission of information to a consumer reporting agency, financial institution, or debt collector in lieu of to a check service company;
- (5) Adds definitions for the terms "consumer reporting agency," "debt collector," "financial institution," and "scan";
- (6) Changes the title of Chapter 487J, Hawaii Revised Statutes, from "Social Security Number Protection" to "Personal Information Protection";
- (7) Adds a savings clause; and
- (8) Changes the effective date to January 7, 2059, to foster additional discussion.

After further consideration, your Committee adopted the language contained in the Proposed House Draft 1 for H.B. No. 2309 and further amended the proposed draft by making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee is aware that this bill is a work-in-progress and that most of the parties concerned with this measure are still attempting to revise it. However, at the present time, these parties have agreed to the current form of this amended bill. As this bill progresses, these parties will attempt to address the issues that are outstanding.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2309, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, McKelvey and Marumoto.

SCRep. 803-12 Judiciary on H.B. No. 2776

The purpose of this measure is to require operators of adult foster homes, adult residential care homes, assisted living facilities, expanded adult residential care homes, and community care foster family homes to obtain and maintain sufficient liability insurance coverage to operate their facilities.

An individual testified in support of this measure. The Department of Health and the Department of Human Services testified in opposition to this measure. An individual commented on this measure.

Your Committee has amended this measure by:

- (1) Exempting operators operating under a contract with the Department of Health or the Department of Human Services who are in compliance with the liability insurance coverage requirements under the contract;
- (2) Changing its effective date to January 1, 2059, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2776, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2776, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, McKelvey, Tsuji and Marumoto.

SCRep. 804-12 Finance on H.B. No. 2314

The purpose of this measure is to provide for the allocation of Transient Accommodations Tax revenues into the Convention Center Enterprise Special Fund on a fiscal year basis.

The Hawaii Tourism Authority testified in support of this measure. The Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying the provision that directs the deposit of revenues into the Convention Center Enterprise Special Fund on a fiscal year basis; and
- (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. 2314, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2314, H.D. 1.

Signed by all members of the Committee.

SCRep. 805-12 Finance on H.B. No. 2078

The purpose of this measure is to enforce transient accommodations tax compliance by requiring all advertisements and solicitations for transient accommodations to display the registration identification number for the subject property.

The Department of Taxation, Department of Planning and Permitting of the City and County of Honolulu, Hawaii Association of REALTORS, and one individual testified in support of this measure. Maui Hotel & Lodging Association, Honua Kai Resort and Spa, Hendrix Miyasaki Shin Advertising, and numerous individuals testified in opposition to this measure. Outrigger Enterprises Group and one individual provided comments.

Your Committee has amended this measure by:

- (1) Requiring instead that the registration identification numbers must be displayed on advertisements, solicitations, or websites only if there are ten or less registration identification numbers that would need to be displayed;
- (2) Requiring otherwise that instead of registration identification numbers, a website address containing a listing of those registration identification numbers must be displayed on advertisements, solicitations, or websites if there are more than ten registration identification numbers that would need to be listed; 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. 2078, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2078, H.D. 2.

Signed by all members of the Committee.

SCRep. 806-12 Finance on H.B. No. 2183

The purpose of this measure as received by your Committee is to promote the use of the Convention Center by directing the Hawaii Tourism Authority to develop uses and activities that complement the Convention Center and establish a Convention Center District.

Prior to a public hearing, a Proposed House Draft 1 (Proposed H.D. 1) was circulated for public review and comment. Your Committee subsequently held a public hearing on the Proposed H.D. 1.

The purpose of the Proposed H.D. 1 is the same as the original measure but with the Hawaii Community Development Authority, rather than the Hawaii Tourism Authority, serving as the local redevelopment authority of the district. Additionally, the Proposed H.D. 1 establishes a revolving fund for the purposes of the district.

Outrigger Enterprises Group, Hawaii Laborers' Union, and one individual testified in support of this measure. The Hawaii Tourism Authority and Hawaii Community Development Authority provided comments.

Your Committee has amended the Proposed H.D. 1 by:

- (1) Clarifying the Convention Center District boundaries through the use of tax map key numbers;
- (2) Establishing a Convention Center District Board, which shall consist of the members of the Board of Directors of the Hawaii Tourism Authority;
- (3) Clarifying that the Board may lease but not sell any lands located in the Convention Center District;

- (4) Changing the effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2183, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2183, H.D. 1.

Signed by all members of the Committee.

SCRep. 807-12 Finance on H.B. No. 1765

The purpose of this measure is to protect Hawaii's people by allowing criminal history record checks to be conducted by:

- (1) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations; and
- (2) The counties on prospective employees:
 - (A) Who will work with vulnerable adults or senior citizens in community-based programs;
 - (B) For fire department positions that involve contact with children or dependent adults;
 - (C) For emergency medical services positions that involve contact with children or dependent adults; and
 - (D) For emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable or disabled citizens during emergencies or crises.

The State Fire Council, Honolulu Fire Department, Hawaii Civil Rights Commission, Department of Emergency Management of the City and County of Honolulu, and one individual 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. 1765, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 808-12 Finance on H.B. No. 1858

The purpose of this measure is to improve the effectiveness and efficiency of government by requiring the Director of Human Resources Development to annually report workforce demographic information to the Legislature.

The Department of Human Resources Development and Office of Hawaiian Affairs 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. 1858 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 809-12 Finance on H.B. No. 2099

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing attorney's fees to be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable grounds.

The Department of Labor and Industrial Relations; the International Longshore and Warehouse Union, Local 142; Vocational Management Consultants, Inc.; and several concerned individuals supported this measure. Hawaii Insurers Council 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. 2099, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 810-12 Finance on H.B. No. 2254

The purpose of this measure is to increase the use of alternative modes of transportation while providing cost savings to both employees and employers by allowing the chief executive of certain jurisdictions of the State, including the counties, to establish a wage and salary reduction benefit program within the meaning of section 132 of the Internal Revenue Code of 1986, as amended.

The Department of Human Resources Development 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 H.B. No. 2254, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 811-12 Finance on H.B. No. 2491

The purpose of this measure is to ensure that the Hawaii Employer-Union Health Benefits Trust Fund meets the requirements of the Government Accounting Standards Board regarding other post employment benefits trusts. Specifically, this measure authorizes the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to create a trust fund for the purpose of receiving employer contributions that will prefund post-employment health and other benefit costs for retirees and their beneficiaries.

The Department of Budget and Finance, the Hawaii Employer-Union Health Benefits Trust Fund, the City and County of Honolulu Department of Budget and Fiscal Services, and the Kauai County Council 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 H.B. No. 2491, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 812-12 Finance on H.B. No. 2492

The purpose of this measure is to improve the efficiency and cost effectiveness of the Hawaii Employer-Union Health Benefits Trust Fund and reduce confusion for retirees with regard to the annual adjustments of their base monthly contribution rates by changing the date that the base monthly contribution is annually adjusted from July 1 of each year to January 1 of each year beginning on January 1, 2013.

The Department of Budget and Finance and the Hawaii Employer-Union Health Benefits Trust Fund 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 H.B. No. 2492, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 813-12 Finance on H.B. No. 2578

The purpose of this measure is to improve the efficiency of government by abolishing the Advisory Council for Community Services.

The Department of Labor and Industrial Relations 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. 2578, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 814-12 Finance on H.B. No. 2439

The purpose of this measure is to ensure that all qualifying public employees of the State and counties are provided health insurance by defining "credited service" and clarifying the definitions of "employee" and "part-time, temporary, and seasonal or casual employee" under the Hawaii Employer-Union Health Benefits Trust Fund law.

An individual supported this measure. The Department of the Attorney General commented on this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2439, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2439, H.D. 1.

Signed by all members of the Committee.

SCRep. 815-12 Finance on H.B. No. 2575

The purpose of this measure is to improve public safety by, among other things:

- (1) Establishing fee schedules for inspections, permits, and examinations of boilers, pressure systems, elevators, and kindred equipment, and amusement rides to provide operating funds for the Department of Labor and Industrial Relations Boiler and Elevator Inspection Branch;

- (2) Establishing the Boiler and Elevator Special Fund for the deposit of fees charged and collected under (1);
- (3) Authorizing the establishment of ten additional permanent positions in the Department of Labor and Industrial Relations Boiler and Elevator Inspection Branch;
- (4) Requiring the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the status of the elevator and boiler inspection backlog no later than 20 days prior to the convening of each regular session, commencing with the Regular Session of 2013;
- (5) Appropriating \$1,000,000 out of the general fund to be deposited into the Boiler and Elevator Special Fund as start up funds to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained; and
- (6) Appropriating \$2,900,000 out of the Boiler and Elevator Special Fund to fully staff the Boiler and Elevator Inspection Branch and maintain timely inspections and safety tests.

The Department of Labor and Industrial Relations; Hawaii Government Employees Association; ILWU Local 142; Hawaii Building & Construction Trades Council, AFL-CIO; Hawaii Laborers' Union; International Union of Elevator Constructors, Local 126; National Elevator Industry, Inc; and a concerned individual testified in support of this measure. The General Contractors Association of Hawaii and Institute of Real Estate Management commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the amount of general fund appropriations deposited into the Boiler and Elevator Special Fund as start up funds to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained from \$1,000,000, to an unspecified amount;
- (2) Changing the amount of monies required to be repaid by the Department of Labor and Industrial Relations to the general fund from \$1,000,000 to an unspecified amount;
- (3) Changing the effective date to July 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 H.B. No. 2575, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2575, H.D. 3.

Signed by all members of the Committee.

SCRep. 816-12 Finance on H.B. No. 2576

The purpose of this measure is to maintain uniformity in the unemployment insurance contribution rate notice appeals process by clarifying that an appeal by an employer of the Department of Labor and Industrial Relations' determination of an unemployment insurance rate contribution must be appealed to the Employment Security Appeals Referees' Office rather than directly to the circuit court.

The ILWU Local 142 and Hawaii Laborers' Union testified in support of this measure. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that the statutorily established avenue for judicial review is still available upon the referees determination, rather than the Department's determination;
- (2) Changing its effective date to July 1, 2012; 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. 2576, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2576, H.D. 2.

Signed by all members of the Committee.

SCRep. 817-12 Finance on H.B. No. 2655

The purpose of this measure is to assist Hawaii's unemployed and dislocated workers by:

- (1) Requiring the Department of Labor and Industrial Relations to establish and operate a state-funded training program to expand the workforce investment activities administered by the Department under the federal Workforce Investment Act; and
- (2) Appropriating \$7,000,000 to the Department for the establishment of the training program.

The ILWU Local 142 and a concerned individual testified in support of this measure. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this measure by:

- (1) Inserting language allowing the Department of Labor and Industrial Relations to use monies in the Employment and Training Fund for one year to pay for costs to administer, manage, report, and oversee Title I programs funded under the Workforce Investment Act for which insufficient federal funds were allocated;
- (2) Changing the appropriation for establishment of a state- funded training program from \$7,000,000 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. 2655, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2655, H.D. 2.

Signed by all members of the Committee.

SCRep. 818-12 Finance on H.B. No. 2766

The purpose of this measure is to ensure that Hawaii's wage and hour law is strictly enforced on public construction projects by:

- (1) Establishing the Wage and Hour for Public Works Projects Special Fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects;
- (2) Requiring state departments that receive appropriations of capital improvement project funds to transfer a percentage of those appropriations into the Special Fund;
- (3) Requiring the Department of Labor and Industrial Relations to provide an annual status report of the Special Fund to the Legislature; and
- (4) Creating additional labor law enforcement specialist IV positions within the Department of Labor and Industrial Relations to enforce Hawaii's wage and hour law and appropriating funds for the positions.

The Hawaii Laborers' Union supported the measure. The Department of Transportation opposed the measure. The Department of Budget and Finance and Department of Labor and Industrial Relations offered comments on the measure.

Your Committee has amended this measure by:

- (1) Replacing the appropriation amount for the labor law enforcement specialist IV positions with an unspecified dollar amount;
- (2) Exempting the Department of Transportation's Airports Division from the Special Fund fee;
- (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. 2766, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2766, H.D. 2.

Signed by all members of the Committee.

SCRep. 819-12 Finance on H.B. No. 1708

The purpose of this measure is to allow licensed physicians, psychiatrists, and psychologists to use telemedicine to conduct emergency examinations of patients at psychiatric facilities; provided that a health care professional is present in the room with the patient during the examination and the facility is located in a geographically remote area with no immediate access to a licensed physician, psychiatrist, or psychologist.

The Department of Health 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. 1708, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 820-12 Finance on H.B. No. 1967

The purpose of this measure is to amend Part II of Chapter 671, Hawaii Revised Statutes, relating to medical claim conciliation, to more accurately reflect the original intent that medical claim conciliation panels serve in a conciliatory role, rather than adversarial, and to allow the use of alternative dispute resolution for medical tort inquiries.

Hawaii Medical Association, Hawaii Association for Justice, and an individual testified in support of this measure. The Office of Administrative Hearings of the Department of Commerce and Consumer Affairs 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. 1967, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 821-12 Finance on H.B. No. 2023

The purpose of this measure is to support workforce development for the nursing profession by making permanent the assessment of the Center for Nursing fees on nurse licenses and the disbursement of those fees to the credit of the Center for Nursing Special Fund.

UH Manoa Nursing, the Hawaii Medical Service Association, Hawaii State Center for Nursing, Hawaii Pacific Health, American Organization of Nurse Executives-Hawaii Chapter, and several concerned individuals supported this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 822-12 Finance on H.B. No. 2227

The purpose of this measure is to enable an individual with a gender designation that differs from the gender designated on the birth registrant's original birth certificate, to obtain an amended birth certificate reflecting the change.

The Hawaii State Commission on the Status of Women, Equality Hawaii, the American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, Pride at Work Hawaii, and numerous concerned individuals supported this measure. The Department of Health and Hawaii Family Forum 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. 2227, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 823-12 Finance on H.B. No. 2368

The purpose of this measure is to help alleviate the physician and nursing shortage in Hawaii by appropriating an unspecified amount to establish a medical residency program at the University of Hawaii at Hilo.

The County of Hawaii, Hilo Medical Center Foundation Board of Trustees, Hawaii Island Chamber of Commerce, Hawaii Health Systems Corporation, Hawaii Medical Association, Hawaii Health Systems Corporation East Hawaii Region, Board of Directors of the Hawaii Health Systems Corporation East Hawaii Region, Pacific Islands Center for Educational Development, North Hawaii Community Hospital, Hamakua Health Center, TriWest Health Care Alliance, and many concerned individuals supported this measure. The Department of Health and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2368, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 824-12 Finance on H.B. No. 2555

The purpose of this measure is to enhance customer service and fund federal requirements associated with vital statistics by:

- (1) Establishing a \$50 fee for expedited certified copy service or services that require special attention for registered birth, death, and marriage records;
- (2) Establishing set fees for corrections to a vital statistics certificate and searches of files and records, and increasing fees for certified copies of birth, marriage, divorce, and death certificates;
- (3) Redirecting certain specified fees into the Vital Statistics Improvement Special Fund; and

- (4) Reallocating the increased fees for certified copies between the Vital Statistics Improvement Special Fund and the general fund.

The Department of Health supported this bill. The Office of Hawaiian Affairs 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. 2555, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 825-12 Finance on H.B. No. 2567

The purpose of this measure is to improve operations within the Department of Health by increasing the marriage license fee to \$100 from \$60 and to deposit \$40 of the fee into the Vital Statistics Improvement Special Fund.

The Department of Health supported this measure. The Domestic Violence Action Center and Hawaii State Coalition Against Domestic Violence 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. 2567, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 826-12 Finance on H.B. No. 609

The purpose of this measure is to provide for the health care needs of the community by:

- (1) Authorizing the assimilation of Hawaii Medical Center-East on Oahu into the Hawaii Health Systems Corporation; and
- (2) Appropriating funds to enable the assimilation, including the hiring or contracting of staff.

The Hawaii Health Systems Corporation testified in support of this measure.

Your Committee has amended this measure 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. 609, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 609, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 827-12 Finance on H.B. No. 1723

The purpose of this measure is to make permanent, the general excise tax exemption for certain amounts received by a managed care support contractor of the TRICARE Program for the actual cost or advancement to third party health care providers.

The Department of Taxation; Oahu Veterans Council; Military Officers Association of America, Hawaii Chapter; TriWest Healthcare Alliance Inc; Hawaii Medical Service Association; and an individual testified in support of this measure. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by extending the general excise tax exemption from December 31, 2013, to December 31, 2015.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1723, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1723, H.D. 1.

Signed by all members of the Committee.

SCRep. 828-12 Finance on H.B. No. 2274

The purpose of this measure is to ensure access to health care for Medicaid recipients by establishing a nursing facility sustainability fee and a special fund to receive moneys from the nursing facility sustainability fee in order to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

Healthcare Association of Hawaii and United Self Help testified in support of this measure. The Hawaii Health Systems Corporation commented on this measure.

Your Committee has amended this bill by:

- (1) Deleting specific references to the organizations that:

- (A) The Department of Health is to work with to determine the rate of the nursing facility sustainability fee; and
- (B) Are to receive documentation of the monthly capitated rates by the Department of Health to the QUEST and QUEST Expanded Access Plans;
- (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 H.B. No. 2274, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2274, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 829-12 Finance on H.B. No. 2664

The purpose of this measure is to establish within the Hawaii Health Systems Corporation a public-private partnership in a county with a population between one hundred thousand and one hundred seventy thousand to research, develop, and implement a model health care delivery system and to appropriate funds for this purpose.

Hawaii Health Systems Corporation, the International Longshore and Warehouse Union Local 142, three members of the County Council of the County of Maui, and one individual supported this measure. Hale Makua Health Services and three individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Inserting a blank appropriation amount;
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2664, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2664, H.D. 1.

Signed by all members of the Committee.

SCRep. 830-12 Finance on H.B. No. 2568

The purpose of this measure is to permit the Department of Health to allow a designee to conduct criminal history record checks on its behalf on certain healthcare workers, employees, and owners; operators of care homes; and other healthcare organizations.

The Department of Health supported this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2568, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2568, H.D. 2.

Signed by all members of the Committee.

SCRep. 831-12 Finance on H.B. No. 2122

The purpose of this measure as received by your Committee is to amend the procurement administrative review process by limiting the hearing's officers' scope of review to a review of the written record below of the procuring agency's protest proceedings in order to determine whether the agency's decision was arbitrary, capricious, fraudulent, or clearly erroneous.

Prior to the public hearing, a Proposed H.D. 2 was circulated for public review and comment.

The purpose of the Proposed H.D. 2 is to promote economic revitalization by:

- (1) Temporarily authorizing the governor or county mayor to exempt construction or design-build procurements from protests concerning the procurement and the administrative review of a nonresponsible offeror determination; and
- (2) Requiring, as a condition for the exemption, that all bids and proposals, including amendments or revisions, evaluations, and ratings, but not trade secrets or other proprietary data, be released for public inspection and posted on the state or applicable county website.

The Associated Builders and Contractors Hawaii Chapter testified in opposition to the Proposed H.D. 2. The General Contractors Association provided comments on the Proposed H.D. 2.

Your Committee has amended the Proposed H.D. 2 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2122, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2122, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 832-12 Finance on H.B. No. 2319

The purpose of this measure is to establish and appropriate funds for a Venture Accelerator Funding Program under the Hawaii Strategic Development Corporation to help the State's technology businesses compete for investment capital.

The Hawaii Strategic Development Corporation; High Technology Development Corporation; Cardax Pharmaceuticals, Inc.; Hawaii Chapter of the Founder Institute; Hyperspective Studios, Inc.; Hawaii Venture Capital Association; Team 1:10:100, LLC; Hawaii Angels; Hawaii Business and Entrepreneur Acceleration Mentors; Blue Water Multimedia, LLC; Kukui Entertainment Group; and numerous individuals testified in support of this measure. The Department of Business, Economic Development, & Tourism provided comments.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount;
- (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. 2319, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2319, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 833-12 Finance on H.B. No. 2266

The purpose of this measure is to clarify that the Information Technology Steering Committee shall consist of eight members.

Specifically, this measure specifies that two members shall be appointed by the Senate President, two members shall be appointed by the Speaker of the House of Representatives, one member shall be appointed by the Chief Justice of the Supreme Court of Hawaii, and two members shall be appointed by the Governor, with the Chief Information Officer serving as the chair.

The Office of Information Management and Technology 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. 2266, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 834-12 Finance on H.B. No. 2268

The purpose of this measure is to authorize the small business regulatory review board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with its earlier determination or does not address the public's concerns.

The Hawaii Farm Bureau Federation supported this measure. The Department of Transportation and the Department of Human Services opposed this measure. The Department of Business, Economic Development, and Tourism; the Department of Land and Natural Resources; and the Department of Health commented on this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2268, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2268, H.D. 2.

Signed by all members of the Committee.

SCRep. 835-12 Finance on H.B. No. 2325

The purpose of this measure is to establish a 45-day time period in which the State or counties must approve, approve with modification, or disapprove applications for broadband-related permits, or else the broadband-related permit shall be deemed approved on the 46th day.

The Department of Transportation testified in support of this measure. Life of the Land, Sierra Club of Hawaii, and many individuals testified in opposition to this measure. The Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Office of Planning; Hawaiian Electric Company; Hawaii Electric Light Company; Maui Electric Company; and Hawaiian Telcom commented on this measure.

Your Committee has amended this measure by:

- (1) Specifying that the term "days" means business days;
- (2) Specifying that the definition of "broadband-related permits" also includes the landing of an undersea cable in relation to the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology;
- (3) Providing that the upgrading and replacement of, and access to, any utility pole in relation to a broadband-related permit application subject to this measure shall be in conformance with section 3 of Act 151, Session Laws of Hawaii 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 H.B. No. 2325, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2325, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 836-12 Finance on H.B. No. 1511

The purpose of this measure is to:

- (1) Reauthorize the dormant income tax credit for qualified research activities for an additional five years to December 31, 2015, and to repeal the tax credit on December 31, 2016; and
- (2) Direct the University of Hawaii to extend the High Technology Development Corporation's land lease, with the same terms, for 25 years beyond the existing lease's expiration date.

Pukoa Scientific and a concerned individual supported the measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; University of Hawaii System; Hawaii Strategic Development Corporation; High Technology Development Corporation; and Tax Foundation of Hawaii offered comments on the measure.

Your Committee has amended this measure by:

- (1) Deleting its purpose and findings section;
- (2) Deleting the section relating to the reauthorization of the dormant tax credit for qualified research activities for an additional five years;
- (3) Changing its effective date to July 1, 2012, and removing the repeal and reenactment language; 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. 1511, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1511, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 837-12 Finance on H.B. No. 1768

The purpose of this measure is to address post-award contract violations of specified minimum error amounts by amending the Hawaii Public Procurement Code to allow additional post-award remedies including rescission of the award, contract reevaluation, and award of the contract to the next lowest responsive and responsible bidder or offerer.

The Department of Budget and Fiscal Services of the City and County of Honolulu supported the 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1768, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1768, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 838-12 Finance on H.B. No. 2265

The purpose of this measure is to amend the State Procurement Code by making permanent the amendments made to section 103D-305, Hawaii Revised Statutes, under Act 175, Session Laws of Hawaii 2009, as amended, relating to small purchases and the prohibition against parceling.

The Department of Budget and Fiscal Services of the City and County of Honolulu supported the measure.

Your Committee has amended this measure by:

- (1) Retaining the current language of section 103D-305(c), Hawaii Revised Statutes, which requires procurements of \$25,000 to less than \$100,000 to be processed through an electronic system;
- (2) Changing the effective date to June 30, 2012; 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. 2265, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2265, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 839-12 Finance on H.B. No. 2324

The purpose of this measure is to temporarily exempt the upgrading and new construction of broadband facilities on state property from state and county permitting processes.

The Office of Environmental Quality Control, Sierra Club, Life of the Land, Kailua Neighborhood Board, and two individuals testified in opposition to this measure. The Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, Department of Transportation, Office of Planning, Hawaiian Telcom, and Hawaiian Electric Company and its subsidiaries provided comments on this measure.

Your Committee has amended this measure by:

- (1) Narrowing the broadband exemption to apply to broadband facilities on state buildings and the property on which the state buildings are located; and
- (2) Changing the effective date of this measure to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2324, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2324, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 840-12 Finance on H.B. No. 2411

The purpose of this measure is to promote economic recovery and the creation of jobs by authorizing the issuance of general obligation bonds and appropriating monies out of various special funds for the planning and design phases of future construction projects.

The Chamber of Commerce of Hawaii, General Contractors Association, Hawaii Laborers' Union, and one individual testified in support of this measure. The Department of Accounting and General Services, Department of Budget and Finance, Department of Transportation, and University of Hawaii System provided comments.

Your Committee has amended this measure by deleting its contents and replacing it with provisions to:

- (1) Add a definition of "contracting" to the Executive Budget Act;
- (2) Include contracting costs in "capital investment costs" and "cost elements" and include the contracting phase in "phases of capital improvement project" for publicly-funded capital improvement projects; and
- (3) Authorize departments to include contracting costs when determining the cost of projects funded by revenue bonds.

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

Signed by all members of the Committee.

SCRep. 841-12 Finance on H.B. No. 2869

The purpose of this measure is to support the motion picture, digital media, and film production industries in the State by:

- (1) Extending the motion picture, digital media, and film production income tax credit to January 1, 2025;
- (2) Increasing the tax credit ceiling per qualified production to \$10,000,000 from \$8,000,000;
- (3) Separating the calculation of the credit amount based on wages and salaries from the calculation of the credit amount based on other qualified production costs;
- (4) Increasing to 20 percent of qualified production costs the amount of the tax credit for a qualified production in a county with a population over 700,000;
- (5) Including among the credit amounts:
 - (A) 15 percent of wages and salaries included in qualified production costs in counties with a population over seven hundred thousand;
 - (B) 20 percent of wages and salaries included in qualified production costs in counties with a population of seven hundred thousand or less; and
 - (C) An additional five percent of wages and salaries included in qualified production costs of cast, crew, and musicians who are residents of the State; and
- (6) Requiring the Department of Business, Economic Development, and Tourism to submit reports to the Governor and Legislature on the economic impact of the tax credit, including specified estimates.

The Department of Taxation; Department of Business, Economic Development and Tourism; Tax Foundation of Hawaii; Tetris Online, Inc.; and NBC Universal Media, LLC provided comments.

Your Committee has amended this bill by:

- (1) Making unspecified the increase in the tax credit ceiling;
- (2) Making unspecified the percent of the tax credit to be granted for:
 - (A) Qualified production costs incurred by a qualified production in a county with a population over 700,000;
 - (B) Wages and salaries included in qualified production costs in counties with a population over 700,000;
 - (C) Wages and salaries included in qualified production costs in counties with a population of 700,000 or less; and
 - (D) Wages and salaries included in qualified production costs of cast, crew, and musicians who are residents of the State;
- (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. 2869, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2869, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 842-12 Finance on H.B. No. 2872

The purpose of this measure is to increase the potential for sustainable, long-term economic growth in Hawaii by allowing aerospace high technology parks to be considered a permitted land use in agricultural land use districts as long as special permits are obtained.

Numerous concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2872, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2872, H.D. 3.

Signed by all members of the Committee except Representative Ward.

SCRep. 843-12 Finance on H.B. No. 2873

The purpose of this measure is to:

- (1) Transfer the Pacific International Space Center for Exploration Systems from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and
- (2) Authorize the issuance of general obligation bonds and appropriate funds to construct the Pacific International Space Center for Exploration Systems aerospace research technology park project.

Three individuals supported this measure. The Department of Business, Economic Development, and Tourism and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision authorizing the University of Hawaii to lease 50 acres within tax map key 2-4-01:122 por to the Pacific International Space Center for Exploration Systems for an exploration systems facility and for the aerospace research technology park; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2873, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2873, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 844-12 Finance on H.B. No. 2018

The purpose of this measure is to address consumer protections in mortgage foreclosures by:

- (1) Repealing the provision in the mortgage foreclosure law that makes any violation of Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to civil penalties, and that would have otherwise remained in effect until the expiration of the mortgage foreclosure dispute resolution program on September 30, 2014; and
- (2) Designating certain enumerated foreclosure violations as unfair or deceptive acts or practices that may result in the avoidance of transfer of title in a transfer pursuant to the foreclosure, to be effective October 1, 2014.

The Hawaii Financial Services Association, Hawaii Credit Union League, Hawaii Bankers Association, Legal Aid Society of Hawaii, and one individual 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. 2018, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 845-12 Finance on H.B. No. 2375

The purpose of this measure is to provide additional protections for Hawaii consumers from persons who prey on homeowners who face property foreclosures from mortgage liens or other encumbrances by:

- (1) Establishing the Mortgage Rescue Fraud Prevention Special Fund;
- (2) Imposing criminal penalties on persons who violate certain provisions of the Mortgage Rescue Fraud Prevention Act; and
- (3) Making conforming amendments.

The Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Hawaii Association of REALTORS, and Hawaii Credit Union League supported this bill. The Hawaii Financial Services Association and Hawaiian Community Assets 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. 2375 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 846-12 Finance on H.B. No. 1879

The purpose of this measure is to make permanent the exemption of certain pest control activity from the definition of "excavation" with respect to the One Call Center under Chapter 269E, Hawaii Revised Statutes, which provides advance warning of subsurface installations in excavation areas.

The Building Industry Association of Hawaii and The Gas Company opposed this measure. The Public Utilities Commission and Hawaii Pest Control Association provided comments on this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1879, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1879, H.D. 2.

Signed by all members of the Committee.

SCRep. 847-12 Finance on H.B. No. 2162

The purpose of this measure is to implement the amendments to Article 9 of the Uniform Commercial Code, relating to secured transactions, set forth by the Uniform Law Commission.

The Commission to Promote Uniform Legislation supported this measure. The Hawaii Bankers Association 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. 2162, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 848-12 Finance on H.B. No. 2242

The purpose of this measure is to improve the quality of veterinary care in Hawaii by establishing continuing education requirements for veterinarians for the renewal of their licenses.

The Board of Veterinary Examiners supported this measure. The University of Hawaii System 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. 2242, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 849-12 Finance on H.B. No. 2359

The purpose of this measure is to protect consumers of portable electronics in Hawaii by making portable-electronics insurance available for purchase.

The Department of Commerce and Consumer Affairs provided comments on this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2359, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2359, H.D. 2.

Signed by all members of the Committee.

SCRep. 850-12 Finance on H.B. No. 2508

The purpose of this measure is to clarify and strengthen enforcement provisions for exempt out-of-state collection agencies, including by increasing fines for collection agencies regulated by the Director of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs supported this measure.

Your Committee has amended this measure by:

- (1) Adding a savings clause; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2508, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 851-12 Finance on H.B. No. 2526

The purpose of this measure is to expand the availability of broadband internet access for Hawaii consumers by:

- (1) Requiring cable operators, telecommunications carriers, and telecommunications common carriers that provide broadband internet service to submit to Department of Commerce and Consumer Affairs (DCCA) periodic informational reports that contain specified information, such as the availability and pricing of broadband service over the most recent 30-day period, detailed by the address or tax map key number of their customers, without any other personal or private information; and
- (2) Providing for the confidentiality of the information submitted by such telecommunications providers to DCCA.

The Office of the Governor; Department of Business, Economic Development, and Tourism; DCCA; and one individual testified in support of this measure. Verizon, AT&T, and Hawaiian Telcom testified in opposition to this measure. Oceanic Time Warner Cable and tw telecom of hawaii lp provided comments.

Your Committee has amended this measure by:

- (1) Adding a definition of "broadband speed threshold";
- (2) Requiring informational reporting to include the monthly price charged for broadband services if purchased individually without any discounts; 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. 2526, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2526, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 852-12 Finance on H.B. No. 1875

The purpose of this measure is to implement the recommendations of the Mortgage Foreclosure Task Force submitted to the Legislature for the Regular Session of 2012. Specifically, this measure, among other things:

- (1) Makes certain violations of the mortgage foreclosure law an unfair or deceptive act or practice following the expiration of the mortgage foreclosure dispute resolution program in 2014;
- (2) Provides for a single nonjudicial foreclosure process;
- (3) Makes permanent the process for converting nonjudicial foreclosures of residential property into judicial foreclosures;
- (4) Establishes an alternate power of sale process for the collection of unpaid assessments by condominium and planned community associations;
- (5) Allows condominium and planned community associations to proceed with a nonjudicial foreclosure notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgage or the dispute resolution case opening;
- (6) Allows planned community associations to be exempt from the requirements of the mortgage foreclosure dispute resolution program; and
- (7) Provides planned community associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents.

The Department of Commerce and Consumer Affairs testified in support of this measure. Legal Aid Society of Hawaii, Hawaii Bankers Association, Hawaii Credit Union League, Mortgage Bankers Association of Hawaii, Hawaii Financial Services Association, and Mililani Town Association testified in opposition to this measure. The Office of Consumer Protection, Hawaiian Community Assets, Community Associations Institute, Hawaii Association of REALTORS, RCO Hawaii, LLC, Hawaii State Bar Association, and two individuals provided comments on this measure.

Your Committee has amended this measure by:

- (1) Creating an exemption within the stay that goes into effect when participation in the Mortgage Foreclosure Dispute Resolution Program is elected by an owner-occupant;

- (2) Revising the public information statement for consistency;
- (3) Enabling the Department of Commerce and Consumer Affairs to contract with private organizations, housing counselors, and budget and credit counselors to provide services to the consumers participating in the Mortgage Foreclosure Dispute Resolution Program; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1875, H.D. 2.

Signed by all members of the Committee.

SCRep. 853-12 Finance on H.B. No. 2452

The purpose of this measure is to clarify and improve the notary process by:

- (1) Clarifying the information that shall be inscribed on notary seals; and
- (2) Increasing the fees for issuing an initial notary commission and to renew a notary commission.

The Department of the Attorney General 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2452, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2452, H.D. 2.

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

SCRep. 854-12 Finance on H.B. No. 626

The purpose of this measure is to enact the Uniform Collaborative Law Act, which authorizes a potential litigant to enter into an agreement to attempt to resolve the dispute without using the courts.

The Commission to Promote Uniform Legislation testified in support of this measure. The Supreme Court Standing Committee on the Rules of Evidence 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. 626 and recommends that it pass Third Reading.

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

SCRep. 855-12 Finance on H.B. No. 1611

The purpose of this measure is to increase the effectiveness and efficiency of state and county boards, while encouraging transparency by:

- (1) Allowing board members to attend:
 - (A) Public gathering and community events that do not relate to matters over which the board is currently exercising its adjudicatory, advisory, or legislative function; provided that the board members meet the statutory requirements for permitted interactions at the public gathering or community event; and
 - (B) Professional-association conferences and professional-development seminars; provided that the board members meet the statutory requirements for permitted interactions and file a report; and
- (2) Allowing a public notice of a board meeting to be sent out by e-mail to those persons who request notification of meetings.

The Department of Planning and Permitting of the City and County of Honolulu and five members of the Maui County Council supported the measure. The Office of Information Practices opposed the measure. The Planning Department of the County of Hawaii offered comments 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. 1611, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 856-12 Finance on H.B. No. 1672

The purpose of this measure is to award a portion of any collected proceeds to individuals who provide information to the Department of Taxation regarding certain violations of Title 14, Hawaii Revised Statutes, that are the basis of an administrative or judicial action brought by the Department.

The Tax Foundation of Hawaii 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. 1672, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 857-12 Finance on H.B. No. 1695

The purpose of this measure is to incorporate the anti-stacking fairness provisions included in the federal Internal Revenue Code by prohibiting penalties for:

- (1) Failure to collect and pay taxes;
- (2) Substantial understatements or misstatements on tax returns; and
- (3) Erroneous claims for refund or credit on tax returns

from being added to tax underpayments on which certain other penalties are already imposed.

Chun, Kerr, Dodd, Beaman & Wong, a Limited Liability Law Partnership and an individual supported this measure. Tax Foundation of Hawaii 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. 1695 and recommends that it pass Third Reading.

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

SCRep. 858-12 Finance on H.B. No. 2404

The purpose of this measure is to require any board as defined under section 92-2, Hawaii Revised Statutes, to make its minutes available in hard copy form and by electronic posting on its website, or if it does not have a website, on the official internet website of the State of Hawaii or the official website of the appropriate county.

The Office of Information Practices, Hawaii State Public Library System, Department of Planning and Permitting of the City and County of Honolulu, and Common Cause Hawaii supported the measure. The Department of Accounting and General Services, Disability and Communication Access Board, and the High Technology Development Corporation offered comments 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. 2404, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 859-12 Finance on H.B. No. 2476

The purpose of this measure is to appropriate funds to satisfy claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

The Department of the Attorney General 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. 2476, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 860-12 Finance on H.B. No. 2574

The purpose of this measure is to help create cost-savings for the Department of Labor and Industrial relations by requiring the Labor and Industrial Relations Appeals Board to provide written notice of a hearing to all parties by first class mail, rather than by registered or certified mail with return receipt. This measure also permits the Board to give notice via publication in a newspaper of general circulation if it is unable to determine the address of the party.

The Department of Labor and Industrial Relations, Labor and Industrial Relations Appeals Board, and three concerned individuals 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 H.B. No. 2574, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 861-12 Finance on H.B. No. 2841

The purpose of this measure is to establish, as a new chapter in the Hawaii Revised Statutes, the Uniform Interstate Depositions and Discovery Act, which allows litigants from out-of-state to serve subpoenas upon persons in the State.

The Commission to Promote Uniform Legislation 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 H.B. No. 2841 and recommends that it pass Third Reading.

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

SCRep. 862-12 Finance on H.B. No. 2338

The purpose of this measure is to authorize the Department of Land and Natural Resources to lease public land for purposes of developing creative media production and post-production facilities by negotiation and without public auction.

An individual supported this measure. The Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Exempting these leases from the appraisal requirements applicable to the sale or lease of public lands by public auction under section 171-17, Hawaii Revised Statutes (HRS);
- (2) Deleting the requirement that the Department of Land and Natural Resources adopt rules pursuant to section 91, HRS, to facilitate the creative media industry leases; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2338, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 863-12 Finance on H.B. No. 2482

The purpose of this measure is to extend the Hawaii Community Development Authority's authority to lease or sell property by extending that authority to all projects in all community development districts and specifying that the Authority is not required to give public notice for sealed bids.

The Hawaii Community Development Authority supported the measure.

Your Committee has amended this measure by:

- (1) Allowing the Hawaii Community Development Authority only in the Kakaakao Community Development District to lease (and not sell) projects without recourse to public auction or public notice for sealed bids; and
- (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. 2482, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2482, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 864-12 Finance on H.B. No. 2883

The purpose of this measure is to work to reduce recurring flooding that affects residents and businesses of Makaha Valley by requiring the Department of Land and Natural Resources to conduct a flood study for Makaha Valley on the island of Oahu and appropriating funds for that study.

The Councilmember representing District 1 of the Honolulu City Council and two concerned individuals testified in support of this measure. The Department of Land and Natural Resources 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. 2883, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2883, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 865-12 Finance on H.B. No. 2250

The purpose of this measure is to establish and appropriate funds for an emergency environmental workforce to provide short-term employment for individuals who are unemployed or underemployed due to the slow economic recovery so as to assist the State's efforts to protect watersheds and eradicate invasive species.

An individual supported this measure. The Department of Land and Natural Resources, The Trust for Public Land's Hawaiian Islands Program, The Nature Conservancy of Hawaii, the Kohala Watershed Partnership, the Hawaiian Island Land Trust, and an individual opposed this measure. The Commission on Water Resource Management of the Department of Land and Natural Resources; the Department of Agriculture; the Research Corporation of the University of Hawaii; the Coordinating Group on Alien Pest Species; the Oahu Invasive Species Committee; the Maui Invasive Species Committee; the Sierra Club Hawaii Chapter; Alexander & Baldwin, Inc; and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the amounts appropriated for the emergency environmental workforce;
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2250, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2250, H.D. 2.

Signed by all members of the Committee.

SCRep. 866-12 Finance on H.B. No. 2595

The purpose of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

The Department of Budget and Finance; the Department of Land and Natural Resources; the Department of Agriculture; Alexander & Baldwin, Inc.; Kau Farm Bureau; and the Hawaii Farm Bureau Federation supported this measure. The Land Use Research Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2595, H.D. 2.

Signed by all members of the Committee.

SCRep. 867-12 Finance on H.B. No. 2793

The purpose of this measure is to add four members to the Board of Land and Natural Resources who shall be considered in determining quorum and majority only on issues relating to ocean resources and who may only vote on issues relating to ocean resources.

Fishing Tales with Mike Sakamoto and the Mike Sakamoto Memorial Scholarship, Hawaii Nearshore Fishermen, Alii Holo Kai, and several individuals supported this measure. The Department of Land and Natural Resources opposed this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2030, for the purpose of facilitating 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. 2793, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2793, H.D. 1.

Signed by all members of the Committee.

SCRep. 868-12 Finance on H.B. No. 2820

The purpose of this measure is to help preserve Hawaiian fishponds by, among other things:

- (1) Requiring the Department of Land and Natural Resources to establish the East Honolulu Fishpond Heritage Area;
- (2) Requiring the Board of Land and Natural Resources to provide preferences for the reconstruction, restoration, repair, or use of Hawaiian fishponds;
- (3) Prohibiting the granting of a lease for public land containing an existing Hawaiian fishpond or the site of an identifiable historic Hawaiian fishpond if the terms of the lease preclude or foreclose the reconstruction, restoration, repair, or use of the fishpond or site; and
- (4) Requiring the Board of Land and Natural Resources to give preference to the retention of the traditional name of a kanaka maoli fishpond when issuing certain leases for public land.

The Department of Transportation, Office of Hawaiian Affairs, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and Sierra Club-Hawaii Chapter supported this measure. Several concerned individuals opposed this measure. The Department of Land and Natural Resources and Maunaloa Fishpond Heritage Center provided comments.

Your Committee has amended this measure by:

- (1) Including in the purposes of the East Honolulu Fishpond Heritage Area the preservation of:
 - (A) Existing Hawaiian fishponds and traditional fishpond structures;
 - (B) Fish and plant habitats; and
 - (C) The customary and traditional uses of fishponds in the fishpond heritage area;
- (2) Adding a severability 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. 2820, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2820, H.D. 3.

Signed by all members of the Committee.

SCRep. 869-12 Finance on H.B. No. 2871

The purpose of this measure is to enhance public safety in state waters within the West Maui Ocean Recreation Management Area by requiring the Department of Land and Natural Resources to:

- (1) Establish a West Maui Ocean Recreation Management Area Advisory Committee to advise the Department of Land and Natural Resources on issues related to the uses and maintenance of state waters within the West Maui Ocean Recreation Management Area; and
- (2) Submit a report of the findings and recommendations of the West Maui Ocean Recreation Management Area Advisory Committee, including any proposed legislation, to the Legislature prior to the Regular Session of 2013.

One member of the County Council of the County of Maui and two individuals testified in support of this measure. The Department of Land and Natural Resources 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. 2871, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 870-12 Finance on H.B. No. 2594

The purpose of this measure is to protect the health and safety of Hawaii's people by proposing an amendment to the Constitution of the State of Hawaii that would authorize the State to issue special purpose revenue bonds and use the proceeds to assist dam and reservoir owners to make their facilities compliant with current safety standards.

The Department of Budget and Finance; the Department of Land and Natural Resources; the Land Use Research Foundation of Hawaii; Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; the Hawaii Farm Bureau Federation; and Kau Farm Bureau 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 H.B. No. 2594, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 871-12 Finance on H.B. No. 2589

The purpose of this measure is to clarify responsibility for the disposing of abandoned vessels within the State by, among other things:

- (1) Authorizing a state agency or department, through its director to determine whether a vessel on public property within its jurisdiction is deemed abandoned and direct and cause the vessel to be taken into custody and disposed of;
- (2) Authorizing a county, through its mayor, the mayor's designee, or the county chief of police to determine whether a vessel on public property within the county's jurisdiction is deemed abandoned and cause the vessel to be taken into custody and disposed of;
- (3) Stating that all vessels abandoned on private property shall be the responsibility of the private property owner;
- (4) Amending the definition of an "abandoned vessel";
- (5) Requiring the Department of Land Natural Resources to provide each county with access to vessel registration or marine document records; and
- (6) Specifying that a county's responsibility under this measure will commence when the Department of Land and Natural Resources or the United States Coast Guard provides access to its vessel registration or marine document records or January 1, 2013, whichever is earlier.

The City and County of Honolulu Department of Parks and Recreation; the City and County of Honolulu Department of Facility Maintenance; the City and County of Honolulu Department of Customer Services, Division of Motor Vehicle, Licensing and Permits; and a few individuals opposed this measure. The Department of Land and Natural Resources 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. 2589, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 872-12 Finance on H.B. No. 2682

The purpose of this measure is to authorize the Department of Land and Natural Resources to regulate the commercial use of state waters and marine resources.

The Department of Land and Natural Resources; the Environmental Caucus of the Democratic Party of Hawaii; the Wild Dolphin Foundation; Wild Side Specialty Tours, LLC; and two individuals 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 H.B. No. 2682, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 873-12 Finance on H.B. No. 2398

The purpose of this measure is to establish the Honokohau Marina Development District on the island of Hawaii.

An individual supported this measure. The Department of Land and Natural Resources, the Kona Hawaiian Civic Club, and two individuals opposed this measure. The Department of Hawaiian Home Lands, the Department of Budget and Finance, and the Hawaii Community Development Authority commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the Honokohau Marina Development District is under the Hawaii Community Development Authority;

- (2) Deleting the requirement that of the three additional members appointed to the Hawaii Community Development Authority representing the Honokohau Marina Development District, the member that represents Kaloko-Honokohau National Historical Park must also be a cultural practitioner;
- (3) Deleting the Honokohau Marina Development Revolving Fund; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2398, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2398, H.D. 2.

Signed by all members of the Committee.

SCRep. 874-12 Finance on H.B. No. 1724

The purpose of this measure is to require the Department of Human Services to:

- (1) Provide Medicaid presumptive eligibility to patients who meet specified income and medical eligibility requirements and have been waitlisted for long-term care;
- (2) Conduct a study of a computerized Medicaid applications system to address inefficiencies and other problems associated with processing Medicaid applications; and
- (3) Submit annual reports to the Legislature for the next five years regarding costs and other issues related to Medicaid presumptive eligibility.

This measure also appropriates funds to cover the costs of any reimbursements made to providers or plans for services that are provided during the time waitlisted patients are enrolled but are eventually determined to be ineligible.

The Policy Advisory Board for Elder Affairs, Kaiser Permanente Hawaii, Hawaii Disability Rights Center, and Healthcare Association of Hawaii supported the measure. The Department of Human Services opposed the measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation figure to an unspecified dollar amount;
- (2) Changing the effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1724, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1724, H.D. 1.

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

SCRep. 875-12 Finance on H.B. No. 2540

The purpose of this measure is to ensure the safety and well-being of children cared for in group child care homes, group child care centers, and family child care homes. Specifically this measure:

- (1) Allows the Department of Human Services to charge reasonable fees for licenses and certificates of registration for group child care homes, group child care centers, and family child care homes; and
- (2) Establishes the Child Care Licensing and Registration Special Fund to receive these fees.

The Department of Human Services testified in support of this measure. The Childcare Business Coalition of Hawaii testified in opposition to this measure.

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. 2540, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2540, H.D. 2.

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

SCRep. 876-12 Finance on H.B. No. 2685

The purpose of this measure is to permit needy families to acquire the assets necessary to escape poverty by increasing the asset limit for public assistance for households with minor dependents from \$5,000 to \$10,000. This measure also requires the Department of Human Services to conduct a study on asset limits and their applicability to various public assistance programs.

The Office of Hawaiian Affairs, Hawaii Alliance for Community-Based Economic Development, United Self Help, and two concerned individuals supported this measure. The Department of Human Services provided comments.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the Department of Human Services conduct a study on asset limits;
- (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. 2685, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2685, H.D. 2.

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

SCRep. 877-12 Finance on H.B. No. 1689

The purpose of this measure is to reduce medicaid costs for long-term care by encouraging individuals to purchase private long-term care insurance plans. Specifically, this measure implements the Long-Term Care Partnership Program, which allows individuals to qualify for medicaid coverage for continued long-term care prior to exhausting their assets.

The American Council of Life Insurers, the National Association of Insurance and Financial Advisors, and a concerned individual supported the measure. The Department of Human Services and the Policy Advisory Board for Elder Affairs opposed the measure. The Attorney General offered comments on the measure.

Your Committee notes that the Long-Term Care Partnership Program allows individuals to benefit from a dollar for dollar asset disregard, for the purposes of medicaid spend down requirements, for benefits paid under their qualified long-term care insurance plans. Your Committee respectfully requests as this bill moves forward in the legislative process that future discussions on this bill consider a dollar for fifty cents asset disregard, rather than the current dollar for dollar asset disregard.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1689, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 878-12 Finance on H.B. No. 1905

The purpose of this measure is to allow the Department of Human Services to draw from other funds appropriated to the Department of Human Services in the event the General Assistance appropriation is insufficient to meet General Assistance benefit payments.

The Department of Human Services, Hawaii Disability Rights Center, Catholic Charities Hawaii, United Self Help, Alahou Clean and Sober, and two concerned individuals supported 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. 1905, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 879-12 Finance on H.B. No. 2290

The purpose of this measure is to authorize public events celebrating Children and Youth Day to be held on State Capitol grounds on the first Sunday in October, unless otherwise determined by the governor.

The Hawaii Youth Services Network supported 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. 2290, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 880-12 Finance on H.B. No. 2448

The purpose of this measure is to assist the Department of Human Services in recovering moneys owed by third parties responsible for injuries to Medicaid recipients. Specifically, this measure establishes formulas for calculating the amount to be contributed by the Department of Human Services towards a Medicaid recipient's attorney fees and costs in lieu of recovering the full amount of a lien for reimbursement for medical expenses on its own.

The Attorney General and Hawaii Association for Justice supported the measure.

Your Committee notes that the Attorney General requested the term "value of damages" be reinserted into the bill and defined, for the limited purpose of reimbursing Medicaid for benefits paid out, as "the total amount that a Medicaid recipient receives from a settlement or what a court or jury awards to the Medicaid recipient at trial." Your Committee respectfully requests that as this bill moves through the legislative process, future deliberations on this measure include consideration of adding the definition of "value of damages."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2448, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 881-12 Finance on H.B. No. 2547

The purpose of this measure is to make an emergency appropriation in the amount of \$736,478 to assist the Department of Human Services in funding general assistance payments and address a budget shortfall in the General Assistance Program.

The Department of Human Services, Hawaii Disability Rights Center, Mental Health America of Hawaii, Catholic Charities Hawaii, PHOCUSED (Protecting Hawaii's Ohana, Children, Under Served, Elderly, and Disabled), and two concerned individuals testified in support of this measure. The Office of Community Services of the Department of Labor and Industrial Relations 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. 211 to the House of Representatives, requested immediate consideration and passage 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. 2547, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 882-12 Finance on H.B. No. 1698

The purpose of this measure is to improve government efficiency by removing the requirement that the Department of Human Resources Development submit annual reports on the expenditures of qualified community rehabilitation programs to the Legislature.

The Department of Human Resources Development and a concerned individual supported 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. 1698 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 883-12 Finance on H.B. No. 2493

The purpose of this measure is to provide employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public officers and employees of collective bargaining unit (9) and their excluded counterparts.

The Department of Budget and Finance 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 H.B. No. 2493, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 884-12 Finance on H.B. No. 2495

The purpose of this measure is to provide for employer contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for plan years 2011-2012 and 2012-2013 for employees of Collective Bargaining Unit (11) and for state officers and employees excluded from Collective Bargaining Unit (11).

The Department of Budget and Finance and the Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO 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. 2495, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 885-12 Finance on H.B. No. 2487

The purpose of this measure is to make various housekeeping amendments to the Employees' Retirement System and to restore parity with respect to age and service requirements for current Employees' Retirement System members who become judges after June 30, 2012. Among other things, this measure:

- (1) Restores the age and service retirement requirements for current members of the Employees' Retirement System who become judges after June 30, 2012, to the same age and service retirement requirements as other Contributory Plan members who became Employees' Retirement System members before July 1, 2012;
- (2) Deletes erroneous references to water safety officers as Contributory Plan members of the Employees' Retirement System;
- (3) Applies the same benefit multiplier for service retirement benefits and ordinary disability benefits for Hybrid Plan members who became members of the Employees' Retirement System after June 30, 2012; and
- (4) Makes the service requirement for payment of the Hybrid Plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal after the member has terminated service.

The Employees' Retirement System Board of Trustees and an individual supported this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2487, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2487, H.D. 1.

Signed by all members of the Committee.

SCRep. 886-12 Finance on H.B. No. 2573

The purpose of this measure is to amend the state apprenticeship law to conform to new federal regulations on apprenticeship programs.

The Department of Labor and Industrial Relations, The Pacific Resource Partnership, and Associated Builders and Contractors, Inc. Hawaii Chapter supported 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2573, H.D. 1.

Signed by all members of the Committee.

SCRep. 887-12 Finance on H.B. No. 2584

The purpose of this measure is to improve the effectiveness and efficiency of government by allowing the Director of Labor and Industrial Relations to accept the notice of employers' worker's compensation insurance from third party agencies that have been approved in a manner and form approved by the Director.

The ILWU Local 142, Plumbers and Fitters Union, Local 675, and a concerned individual 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. 2584, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 888-12 Finance on H.B. No. 2483

The purpose of this measure is to encourage collaboration and cooperation among county, state, and federal agencies, policy makers, businesses, and other community partners to plan for the impacts of climate change and avoid, minimize, or mitigate the loss of life, land, and property of future generations.

The Office of Planning of the Department of Business, Economic Development, and Tourism and The Nature Conservancy supported this measure. Windward Ahupua‘a Alliance, The Chamber of Commerce of Hawaii, and the Building Industry 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. 2483, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 889-12 Finance on H.B. No. 2656

The purpose of this measure is to require all crematoriums operating in the State, including those that were constructed before March 20, 1972, to be subject to the air pollution control requirements of Chapter 342B, Hawaii Revised Statutes.

The Sierra Club Hawaii Chapter and numerous concerned individuals supported this measure. Oahu Cemetery Association and Hosoi Garden Mortuary, Inc. opposed this measure.

Your Committee has amended this measure by:

- (1) Extending from December 31, 2012, to December 31, 2015, the date by which crematoriums constructed before March 20, 1972, and operating without a permit must submit permit applications to the Department of Health; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2656, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2656, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 890-12 Finance on H.B. No. 2690

The purpose of this measure is to address Hawaii's energy independence needs specifically with regard to geothermal resources by:

- (1) Differentiating between "geothermal resources exploration" and "geothermal resources development" for purposes of mining leases and exploration permits;
- (2) Designating geothermal resources exploration and geothermal resources development as permitted uses in all state land use districts and conservation district zones; and
- (3) Repealing geothermal resource subzone provisions under state land use law.

The Department of Land and Natural Resources; the Department of Business, Economic Development, and Tourism; and The Pacific Resource Partnership testified in support of this measure. The Office of Hawaiian Affairs testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Re-inserting language from the original version of the bill, exempting geothermal resources exploration from statutorily established environmental assessment and environmental impact statement requirements;
- (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. 2690, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2690, H.D. 2.

Signed by all members of the Committee.

SCRep. 891-12 Finance on H.B. No. 2145

The purpose of this measure is to address economic development in the State by expressing as a State policy:

- (1) Delineation of the key economic sectors of importance for economic diversification in Hawaii; and
- (2) Identification of some of the key projects within those sectors that are important to the long-term growth and success of those industries.

The Building Industry Association of Hawaii and several individuals testified in support of this measure. Life of the Land and two individuals testified in opposition to this measure. The Office of Planning, Land Use Research Foundation of Hawaii, General Contractors Association of Hawaii, Oceanic Time Warner Cable, and the Airlines Committee of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Establishing the provisions as uncodified session law material rather than as material to be codified into the Hawaii Revised Statutes;
- (2) Changing its effective date to July 1, 2012; 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. 2145, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2145, H.D. 2.

Signed by all members of the Committee.

SCRep. 892-12 Finance on H.B. No. 2246

The purpose of this measure is to help preserve the cultural and historical integrity of Haiku Valley by establishing the Haiku Valley Cultural Preserve Commission to maintain policy and management oversight of the Haiku Valley Cultural Preserve and initiating the conveyance in fee simple of Haiku Valley to the Department of Land and Natural Resources.

The O'ahu Council, Association of Hawaiian Civic Clubs; Ko'olau Foundation; Ko'olaupoko Hawaiian Civic Club; and several concerned individuals supported this bill. The Department of Land and Natural Resources opposed this measure. The Department of Hawaiian Home Lands; Department of Budget and Finance; Office of Hawaiian Affairs; Kai Loa, Inc.; and two concerned individuals 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. 2246, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2246, H.D. 2.

Signed by all members of the Committee.

SCRep. 893-12 Finance on H.B. No. 2881

The purpose of this measure is to implement the Office of Planning's recommendations by authorizing and appropriating funds for the development of a statewide system of greenways and trails in two phases.

An individual supported this measure. The Office of Planning of the Department of Business, Economic Development, and Tourism commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the amount of funds appropriated from the general revenues;
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2881, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2881, H.D. 2.

Signed by all members of the Committee.

SCRep. 894-12 Finance on H.B. No. 1758

The purpose of this measure is to encourage business development in Hawaii through the growth of the film industry by providing incentives that attract media infrastructure projects to facilitate more film and television productions in Hawaii. Specifically, this measure:

- (1) Authorizes the Director of Business, Economic Development, and Tourism to issue revenue bonds for qualified media infrastructure projects;

- (2) Creates the qualified media projects special fund for the disbursement of proceeds from revenue bonds issued pursuant to this measure; and
- (3) Requires applicants for financial assistance from the qualified media projects special fund to meet specified criteria including provision of matching funds and submission to a post-completion audit.

The Department of Business, Economic Development, and Tourism 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. 1758, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 895-12 Finance on H.B. No. 2267

The purpose of this measure is to enhance Hawaii's high-technology infrastructure by authorizing the issuance of up to \$100,000,000 in special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with the planning, permitting, designing, constructing, equipping, and operating of broadband infrastructure throughout the State.

The Department of Business, Economic Development, and Tourism; High Technology Development Corporation; ClearCom, Inc.; ControlPoint Surveying, Inc.; and several concerned individuals supported this bill. The Department of Budget and Finance, Hawaiian Telcom, and Oceanic Time Warner Cable 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. 2267, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 896-12 Finance on H.B. No. 2181

The purpose of this measure is to amend the schedule for filing candidate nomination papers and scheduling an election to fill a vacancy on the Board of Trustees of the Office of Hawaiian Affairs to ensure that ballots are finalized early enough for ballots to be printed and mailed to uniformed and overseas voters no later than forty-five days prior to the election as mandated by the National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84. The measure also amends the period when the Board of Trustees or the Governor can make an appointment to fill the vacancy to account for the new federal election requirement.

The Office of Elections, the Elections Division of the Office of the County Clerk of the County of Kauai, and the Office of the County Clerk of the County of Maui supported the measure. The Office of Hawaiian Affairs offered comments 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. 2181 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 897-12 Finance on H.B. No. 2808

The purpose of this measure is to provide the lessees of the Kikala-Keokea homestead an additional period of ten years to construct dwellings in order to comply with the terms of their long-term land leases with the Department of Land and Natural Resources.

The Office of Hawaiian Affairs and several individuals supported this measure. The Department of Land and Natural Resources commented on this measure.

Your Committee notes that the Department of Land and Natural Resources has commented that although there is little development surrounding the Kikala-Keokea subdivision, the subdivision has the necessary infrastructure for lessees to proceed with construction of their dwellings because the State has spent more than \$3,000,000 to construct county standard roads, county water lines installed to the edge of each lot, and electrical and telephone utilities in the subdivision.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2808 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 898-12 Finance on H.B. No. 2529

The purpose of this measure is to exempt expenditures and procurements of less than \$250,000 from the Hawaiian Home Operating Fund, Hawaiian Home Receipts Fund, Hawaiian Home Trust Fund, and Native Hawaiian Rehabilitation Fund from the requirements of the Hawaii Public Procurement Code.

The Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and many concerned individuals supported the measure. Aupuni O Hawaii opposed the measure.

Your Committee has amended this measure by:

- (1) Requiring the Department of Hawaiian Home Lands to submit an annual report to the Legislature on solicitations of goods, services, and construction, types of procurements, and awardees;
- (2) Sunsetting the measure in three years on 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. 2529, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2529, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 899-12 Finance on H.B. No. 2806

The purpose of this measure is to protect Hawaii's environment, to promote sustainability in Hawaii, and to preserve the Hawaiian culture by:

- (1) Establishing the Aha Moku Advisory Committee within the Department of Land and Natural Resources;
- (2) Authorizing the Committee to advise the chairperson of the Board of Land and Natural Resources on issues related to land and natural resources management through the Aha Moku System, which is a system of best practices that is based upon the indigenous resource management practices of moku (regional) boundaries, that acknowledges the natural contours of land, the specific resources located within those areas, and the methodology necessary to sustain resources and the community;
- (3) Requiring the Committee to submit an annual report to the Legislature and the chairperson of the Board of Land and Natural Resources that includes a list of recommendations made by the Committee and the resulting action taken by the Department of Land and Natural Resources; and
- (4) Appropriating \$153,000 in general funds for the Committee's administrative costs.

The Office of Hawaiian Affairs, the Aha Moku Advisory Committee, the Koolau Foundation, the Association of Hawaiian Civic Clubs, the Oahu Council of the Association of Hawaiian Civic Clubs, Kakoo Oiwi, Koolaupoko Hawaiian Civic Club, and several concerned individuals supported this measure. The Land Use Research Foundation of Hawaii and an individual opposed this measure. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount;
- (2) Deleting references to the source of funding for the appropriation;
- (3) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2806, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2806, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 900-12 Finance on H.B. No. 2153

The purpose of this measure is to alleviate traffic congestion on Hawaii's roadways, as well as provide a dedicated source of revenue for the maintenance of heavily used highways and roads by authorizing the Department of Transportation to establish toll roads for motor vehicle traffic in the State.

Additionally, this measure stipulates that no toll road may be constructed or designated where there is no alternative toll-free route available for public use.

The Department of Transportation testified in support of this measure. The Hawaii Transportation Association and one individual 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. 2153, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 901-12 Finance on H.B. No. 2800

The purpose of this measure is to aid the State in addressing its current fiscal situation while assisting the Department of Transportation with addressing state highway transportation infrastructure needs by:

- (1) Extending the increase in the rental motor vehicle surcharge tax made by Act 104, Session Laws of Hawaii 2011, for an additional five years;
- (2) Extending the suspension of the \$4.50 per day rental motor vehicle customer facility charge for an additional five years; and
- (3) Reducing the remittance of the rental motor vehicle surcharge tax to the general fund from \$4.50 to \$3.50 with \$1.00 being deposited into the State Highway Fund.

Enterprise Rental Car, Avis Budget Group, and The Hertz Corporation testified in opposition to this measure. The Department of Transportation, Department of Budget and Finance, Tax Foundation of Hawaii, and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Deleting language reducing the remittance of the rental motor vehicle surcharge tax to the general fund from \$4.50 to \$3.50 and depositing the \$1.00 into the State Highway Fund;
- (2) Stipulating that the rental motor vehicle surcharge taxes assessed and collected during the fiscal years 2012-2013 to 2016-2017, shall be transmitted to the Director of Finance;
- (3) Requiring the Director of Finance to deposit the rental motor vehicle surcharge taxes assessed and collected during the fiscal years 2012-2013 to 2016-2017 as follows:
 - (A) In each of the fiscal years 2012-2013 and 2013-2014, \$50,000,000 into the general fund and the remainder into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
 - (B) In each of the fiscal years 2014-2015, 2015-2016, and 2016-2017, \$30,000,000 into the general fund and the remainder into the Rental Motor Vehicle Customer Facility Charge Special Fund;
- (4) Providing the Director of Finance with the discretion to determine when the surcharge taxes assessed and collected during a fiscal year are deposited into the specified funds; 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. 2800, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2800, H.D. 1.

Signed by all members of the Committee.

SCRep. 902-12 Finance on H.B. No. 2485

The purpose of this measure is to clarify requirements pertaining to parking spaces for electric vehicles. Specifically, this measure, among other things, sets the minimum number of electric vehicle-designated parking spaces required in places of public accommodation with at least one hundred parking spaces and repeals mandatory designated space increases that would have taken effect once registered electric vehicles in the State numbered at least five thousand.

The Department of Business, Economic Development, and Tourism; City and County of Honolulu, Department of Design and Construction; Outrigger Hotels Hawaii; and an individual supported this measure. The Sierra Club Hawaii Chapter opposed this measure. The Disability and Communication Access Board and the Alliance of Automobile Manufacturers commented on this measure.

Your Committee has amended this measure by:

- (1) Specifying that an electric vehicle means a "neighborhood electric vehicle" as defined in the Hawaii Highway Safety Act or a vehicle that has at least four wheels and draws propulsion energy from a rechargeable battery with at least four kilowatt hours of energy storage capacity; and
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating 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. 2485, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2485, H.D. 3.

Signed by all members of the Committee.

SCRep. 903-12 Finance on H.B. No. 2613

The purpose of this measure is to assist the Harbors Division of the Department of Transportation in more efficiently implementing needed maritime projects by exempting submerged lands within the State commercial harbors system from the permit and site plan approval requirements as they relate to submerged lands within a conservation district.

The Department of Transportation testified in support of this measure. The Office of Hawaiian Affairs and numerous concerned individuals testified in opposition to this measure. The Environmental Center of the University of Hawaii provided 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2613, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2613, H.D. 1.

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

SCRep. 904-12 Finance on H.B. No. 2179

The purpose of this measure is to allow for the diminishment of the Auditor's salary by general law that applies to all salaried officers to conform with statutory provisions that apply to the salaries of other legislative service agency heads. This measure would not diminish the salary of the current Auditor unless general law that applies to all State officers is enacted concurrently with or after the effective date of this measure.

The State Auditor 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. 2179 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 905-12 Finance on H.B. No. 1726

The purpose of this measure is to extend the repeal date of the energy systems development special fund to June 30, 2015, to match the repeal date of the environmental response, energy, and food security tax, which is its primary source of funding.

The Department of Business, Economic Development, and Tourism; the Hawaii State Energy Office; the Hawaii Natural Energy Institute at the University of Hawaii at Manoa; the Blue Planet Foundation; and an individual supported this measure. The Public Utilities Commission commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1726, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1726, H.D. 1.

Signed by all members of the Committee.

SCRep. 906-12 Finance on H.B. No. 2121

The purpose of this measure is to promote the government's use of renewable energy technologies and ensure that such projects are cost effective by:

- (1) Prohibiting government agencies from contracting with private energy providers that claim the renewable energy technologies tax credit; and
- (2) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities.

An individual supported this measure. The Department of Business, Economic Development, and Tourism; the County of Kauai; the Hawaii County Department of Water Supply; the Hawaii PV Coalition; Kairos Energy Capital, LLC; and an individual opposed this measure. The Office of Hawaiian Affairs, the Department of Education, and the Hawaii Community Development Authority commented on this measure.

Your Committee has amended this measure by:

- (1) Recasting the ban against a government agency entering into an energy agreement with a taxpayer who claims the renewable energy technologies income tax credit with instead a disallowance of the tax credit to any taxpayer who installs a renewable energy system for or enters into an energy agreement with a government agency;
- (2) Changing the lapse date for the general obligation bonds to June 30, 2014; and
- (3) Changing the 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 H.B. No. 2121, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2121, H.D. 2.

Signed by all members of the Committee.

SCRep. 907-12 Finance on H.B. No. 2262

The purpose of this measure is to encourage development of Hawaii's renewable energy industry by, among other things:

- (1) Creating the renewable fuel feedstock tax credit;
- (2) Creating the renewable fuels facility tax credit from the ethanol facility income tax credit, with modification to apply it to facilities for the production of various specified types of renewable fuels, including ethanol; and
- (3) Reducing the aggregate amount of tax credits available under the renewable fuels facility tax credit.

Hawaiian Electric Company, Inc., Maui Electric Company, Ltd. and Hawaii Electric Light Company, Inc., submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; The Gas Company; Hawaii Renewable Energy Alliance; Blue Planet Foundation; Pacific West Energy, LLC; and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision that established the renewable energy fuel feedstock tax credit;
- (2) Changing the measurement unit for minimum required production capacity of qualifying renewable fuels production facilities from gallons to British thermal units (BTU) and making related amendments by:
 - (A) Specifying that the amount of the renewable fuels facility tax credit shall be thirty cents per 115,000 BTU of renewable fuel produced using the lower heating value for distribution in Hawaii; and
 - (B) Reducing the required minimum nameplate capacity of qualifying renewable fuels facilities to 28.750 billion BTU;
- (3) Amending the description of renewable fuel produced by qualifying renewable fuel production facilities by:
 - (A) Requiring that the fuel be produced from renewable feedstocks;
 - (B) Deleting requirements for specific fuel applications; and
 - (C) Excluding blends of gasoline with 85 percent or more of alcohol;
- (4) Increasing the maximum annual available tax credit to \$3,000,000 per taxpayer and \$12,000,000 in the aggregate;
- (5) Amending the definitions of "qualifying renewable fuel production" and "qualifying renewable fuels production facility" to include the fuel types that qualify for this tax credit within the latter definition;
- (6) Making conforming amendments; and
- (7) Inserting an effective date of July 1, 2030, to encourage further discussion of this issue.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2262, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2262, H.D. 2.

Signed by all members of the Committee.

SCRep. 908-12 Finance on H.B. No. 2326

The purpose of this measure is to amend the:

- (1) Energy income tax credit;
- (2) Renewable energy technology tax credit;

- (3) Ethanol facility tax credit;
- (4) Attractions and educational facilities tax credit;
- (5) Capital goods excise tax credit; and
- (6) Low-income housing tax credit,

to provide that the basis of eligible property for depreciation of accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of the tax credit allowable and claimed.

The Department of Taxation, the Tax Foundation of Hawaii, Hawaii PV Coalition, and the Hawaii Association of REALTORS commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the basis of eligible depreciable property for state income tax purposes shall be reduced by the amount of the low-income housing tax credit claimed; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2326, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2326, H.D. 1.

Signed by all members of the Committee.

SCRep. 909-12 Finance on H.B. No. 2417

The purpose of this measure is to amend the renewable energy technologies income tax credit by increasing the maximum available amount of the tax credit and applying the credit on a per-property basis, as designated by tax map key number.

The Department of Taxation submitted comments on this measure. The Hawaii Renewable Energy Alliance, Sierra Club of Hawai'i, Solar Energy Industries Association, Blue Planet Foundation, Forest City Hawaii, Hawaii PV Coalition, SunPower Systems Corporation, Kairos Energy Capital LLC, Inter-Island Solar Supply, and many concerned individuals submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Making conforming amendments to additional portions of section 235-12.5, Hawaii Revised Statutes, to account for the application of the renewable energy technologies income tax credit on a per-property, as opposed to a per-system, basis;
- (2) Increasing the maximum amount of the income tax credit available for various types of properties;
- (3) Specifying a tax credit amount of \$1,000 per kilowatt for kilowatts of more than 300 through 5,000 kilowatts produced by a solar energy system installed and placed in service on a nonresidential property;
- (4) Reverting back to the current tax credit amount for wind-powered energy systems placed on a nonresidential property; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2417, H.D. 2.

Signed by all members of the Committee.

SCRep. 910-12 Finance/Legislative Management on H.B. No. 2524

The purpose of this measure is to update the State's broadband and telecommunications infrastructure by, among other things:

- (1) Establishing a Communications Division within the Department of Commerce and Consumer Affairs, to be headed by a Communications Commissioner;
- (2) Granting general regulatory supervision over all telecommunications carriers and cable operators to the Communications Commissioner and transferring certain regulatory functions from the Public Utilities Commission to the Communications Division;
- (3) Requiring the Communications Commissioner to develop programs and initiatives to encourage and facilitate the deployment of broadband services and access to those services by users in the State; and
- (4) Making conforming amendments to existing statutes.

Prior to the hearing, Your Committee circulated a Proposed H.D. 2. The Proposed H.D. 2 amends the H.D. 1 as follows:

- (1) Deletes the proposed new chapter to the Hawaii Revised Statutes contained in H.D. 1, establishing the Communications Division and the Communications Commissioner;
- (2) Adds a new chapter to the Hawaii Revised Statutes, which establishes a Telecommunications and Cable Television Services Commission, within the Department of Business, Economic Development, and Tourism for administrative purposes, with general regulatory supervision over telecommunications carriers and cable operators. The new chapter retains, for the most part, the regulatory requirements pertaining to telecommunications carriers that is presently contained in Chapter 269, Hawaii Revised Statutes, and cable operators that is presently contained in Chapter 440G, Hawaii Revised Statutes;
- (3) Transfers general regulatory supervision over cable operators from the Department of Commerce and Consumer Affairs to the Telecommunications and Cable Television Services Commission, effective July 1, 2012;
- (4) Transfers general regulatory supervision over telecommunications carriers from the Public Utilities Commission to the Telecommunications and Cable Television Services Commission, effective July 1, 2013;
- (5) Provides for a transition period from the current regulatory structure to the structure provided in the measure; and
- (6) Makes conforming amendments to existing statutes.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Office of the Governor; Department of Business, Economic Development, and Tourism; Public Utilities Commission; Office of Information Practices; AT&T; and Hawaiian Telcom commented on this measure. Your Committee also received written comments on the measure from the Department of Human Resources Development.

Your Committee finds that consolidating governmental oversight responsibilities for telecommunications carriers and cable operators into one commission will facilitate the operations of those entities, by providing them with a distinct, knowledgeable governmental body to look to with their concerns and problems. Furthermore, because the regulatory requirements remain essentially the same in this measure as they were in Chapter 269 and Chapter 440G, Hawaii Revised Statutes, telecommunications carriers and cable operators will be able to continue their operations without undue concern about the need to become acquainted with and adhere to new regulatory requirements.

Your Committee also finds that the Telecommunications and Cable Television Services Commission, as established in the Proposed H.D. 2, is an appropriate body to identify and address the needs of the State's telecommunications and cable operations, including broadband services.

Your Committee has amended the Proposed H.D. 2 by:

- (1) Changing the phrase "retail telecommunications service" to "retail telecommunications basic exchange service" in section -24 of the new chapter;
- (2) Deleting sections -29 to -32 of the new chapter, pertaining to securities, voting stock, acquirement of stock, and merger and consolidation, and renumbering the remaining sections and internal references in the new chapter and in the conforming amendments; and
- (3) Changing the effective date to March 15, 2034, to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Finance and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2524, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2524, H.D. 2.

Signed by all members of the Committee except Representative Manahan.

SCRep. 911-12 Judiciary on H.B. No. 2030

The purpose of this measure is to promote highway safety by requiring motorists, upon approaching and passing a stationary emergency vehicle with its visual signals activated, to:

- (1) Vacate the lane closest to the stationary emergency vehicle; or
- (2) Slow to a specified speed.

The State Fire Council, Department of Public Safety, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of Emergency Management of the City and County of Honolulu, Hawaii Police Department, Honolulu Police Department, Maui Police Department, Hawaii Fire Department, Honolulu Fire Department, Kauai Fire Department, The Queen's Medical Center, AAA Hawaii, Hawaii Bicycling League, Mothers Against Drunk Driving, and several individuals testified in support of this measure. The Office of the Public Defender opposed this measure. The Department of Transportation commented on this measure.

Your Committee has amended this measure by:

- (1) Dedicating this measure to the memory of Officers Garret Davis and Eric Fontes of the Honolulu Police Department;
- (2) Specifying that a motorist who is passing a stationary emergency vehicle with its visual signals on must vacate the lane directly next to, rather than closest to, the stationary emergency vehicle;

- (3) Deleting the specific speeds that a motorist must slow to in order to pass a stationary emergency vehicle with its visual signals on, and instead providing that the motorist must slow to a speed that is safe and appropriate and continue to drive at a speed no greater than is reasonable and prudent;
- (4) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2030, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2030, H.D. 2.

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

SCRep. 912-12 Judiciary on H.B. No. 1753

The purpose of this measure is to make permanent the limitation on liability for state and county governments regarding the duty to warn of dangerous natural conditions on improved public lands and the actions of county lifeguards.

The Department of the Attorney General, State Fire Council, Honolulu Fire Department, Department of Land and Natural Resources, Emergency Services Department of the City and County of Honolulu, Kauai Fire Department, Department of the Corporation Council of the City and County of Honolulu, Hawaii State Association of Counties, Hawaii Government Employees Association, the Mayor of Kauai County, the Treasurer of the Hawaii State Association of Counties, a Council Member of the Maui County Council, and several concerned individuals testified in support of this measure. The Hawaii Association for Justice testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Extending the repeal date for the liability protections afforded state and county governments regarding the duty to warn of dangerous natural conditions on improved public lands and the actions of county lifeguards to June 30, 2016; 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. 1753, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1753, H.D. 1.

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

SCRep. 913-12 Judiciary on H.B. No. 2628

The purpose of this measure is to extend the exemption from the Residential Landlord-Tenant Code to residences directly controlled and managed by any university or college in the State and private dorm management companies offering fifty or more beds to students of any college, university, or other institution of higher education in the State.

Chaminade University of Honolulu; Hawaii Student Suites, Inc.; and two concerned individuals testified in support of the measure. The University of Hawaii provided 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 is in accord with the intent and purpose of H.B. No. 2628, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Herkes.

SCRep. 914-12 Judiciary on H.B. No. 2593

The purpose of this measure is to provide emergency rulemaking authority for agencies to address issues of imminent peril to natural resources or the health of the environment.

The Department of Land and Natural Resources and The Nature Conservancy of Hawaii testified in support of this measure. The Land Use Research Foundation of Hawaii provided comments on this measure.

Your Committee notes that the term "the health of the environment" is part of the title of this measure, however, your Committee finds this term should be removed from the substantive portion of this bill.

Accordingly, your Committee has amended this measure by:

- (1) Removing the term "the health of the environment";
- (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. 2593, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2593, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 915-12 Judiciary on H.B. No. 1926

The purpose of this measure is to amend the offense of assault in the second degree to include persons who intentionally or knowingly cause bodily injury to any medical services provider who is engaged in the performance of duty.

Specifically, this measure redefines "medical service provider" to:

- (1) Include physical therapists;
- (2) Include medical clinics, federally-qualified health centers, long-term care facilities, and specialized nursing facilities among the types of facilities where medical services providers provide services; and
- (3) Include other licensed medical professionals involved in the direct care of patients.

Kaiser Permanente, Healthcare Association of Hawaii, The Queen's Medical Center, and one individual testified in support of this measure. The Office of the Public Defender testified in opposition to this measure.

Your Committee is concerned about expanding the scope and applicability of the offense of assault in the second degree to a broad class of medical service providers; however, your Committee recognizes that this measure merits further discussion and consideration by the Legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Herkes, McKelvey and Marumoto.

SCRep. 916-12 Judiciary on H.B. No. 679

The purpose of this measure is to exempt National Rifle Association (NRA) certified firearms instructors from absolute liability during the course of providing firearms training to a person seeking to acquire a pistol or revolver permit as required by state law.

Lessons in Firearms Education, Hawaii Rifle Association, and numerous concerned individuals testified in support of this measure. The Hawaii Association for Justice testified in opposition to this measure. The Department of Land and Natural Resources provided comments.

Your Committee wishes to avoid the situation where a NRA firearms instructor seeks an exemption from absolute liability when the training occurs at a place other than a firing range or firearms training facility. Accordingly, your Committee has amended this measure by requiring that the firearm training occur at a firing range or other firearms training facility in order for the NRA certified firearms instructor to qualify for the exemption from absolute liability.

Additionally, your Committee has amended this measure by:

- (1) Clarifying the two affirmative defenses to absolute liability available to the owner of the firearm by separating them into separate subsections;
- (2) Changing the effective date of the bill to January 7, 2019, in order to further discussion on this measure; and
- (3) Making technical, nonsubstantive changes 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. 679, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 679, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 917-12 Judiciary on H.B. No. 2611

The purpose of this measure is to temporarily amend Chapter 343, Hawaii Revised Statutes, by:

- (1) Clarifying current exemptions for secondary actions limited to development within an existing public right-of-way or highway; and
- (2) Requiring applicants to prepare environmental assessments when necessary.

The Office of Environmental Quality Control; NAIOP, the Commercial Real Estate Development Association; and Building Industry Association of Hawaii testified in support of this measure. The Land Use Research Foundation of Hawaii and one concerned individual testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement under the exemption to find environmental impacts of the secondary actions are not significant;
- (2) Changing the effective date to January 7, 2059, and the repeal date to July 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. 2611, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2611, H.D. 2.

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

SCRep. 918-12 Judiciary on H.B. No. 2760

The purpose of this measure is to promote highway safety by:

- (1) Prohibiting mopeds from driving in a bicycle lane and bicycle path; and
- (2) Requiring the posting of signs prohibiting mopeds to be placed along bicycle lanes.

Maui Bicycle Alliance; Kauai Path, Inc.; Hawaii Bicycling League; and a concerned individual supported this measure. The Department of Transportation and four members of the County of Maui County Council provided comments.

Your Committee has amended this measure by:

- (1) Inserting language that prohibits the use of a mobile electronic device while operating a motor vehicle or commercial motor vehicle and providing penalties;
- (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. 2760, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2760, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Coffman, Herkes, Luke and Marumoto.

SCRep. 919-12 Finance on H.B. No. 2875

The purpose of this measure is to further the education of third through sixth grade students in the Hawaiian Language Immersion Program by requiring:

- (1) The Department of Education to administer reading, math, science, and other general state assessment tests developed originally in the Hawaiian language and not translated from English for students in those grade levels;
- (2) The Board of Education to adopt rules establishing procedures for developing the assessment tests in collaboration with the Hawaiian language community; and
- (3) The Department of Education to submit annual status reports on the development and administration of the assessment tests developed originally in the Hawaiian language for students in those grade levels.

The Office of Hawaiian Affairs; the Local School Board of Ke Kula 'o Samuel M. Kamakau, K-12 Laboratory Public Charter School; Association of Hawaiian Civic Clubs; Papa Ola Lokahi; and many concerned individuals supported the measure. The Department of Education and a concerned individual offered comments 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. 2875 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 920-12 Finance on H.B. No. 1694

The purpose of this measure, as received by your Committee, is to require the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller.

Prior to a public hearing on this bill, your Committee circulated Proposed H.B. No. 1694 H.D. 2 (Proposed Draft) and notified the public that it would be accepting testimony on the Proposed Draft, which:

- (1) Requires the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller;
- (2) Exempts certain sellers engaged in business in the State from the collection of use taxes if they can meet specific requirements; and
- (3) Revises the definition of "engaged in business in the State" by adding specific language relating to sellers.

Your Committee received testimony from the following organizations and individuals on H.B. No. 1694, H.D. 1, as introduced, and on the Proposed Draft.

Walgreens, Retail Merchants of Hawaii, and The Chamber of Commerce of Hawaii supported the measure, as received by your Committee.

The Department of Taxation, Hawaii Association of Realtors, and the Tax Foundation of Hawaii offered comments on the Proposed Draft.

The Department of Taxation suggested that your Committee consider adopting an economic nexus approach.

Your Committee considered the merits of both H.B. No. 1694, H.D.1, as received by your Committee, and the Proposed Draft, and upon careful consideration, adopted the Proposed Draft with the following amendments:

- (1) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1694, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1694, H.D. 2.

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

SCRep. 921-12 Finance on H.B. No. 2169

The purpose of this measure, as received by your Committee, is to protect shareholders, creditors, insurance companies, and banks and government agencies, among others, who rely on the attest work performed by certified public accounting firms. Specifically, this measure establishes a peer review process for public accountancy firms that engage in attest work.

For the purposes of a public hearing on this bill, your Committee circulated a Proposed H.B. No. 2169, H.D. 2 (Proposed Draft), and notified the public that it would be accepting testimony on the proposal, which among other things:

- (1) Establishes a peer review process for public accountancy firms that engage in attest work;
- (2) Requires peer reviews to be made in accordance with the American Institute of Certified Public Accountants Standards for Performing and Reporting on Peer Reviews, Public Company Accounting Oversight Board, and Statement on Standards for Attestation Agreements, among other specified standards;
- (3) Sets forth requirement for certified public accounting firms that do Hawaii attest work and are required to obtain permits to practice in Hawaii, that include enrolling with sponsoring organizations, participating in peer reviews, and compliance reporting;
- (4) Establishes a right to appeal matters, including a "pass with deficiency" or "fail" peer review rating, that may result in the denial, termination, or nonrenewal of a permit to practice;
- (5) Specifies procedures regarding the Hawaii supplement to the peer review report;
- (6) Establishes procedures for third-party entities to qualify as a sponsoring organization to administer the peer review, including the submission of a peer review administration plan to the Board of Public Accountancy;
- (7) Specifies the purpose, responsibilities, qualifications, membership, scope of confidentiality, and authority, among other things, of the Peer Review Oversight Committee monitoring sponsoring organizations; and
- (8) Authorizes the Board of Public Accountancy to suspend for up to a year a peer reviewer for the Hawaii supplement to the peer review report for specified causes.

The Board of Public Accountancy opposed the measure as received by your Committee and stated in its written testimony that it had not had an opportunity to review the Proposed Draft.

The Hawaii Society of Certified Public Accountants; Hawaii Association of Public Accountants; Wikoff Combs & Co., LLC; and several concerned individuals supported the Proposed Draft. A concerned individual opposed the Proposed Draft.

Your Committee considered the merits of both H.B. No. 2169, H.D. 1, as received by your Committee, and the proposed draft, and upon careful consideration, adopted the Proposed Draft with the following amendments:

- (1) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2169, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2169, H.D. 2.

Signed by all members of the Committee.

SCRep. 922-12 Finance on H.B. No. 1671

The purpose of this measure as received by your Committee is to streamline the procurement protest process by:

- (1) Imposing time limits on rendering administrative and judicial review decisions;
- (2) Limiting protests to be heard by a hearings officer to those protests that amount to a minimum percentage of the contract value;
- (3) Requiring the posting of a protest bond which will be forfeited if the protesting party does not prevail; and
- (4) Requiring the hearings officer to transmit the record of the administrative proceeding to circuit court, within ten calendar days of the filing of an application for judicial review and giving the court jurisdiction over the matter for 30 days.

Additionally, this measure requires the State Procurement Office to keep statistics on protested solicitations and awards.

Prior to the hearing, your Committee circulated for consideration and received testimony on a Proposed H.B. 1671, H.D. 2 (Proposed H.D. 2).

The provisions of the Proposed H.D. 2 are substantively similar to the measure received by your Committee, except that the Proposed H.D. 2:

- (1) Authorizes the Chief Procurement Officer, prior to the commencement of an administrative proceeding or court action, to resolve and settle a protest of a solicitation or award of a contract within ten business days after receipt of the protest;
- (2) Requires the Chief Procurement Officer to issue a decision upholding or denying the solicitation or award of a contract protest within 20 days of receiving the protest; and
- (3) Changes the standard of proof for an initiating party in a protest concerning the solicitation or award of a contract from a preponderance of the evidence to clear and convincing evidence.

The Department of Transportation and Building Industry Association of Hawaii testified in support of the Proposed H.D. 2. The Department of Commerce and Consumer Affairs, Department of Budget and Fiscal Services of the City and County of Honolulu, and General Contractors Association of Hawaii provided comments.

Your Committee has amended the Proposed H.D. 2 by:

- (1) Requiring that the Chief Procurement Officer compile a record of protest in addition to issuing a decision upholding or denying the solicitation or award of a contract protest within 20 days of receiving the protest;
- (2) Authorizing hearings officers to review and determine any protested solicitation or award and specifying the required review process therefor;
- (3) Restoring the standard of proof for an initiating party in a protest concerning the solicitation or award of a contract back to a preponderance of the evidence;
- (4) Specifying the required procedures to be followed by hearings officers for administrative proceedings for review, including the procedure applicable to protested solicitations and awards;
- (5) Changing the effective date to July 1, 2012; 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. 1671, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1671, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 923-12 Finance on H.B. No. 1840

The purpose of this measure is to help strengthen and expand Hawaii's economy by establishing a task force to study the feasibility of establishing a state-owned bank in Hawaii.

Faith Action for Community Equity, the Hawaii Alliance for Community Based Economic Development, Hawaii Farm Bureau Federation, IMUAlliance, and three concerned individuals supported this measure. The Division of Financial Institutions of the Department of Commerce and Consumer Affairs, Legislative Reference Bureau, Legal Aid Society of Hawaii, Pennsylvania Project, Hawaii Laborers-Employers Cooperation and Education Trust, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Placing the task force within the Department of Commerce and Consumer Affairs for administrative purposes;
- (2) Including on the task force a representative from AARP, the Legal Aid Society of Hawaii, and Faith Action for Community Equity and the Executive Director of the Office of Consumer Protection or the Executive Director's designee;
- (3) Requiring the task force to look at models used in other states and banking institutions; 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. 1840, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1840, H.D. 3.

Signed by all members of the Committee.

SCRep. 924-12 Finance on H.B. No. 2103

The purpose of this measure, as received by your Committee, is to establish the bank of the State of Hawaii in order to develop a program to acquire residential property in situations where the mortgagor is an owner-occupant who has defaulted on a mortgage or been denied a mortgage loan modification and the mortgagee cannot prove its authority to foreclose on the property.

For purposes of a public hearing on this bill, your Committee circulated a proposed draft (Proposed H.B. 2103, H.D. 2), and notified the public that it would be accepting testimony on the proposal, which:

- (1) Directs the Department of Commerce and Consumer Affairs to conduct a comprehensive review of relevant laws of the State to develop legislation to establish the bank of the State of Hawaii;
- (2) Appropriates funds to conduct the review;
- (3) Directs the Hawaii Housing and Finance and Development Corporation to establish and operate an interim purchase program for distressed residential properties encumbered by problematic mortgages until the bank of the State of Hawaii is operational; and
- (4) Establishes minimum percentages of state funds that shall be deposited in the bank of the State of Hawaii.

Your Committee received testimony from the following organizations and individuals on H.B. No. 2103, H.D. 1, as introduced, and on the proposed draft:

H.B. No. 2103, H.D. 1: Pennsylvania Project, Inc., and several concerned individuals supported the measure.

H.B. No. 2103, H.D. 2, Proposed Draft: Hawaii Laborers-Employers Cooperation and Education Trust, IMUAlliance, and two concerned individuals supported the measure. The Department of Budget and Finance, Hawaii Bankers Association, and the Hawaii Credit Union League opposed the measure. The Department of Commerce and Consumer Affairs, Hawaii Housing Finance and Development Corporation, Legal Aid Society of Hawaii, Hawaii Farm Bureau Federation, and a concerned individual offered comments on the measure.

Your Committee considered the merits of both H.B. No. 2103, H.D. 1, as received by your Committee, and the proposed draft, and upon careful consideration, adopts the proposed draft.

Your Committee has amended the proposed draft by:

- (1) Replacing appropriation and transfer amounts with unspecified dollar amounts;
- (2) Replacing the \$500,000,000 amount to be deposited from private financial institutions to the Bank of the State of Hawaii with an unspecified dollar amount;
- (3) Leaving blank the dates relating to the implementation of the Bank of the State of Hawaii, including dates by which funds are to be deposited with the bank; 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. 2103, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2103, H.D. 2.

Signed by all members of the Committee.
(Representatives Riviere and Ward voted no.)

SCRep. 925-12 Finance on H.B. No. 1974

The purpose of this measure is to remove the county residency requirements for the burial of members and veterans of the United States Armed Services and their dependents in veterans' cemeteries within the respective counties.

The Oahu Veterans Council testified in support of this measure. The Office of Veterans Services of the Department of Defense provided comments.

Your Committee has amended this measure by:

- (1) Adding language to conform Hawaii's eligibility requirements for the burial of members of the United States Armed Services and their dependents to the criteria established by the United States Department of Veterans Affairs regarding eligibility for burial in a national cemetery;
- (2) Inserting a sunset 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. 1974, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1974, H.D. 2.

Signed by all members of the Committee.

SCRep. 926-12 Finance on H.B. No. 2257

The purpose of this measure is to assist the spouses of active duty military personnel in maintaining continuity in their own career paths by authorizing professional and vocational licensing authorities to allow applicants to demonstrate competency in lieu of work requirements under specified conditions and establishing procedures to expedite the issuance of licenses, certifications, or permits.

The Office of the Governor supported this measure. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 927-12 Finance on H.B. No. 1968

The purpose of this measure is to appropriate funds out of the Reduced Ignition Propensity Cigarette Program Special Fund for one full-time administrator, one full-time assistant, and other costs to implement the reduced ignition propensity cigarette certification.

The State Fire Council, the Honolulu Fire Department, the Kauai Fire Department, and the County of Maui Department of Fire and Public Safety supported this measure.

Your Committee has amended this measure by:

- (1) Deleting the amount of funds appropriated out of the Reduced Ignition Propensity Cigarette Program Special Fund;
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1968, H.D. 1.

Signed by all members of the Committee.

SCRep. 928-12 Finance on H.B. No. 2514

The purpose of this measure is to implement the recommendations of the Justice Reinvestment Working Group regarding three areas of improvement to Hawaii's criminal justice and corrections system—pretrial process, parole, and payment of restitution—by focusing on incarceration, supervision, and treatment as follows:

- (1) Requiring that an objective assessment be conducted within the first three working days of a person's commitment to a community correctional center;
- (2) Increasing the number of members of the Hawaii Paroling Authority;
- (3) Requiring the Hawaii Paroling Authority to use a validated risk assessment to determine the person's risk of re-offense and suitability for community supervision;
- (4) Reducing recidivism by using effective responses to parole condition violations;
- (5) Improving the collection of restitution by the Department of Public Safety;
- (6) Ensuring all felony offenders are supervised for a minimum period of time after their release from incarceration;
- (7) Requiring that savings realized by reducing the incarcerated population be reinvested within the criminal justice system; and
- (8) Appropriating funds for Department of Public Safety positions in the state and counties to improve the State's criminal justice system and to increase public safety.

The Governor, Department of Public Safety, Hawaii Paroling Authority, Hawaii State Commission on the Status of Women, Crime Victim Compensation Commission, Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, and several individuals testified in support of this measure. Da Kine Bail Bonds and an individual testified in opposition to this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu and the American Civil Liberties Union of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Specifying that pretrial risk assessments on adult offenders be provided to the court for its consideration;
- (2) Eliminating the requirement that the Hawaii Paroling Authority make findings of significant risk with respect to a prisoner and the safety of others or the prisoner's self with regard to additional incarceration;
- (3) Deleting the ability of a prisoner to receive credit toward the expiration of the prisoner's maximum sentence or sentences;
- (4) Requiring, as part of a prisoner's parole plan, a prisoner to leave a phone contact where the prisoner can be reached;
- (5) Making changes to the number of certain positions appropriated to the Department of Public Safety; 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. 2514, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2514, H.D. 3.

Signed by all members of the Committee.

SCRep. 929-12 Finance on H.B. No. 2515

The purpose of this measure is to address three areas needing improvement in Hawaii's criminal justice and corrections systems—the sentencing of felony drug offenders, probation terms for offenders, and the threshold amount for felony theft—by:

- (1) Permitting a sentence of probation for certain second-time drug offenders;
- (2) Reducing the probation period from five years to three years for individuals convicted for Class B and Class C felonies that are not related to criminal homicide, sexual offenses, child abuse, offenses against the family and against incompetents, and prostitution offenses; and
- (3) Increasing the threshold valuation for theft in the second degree from more than \$300 to more than \$750.

The Governor, Department of Public Safety, Crime Victim Compensation Commission, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, and several individuals testified in support of this measure. The Office of the Prosecuting Attorney of the County of Hawaii; Honolulu Police Department; Retail Merchants of Hawaii; Hawaii Food Industry Association; DFS Hawaii; ABC Stores; Times Supermarkets; Waikiki Beach Activities, Ltd.; and several individuals opposed this measure. The Judiciary, Department of the Prosecuting Attorney of the City and County of Honolulu, and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Prior to granting early discharge to a defendant, requiring the defendant's probation officer to report to the court concerning the defendant's compliance or non-compliance with the conditions of probation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2515, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2515, H.D. 3.

Signed by all members of the Committee.

SCRep. 930-12 Finance on H.B. No. 2415

The purpose of this measure, as received by your Committee, is to improve the efficiency of the Medicaid system by:

- (1) Requiring certain Medicaid recipients to pay a copayment for prescription drugs covered under the recipients' Medicaid benefits in accordance with a system developed by the Department of Human Services;
- (2) Waiving the copayment for prescription drugs for recipients under 21 years of age, terminally ill recipients certified at hospice level of care, and recipients in nursing facilities or in home- or community-based settings that provide a certified intermediate care facility or skilled nursing facility level of care; and
- (2) Requiring the Department of Human Services to seek the approval of the Centers for Medicare and Medicaid Services prior to the establishment and implementation of such a system.

The Hawaii Medical Service Association supported the measure. Hoola Lahui Hawaii, United Self Help, and a concerned individual opposed the measure. The Department of Human Services, Kaiser Permanente Hawaii, Hawaii Pharmacists Association, and CVS Caremark offered comments on the measure.

Your Committee has amended this measure by:

- (1) Specifying that copayment for prescription drug requirements shall apply to medicaid recipients for whom Medicaid is the primary insurer;
- (2) Lowering from under 21 years to under 19 years, the age for which copayment requirements shall not apply and including pregnant medicaid recipients in that copayment exemption;
- (3) Specifying that copayment amounts shall be equal to the lowest tier amounts under the Medicare Part D low-income subsidy; 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. 2415, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2415, H.D. 2.

Signed by all members of the Committee.

SCRep. 931-12 Finance on H.B. No. 2273

The purpose of this measure is to help protect the health and safety of student athletes by requiring the Department of Education and Hawaii High School Athletic Association to develop a concussion educational program.

The Department of Education, Department of Health, Hawaii Association of Athletic Trainers, Hawaii Medical Association, Hawaii Medical Service Association, Hawaii Chapter of the American Physical Therapy Association, and the Keiki Injury Prevention Coalition supported 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. 2273 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 932-12 Finance on H.B. No. 2275

The purpose of this measure is to ensure access to health care for Medicaid recipients by:

- (1) Requiring the Department of Human Services to charge and collect a hospital sustainability fee from hospitals on health care items or services provided; and
- (2) Establishing a hospital sustainability fee and a special fund to receive moneys from the hospital sustainability fee so that the State may be eligible to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

The Department of Human Services and Healthcare Association of Hawaii testified in support of this measure. The Department of Budget and Finance, Hawaii Health Systems Corporation, and Hawaii Medical Services Association provided comments.

Your Committee has amended this measure by:

- (1) Deleting references to private organizations within the measure; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2275, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 933-12 Finance on H.B. No. 2374

The purpose of this measure is to transfer the Office of Language Access from the Department of Labor and Industrial Relations to the Department of Health.

The Office of Language Access; Department of Labor and Industrial Relations; Hawaii Civil Rights Commission; Catholic Charities Hawaii; United Filipino Council of Hawaii; Oahu Filipino Community Council; Nursing Advocates & Mentors, Inc.; Filipino American Citizens League; and an individual testified in support of this measure. The Department of Human Resources Development 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. 2374 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 934-12 Finance on H.B. No. 2320

The purpose of this measure is to promote safety on Hawaii's roadways by continuing to address some of the unresolved issues of Hawaii's ignition interlock law. Among other things, this measure:

- (1) Allows for renewal of a driver's license that has been revoked for driving under the influence of an intoxicant if certain requirements are met;
- (2) Allows repeat intoxicated drivers to install ignition interlock devices in any vehicle they operate, by eliminating the requirement to surrender motor vehicle registrations and license plates;
- (3) Provides eligibility requirements and guidelines for ignition interlock instruction permits and ignition interlock permits; and
- (4) Makes numerous technical and housekeeping amendments to Hawaii's ignition interlock law to address the new provisions contained in (1) through (3) above.

The Department of the Attorney General, Hawaii County Office of the Prosecuting Attorney, Honolulu Police Department, Kauai Police Department, and American Civil Liberties Union of Hawaii testified in opposition to this measure. The Department of Budget and Finance, Office of Information Practices, the Judiciary, Hawaii Bicycling League, and Mothers Against Drunk Driving 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. 2320, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 935-12 Finance on H.B. No. 2453

The purpose of this measure is to consolidate the State non-driver's identification program with the driver's license program under the Department of Transportation.

Specifically, this measure, among other things:

- (1) Transfers the responsibility of the program for the issuance of non-driver's identification cards for the State of Hawaii from the Department of the Attorney General to the Director of Transportation; and
- (2) Requires that the non-drivers' identification cards be issued by the examiner of drivers in each county.

The Department of Transportation testified in support of this measure. The Department of Human Resources Development, Department of the Attorney General, Office of Veterans Services of the Department of Defense, Department of Customer Services of the City & County of Honolulu, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

Your Committee has amended this measure by:

- (1) Clarifying language relating to employee transfers to protect the rights and benefits of affected employees; and
- (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. 2453, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2453, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 936-12 Finance on H.B. No. 2358

The purpose of this measure is to promote uniformity in statewide building standards by establishing the Hawaii State Building Code Council and the Natural Disaster Preparedness Commission, and adopting the Hawaii State Building Code.

The Hawaii Building and Construction Trades Council testified in support of this measure. The Department of Defense; State Fire Council; Honolulu Fire Department; Maui County Council; Department of Planning and Permitting of the City and County of Honolulu; Department of Fire and Public Safety of the County of Maui; Kauai Fire Department; Hawaii Steel Alliance; National Fire Protection Association; Insurance Institute for Business & Home Safety; Structural Engineers Association of Hawaii; and numerous individuals testified in support of this measure. Life of the Land; General Contractors Association of Hawaii; Hawaii Farm Bureau Federation; Building Industry Association of Hawaii; International Code Council; and Plumbers and Fitters, Local 675 provided comments.

Your Committee has amended this measure by:

- (1) Reverting to the House Draft 1 version of this measure;
- (2) Adding a representative from the State Fire Council to the Hawaii State Building Code Council;
- (3) Amending, rather than repealing, the county's authority, under chapter 107, Hawaii Revised Statutes, to amend the Hawaii State Building Code as it applies to the county, and requiring the amendments to be approved by the Hawaii State Building Code Council;
- (4) Deleting similar language that gave the counties the authority under chapter 46, Hawaii Revised Statutes, to amend the Hawaii State Building Code;
- (5) Changing the effective date to July 1, 2030, to promote 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. 2358, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2358, H.D. 3.

Signed by all members of the Committee.

SCRep. 937-12 Finance on H.B. No. 2553

The purpose of this measure is to recognize the value of and recoup the costs associated with the construction plan review services of the Disability and Communication Access Board (DCAB) by, among other things:

- (1) Requiring DCAB to charge established review fees constituting an unspecified percentage of the estimated construction cost as well as a flat-rate fee based on the estimated construction cost;
- (2) Authorizing DCAB, in its discretion, to cap the review fee at \$3,000 for infrastructure projects and projects managed by private nonprofit entities;
- (3) Requiring the review fees to be deposited into DCAB Special Fund; and
- (4) Defining "infrastructure".

Next Design, LLC and several individuals testified in support of this measure. General Contractors Association of Hawaii testified in opposition to this measure. DCAB and Department of Design and Construction of the City and County of Honolulu provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the review fees for services rendered by DCAB by specifying a percentage based on estimated construction costs and eliminating flat-rate fees;
- (2) Amending the definition of "infrastructure";

- (3) Removing amendments to DCAB Disability and Communication Access Board Special Fund;
- (4) Clarifying that DCAB's report to the Legislature regarding revenues collected pursuant to this measure is due 20 days prior to the convening of each regular session;
- (5) Creating a five year sunset date; and
- (6) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2553, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2553, H.D. 2.

Signed by all members of the Committee.

SCRep. 938-12 Finance on H.B. No. 2519

The purpose of this measure is to support early learning in the State by making an appropriation for the Early Learning Council and the Governor's Early Childhood Coordinator to further develop and implement the components of a comprehensive early childhood system, among other things.

The Governor, the Department of Human Services, the Department of Education, the University of Hawaii, the Hawaii State Teachers Association, the Hawaii Association of Independent Schools, the Early Learning Council, and Hawaii Association for the Education of Young Children supported this measure.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount;
- (2) Changing the effective date to July 1, 2030, to facilitate continued discussion;
- (3) Amending the title to conform to standard drafting conventions by correcting a typographical error; 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. 2519, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2519, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 939-12 Finance on H.B. No. 2539

The purpose of this measure is to allow the Department of Human Services to:

- (1) Conduct adult abuse perpetrator checks on child care providers; and
- (2) Deny applications for a license or registration to operate a child care facility and request that providers terminate employees if the results of the adult abuse perpetrator checks indicate a risk to the health, safety, or well-being of children.

The Department of Human Services and the Hawaii Association for the Education of Young Children supported 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. 2539, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 940-12 Finance on H.B. No. 2334

The purpose of this measure is to help provide services to the growing aged population on Hawaii Island by authorizing the issuance of \$7,000,000 in special purpose revenue bonds to assist the Hawaii Island Community Development Corporation to finance the construction of an adult day care center in Hilo, Hawaii.

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. 2334, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2334, H.D. 2.

Signed by all members of the Committee.

SCRep. 941-12 Finance on H.B. No. 2249

The purpose of this measure is to:

- (1) Require permitted landfills to track and report the types of alternative daily covers used;
- (2) Require state and county agencies to place a preference on the disposal of residual recycling waste in landfills and incinerators; and
- (3) Require state and county agencies to accept such disposals.

Schnitzer Steel Hawaii Corp. testified in support of this measure. The Department of Health, Department of Environmental Services of the City and County of Honolulu, and two individuals testified in opposition to this measure. PVT Land Company provided comments on this measure.

Your Committee has amended this measure by changing the effective date of this measure to July 1, 2030, for the purposes of facilitating 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. 2249, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2249, H.D. 2.

Signed by all members of the Committee.

SCRep. 942-12 Finance on H.B. No. 1941

The purpose of this measure is to make an appropriation to establish agricultural inspection facilities and related infrastructure at the Honolulu International Airport, Kona International Airport, Kawaihae Harbor, Kamuela Vacuum Cooling Plant, and Honolulu Harbor.

The Department of Agriculture, Hawaii Farm Bureau Federation, The Nature Conservancy, Coordinating Group on Alien Pest Species, and one individual testified in support of this measure. The Department of Land and Natural Resources and Department of Transportation provided comments.

Your Committee has amended this measure by:

- (1) Leaving blank the amounts appropriated under the measure; and
- (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. 1941, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1941, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 943-12 Finance on H.B. No. 2668

The purpose of this measure is to support the State's agricultural industry by:

- (1) Creating a livestock feed tax credit for the taxable year beginning after December 31, 2011, and ending before January 1, 2013;
- (2) Creating a livestock feed development tax credit for the taxable years beginning after December 31, 2012, and ending before January 1, 2015;
- (3) Allowing an additional 15 percent tax credit for drought mitigation to the important agricultural land qualified agricultural cost tax credit that will apply to taxable years beginning after December 31, 2011, and ending before January 1, 2021;
- (4) Changing the important agricultural land qualified agricultural cost tax credit cap from \$7,500,000 per year to \$5,000,000 per year for the taxable year beginning after December 31, 2011, and \$7,000,000 per year for the taxable years beginning after December 31, 2012, and ending before January 1, 2016; and
- (5) Repealing the requirement that the amount of qualified agricultural costs eligible to be claimed under the important agricultural land qualified agricultural cost tax credit be reduced by the amount of funds the taxpayer received during the taxable year from the irrigation repair and maintenance special fund.

The Land Use Research Foundation of Hawaii; the Hawaii Farm Bureau Federation; the Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; and an individual supported this measure. The Department of Agriculture, the Department of Taxation, the Department of Land and Natural Resources, the Tax Foundation of Hawaii, and Hawaii Farmers Union United commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the important agricultural land qualified agricultural cost tax credit is based on the aggregate qualified agricultural costs incurred by the taxpayer; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2668, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2668, H.D. 2.

Signed by all members of the Committee.

SCRep. 944-12 Finance on H.B. No. 2703

The purpose of this measure is to require the Department of Agriculture to develop a food sustainability standard to promote local food production to help diversify the local economy.

The Sierra Club Hawaii Chapter, the Hawaii Food Policy Council, Olinda Farms, and numerous concerned individuals supported this measure. The Land Use Research Foundation of Hawaii and three individuals opposed this measure. The Department of Agriculture, the Hawaii Farm Bureau Federation, and two individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2703, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2703, H.D. 2.

Signed by all members of the Committee.

SCRep. 945-12 Finance on H.B. No. 2502

The purpose of this measure is to help protect Hawaii homeowners by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to require all mortgage servicers to register with the Nationwide Mortgage Licensing System and Registry (NMLSR);
- (2) Prohibiting any person licensed as a mortgage servicer from providing mortgage loan modification services without first complying with the licensure requirements for mortgage loan originators under Chapter 454F, Hawaii Revised Statutes (HRS);
- (3) Allowing the Commissioner to increase Hawaii's involvement with the NMLSR;
- (4) Authorizing the Commissioner to use the NMLSR as an agent for:
- (A) Requesting information from and distributing information to the United States Department of Justice or any governmental agency; and
- (B) Requesting and distributing information to and from any source directed by the Commissioner; and
- (5) Making it unlawful for any mortgage servicer to provide any mortgage loan modifications or other services that would require licensing pursuant to Chapter 454F, HRS, unless the mortgage servicer is licensed under that chapter.

The Department of Commerce and Consumer Affairs submitted comments.

Your Committee urges the proponents of this bill to work together to find common ground and arrive at mutual agreement.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2502, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2502, H.D. 2.

Signed by all members of the Committee.

SCRep. 946-12 Finance on H.B. No. 2019

The purpose of this measure is to strengthen protections for mortgage consumers by prohibiting deficiency judgments to recover the remaining balance on mortgage loans for certain residential property sold in a foreclosure action or short sale, if:

- (1) The mortgagor has continuously occupied the property as a principal residence from the time the loan interest was secured, excluding reasonable periods of absence;

- (2) The mortgagor used the proceeds of the mortgage to purchase the property; and
- (3) The mortgage has not been refinanced.

The Legal Aid Society and an individual testified in support of this measure. The Hawaii Bankers Association, Hawaii Credit Union League, and Hawaii Financial Services Association testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Office of Consumer Protection and Division of Financial Institutions, Hawaii Association of REALTORS, and Hawaiian Community Assets provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the uninterrupted occupancy and the absence of refinancing as conditions to barring a deficiency judgment in a foreclosure action, short sale, or deed in lieu of foreclosure; and
- (2) Extending the prohibition against deficiency judgments for remaining balances on mortgage loans to certain residential property conveyed through deeds in lieu of foreclosure as well as property sold in judicial foreclosures or short sales.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2019, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2019, H.D. 1.

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

SCRep. 947-12 Finance on H.B. No. 2644

The purpose of this measure is to require the Public Utilities Commission to implement best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access. Additionally, this measure appropriates an unspecified dollar amount to implement best practices.

The Public Utilities Commission offered comments on the measure.

Your Committee has amended this measure by 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. 2644, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2644, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 948-12 Finance on H.B. No. 2501

The purpose of this measure is to protect Hawaii homeowners by amending the Secure and Fair Enforcement for Mortgage Licensing Act, Chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and to adjust fees in light of new regulatory requirements.

The Mortgage Bankers Association of Hawaii supported this bill. The Hawaii Credit Union League opposed this measure. The Department of Commerce and Consumer Affairs and Hawaii Association of Mortgage Brokers submitted comments.

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

- (1) With respect to the fees that a mortgage loan originator must pay to obtain and maintain a valid mortgage loan originator license:
 - (A) Increasing the initial application fee to \$600;
 - (B) Increasing the annual license renewal fee to \$350; and
 - (C) Establishing an unspecified one-time application fee for mortgage loan originators that are sole proprietorships and exempting these individuals from annual license renewal fees; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2501, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2501, H.D. 1.

Signed by all members of the Committee.

SCRep. 949-12 Finance on H.B. No. 1848

The purpose of this measure is to promote more meaningful discussion during the negotiation process relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Among other things, this measure:

- (1) Repeals the prohibition of using arbitration to resolve impasses or disputes relating to state and county Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (2) Authorizes the arbitration panel to make a final and binding decision on Hawaii Employer-Union Health Benefits Trust Fund contributions; and
- (3) Stipulates that if the Legislature fails to fund negotiated or arbitrated costs items for Hawaii Employer-Union Health Benefits Trust Fund and group life insurance contributions, negotiations on all negotiable items may be reopened.

The Hawaii Government Employees Association testified in support of this measure. The Department of Budget and Fiscal Services and Department of Human Resources of the City and County of Honolulu testified in opposition to this measure. The Department of Budget and Finance and Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO provided comments.

Your Committee has amended this bill by:

- (1) Deleting language stipulating that if the Legislature fails to fund negotiated or arbitrated costs items for Hawaii Employer-Union Health Benefits Trust Fund and group life insurance contributions, negotiations on all negotiable items may be reopened;
- (2) Inserting language that allows an arbitration panel to make awards concerning contributions to the Hawaii Employer-Union Health Benefits Trust Fund while allowing the Legislature to approve, reject, or modify the contribution amounts without affecting other decisions concerning negotiable items made by the arbitration panel; 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. 1848, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1848, H.D. 2.

Signed by all members of the Committee.

SCRep. 950-12 Finance on H.B. No. 2773

The purpose of this measure is to reduce crime and improve the quality of life in Hawaii's neighborhoods by:

- (1) Permanently establishing the Weed and Seed Program within the Department of Labor and Industrial Relations;
- (2) Appropriating funds for a grant to the Young Men's Christian Association of Honolulu to support the operations of the Weed and Seed Program through the Office of Community Services of the Department; and
- (3) Appropriating \$336,000 to maintain current operations of the Weed and Seed Program and expand the Weed and Seed Program into other areas of the State.

The Honolulu Police Department, Gentry Homes, Ltd., and several concerned individuals testified in support of this measure. The Department of Labor and Industrial Relations, Office of Community Services of the Department of Labor and Industrial Relations, and Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation to maintain current operations of the Weed and Seed Program and expand the Weed and Seed Program into other areas of the State from \$336,000 to an unspecified amount;
- (2) Stipulating that the grant funds for the Young Men's Christian Association of Honolulu shall be issued in accordance with the requirements under Hawaii's grants and subsidies law (Chapter 42F, Hawaii Revised Statutes); 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. 2773, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2773, H.D. 3.

Signed by all members of the Committee.

SCRep. 951-12 Finance on H.B. No. 2152

The purpose of this measure is to increase the workers' compensation fee schedule from 110 percent to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii, but without affecting the motor vehicle insurance fee schedule.

Hawaii Injured Workers Association; Hawaii Chapter, American Physical Therapy Association; Hawaii Medical Association; Hawaii Laborers' Union; ILWU Local 142; and numerous individuals testified in support of this measure. Hawaii Insurers Council, Hawaiian Electric Company and its subsidiaries, American Insurance Association, Property Casualty Insurers Association of America, and Building Industry Association of Hawaii testified in opposition to this measure. The Department of Labor and Industrial Relations and Department of Human Resources Development provided comments on this measure.

Your Committee has amended this measure by replacing the contents of the measure with language that requires the Office of the Auditor to conduct a study that analyzes the concerns within the healthcare community about the difficulty in providing healthcare in workers' compensation cases due to their low reimbursement rates and changing the effective date to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2152, H.D. 2.

Signed by all members of the Committee.

SCRep. 952-12 Finance on H.B. No. 2661

The purpose of this measure is to improve the financial health of the Hawaii Employer-Union Health Benefits Trust Fund by appropriating funds to and requiring the Department of Budget and Finance to:

- (1) Conduct a study on the Hawaii Employer-Union Health Benefits Trust Fund; and
- (2) Submit a report prior to the convening of the Regular Session of 2014, to the Governor, Legislature, and Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME, Local 646, AFL-CIO; and University of Hawaii Professional Assembly testified in opposition to this measure. The Department of Budget and Finance and the City and County of Honolulu commented on this measure.

Your Committee recommends that the study in the measure be conducted six months after or in coordination with the biennial valuation of the Hawaii Employer-Union Health Benefits Trust Fund and Other Postemployment Benefits program valuations, which are required by the Governmental Accounting Standards Board.

Your Committee has amended this measure by:

- (1) Requiring, rather than permitting, an interim report for the Regular Session of 2013;
- (2) Requiring that the study not recommend any diminishment of health benefits or employer contributions for employees who retired from public service before July 1, 2013;
- (3) Deleting the appropriation amount;
- (4) Changing its effective date to July 1, 2030, to encourage continued 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. 2661, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2661, H.D. 2.

Signed by all members of the Committee.

SCRep. 953-12 Finance on H.B. No. 2264

The purpose of this measure is to adjust the contribution rates to the unemployment compensation fund for employers. Specifically, this measure increases the employer's maximum unemployment insurance contribution rates for certain employers beginning on January 1, 2013.

The Department of Labor and Industrial Relations provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting language increasing the standard rate of contributions payable by each employer from five and four-tenths percent to six and six-tenths percent;
- (2) Changing its effective date to July 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. 2264, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2264, H.D. 2.

Signed by all members of the Committee.

SCRep. 954-12 Finance on H.B. No. 2494

The purpose of this measure is to provide employer contribution amounts for plan years 2011-2012 and 2012-2013 for the Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining unit (10) and their excluded counterparts.

The Department of Budget and Finance 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 H.B. No. 2494, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 955-12 Finance on H.B. No. 1744

The purpose of this measure is to clarify the time periods of the salary increase moratorium and other cuts for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011. Among other things, this measure:

- (1) Specifies that the five percent salary reduction for legislators, justices, judges, and certain Executive Branch positions will terminate on June 30, 2013;
- (2) Repeals language providing for the automatic restoration of salaries for justices, judges, and certain Executive Branch positions on January 1, 2014;
- (3) Repeals language specifying that additional salary recommendations, if any, made by the Commission on Salaries for justices, judges, and certain Executive Branch positions will take effect on or after January 1, 2014, if not disapproved by the Legislature;
- (4) Repeals language providing for the automatic restoration of legislative salaries scheduled to take effect on January 1, 2014; and
- (5) Repeals language restoring the levels of vacation and sick leave for these positions.

The Judiciary and Department of Human Resources Development supported this measure.

Your Committee has amended this measure by:

- (1) Specifying that all salaries on July 1, 2013, and thereafter, reduced by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, as amended by this measure, will revert to the rates recommended by the Commission on Salaries in the recommendation dated March 14, 2007, unless modified by the adoption of recommendations from the 2012 convening of the Commission on Salaries; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1744, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1744, H.D. 1.

Signed by all members of the Committee.

SCRep. 956-12 Finance on H.B. No. 2361

The purpose of this measure is to transfer debt collection efforts to the Attorney General for all executive departments, with the exception of the University of Hawaii and Department of Taxation, for accounts delinquent for more than 90 days.

An individual testified in support of this measure. The Department of the Attorney General, Department of Taxation, and Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the definition of "uncollectible account" to clarify that the debt must be discharged in bankruptcy;
- (2) Changing the effective date to July 1, 2030, for the purposes of facilitating further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2361, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2361, H.D. 2.

Signed by all members of the Committee.

SCRep. 957-12 Finance on H.B. No. 2569

The purpose of this measure is to allow for the improved and effective implementation of Hawaii's civil union law by amending various provisions of the Hawaii Revised Statutes to clarify language and promote conformity among related provisions.

The Department of Health, Honolulu Pride, and several concerned individuals supported this bill. Three concerned individuals opposed this measure. The Department of the Attorney General; Hawaii Civil Rights Commission; Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii; Hawaii Family Forum; Equality Hawaii; Hawaii Catholic Conference; Emmanuel Temple, The House of Praise; Church State Council; Christian Voice of Hawaii; and several concerned individuals provided comments.

Act 1, Session Laws of Hawaii 2011, gave civil union partners all the same rights, benefits, protections, and responsibilities under law as given to those who contract, obtain a license, and are solemnized pursuant to chapter 572, Hawaii Revised Statutes. During the months of preparation to implement Act 1 and in the time since Act 1 became effective on January 1, 2012, however, it has become clear that certain provisions of Hawaii's statutes would benefit from additional clarification to minimize confusion and aid in the proper implementation of Act 1. Therefore, in making these amendments with this measure, it is the Legislature's intent to reconfirm and clarify the provisions of chapter 572B, Hawaii Revised Statutes, as enacted by Act 1, Session Laws of Hawaii 2011. Nothing in this measure shall be interpreted to weaken, lessen, expand, or enlarge any of the protections, obligations, rights, and responsibilities governed by any provision of Act 1.

In addition, your Committee recognizes that there is a case pending before the United States District Court for the District of Hawaii, *Jackson v. Abercrombie*, Civil No. 11-00734 ACK KSC, in which the plaintiffs have alleged that the marriage law and the "marriage amendment" to the Hawaii State Constitution are unconstitutional. Your Committee notes that not only has no court thus far found Hawaii's marriage law to be unconstitutional, a majority of states currently have similar laws. Despite this, Governor Abercrombie has publicly declined to defend it, although his administration is defending the law.

Your Committee further notes that the administration introduced this bill. By virtue of introducing this administration bill concerning civil unions, it is an implied acknowledgement by the administration that it is the Legislature, under Article III, Section 1, of the Hawaii state constitution, that determines the benefits and responsibilities between couples. This was affirmed in the constitutional amendment that resulted in Article I, Section 23, of the Hawaii state constitution, which confers the power to the Legislature to define marriage and establish the parties who may enter into a marriage under section 572-1.

Your Committee further notes that the Legislature maintains the authority to determine whether marriage should be reserved to opposite sex couples and therefore also maintains the power to adopt any amendments to the marriage and civil union laws. As such, your Committee emphasizes that any amendments to these laws are done so under the authority given to the Legislature by the Hawaii State Constitution.

Your Committee has amended this measure by:

- (1) Including purpose language to state the Legislature's intent;
- (2) Expanding the exemption for religious facilities from prohibitions against discrimination in public accommodations;
- (3) Clarifying the term "facilities" with respect to the exemption from prohibitions against discrimination in public accommodations for religious organizations;
- (4) Removing language that specifies that references to the date of commencement of rights, benefits, protections, and obligations refer to the first date the rights, benefits, protections, and obligations accrued under a reciprocal beneficiary relationship;
- (5) Clarifying that a person who refuses to perform a solemnization of a civil union will not be subject to civil actions;
- (6) Clarifying the automatic termination by operation of law of the reciprocal beneficiary relationship upon a union performed in a jurisdiction other than Hawaii;
- (7) Clarifying which unions from other jurisdictions will be recognized as civil unions; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2569, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2569, H.D. 2.

Signed by all members of the Committee.

SCRep. 958-12 Judiciary on H.B. No. 1829

The purpose of this measure is to:

- (1) Require lessors of commercial and industrial property to afford lessees the option of renewing their leases; and
- (2) Require, in leasehold renegotiations, that a rent based on fair market value shall apply even if the value is lower than the existing rent and the contract bars the lowering of rent upon renegotiation.

Citizens For Fair Valuation and several concerned citizens supported this measure. The Department of the Attorney General, Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Housing Finance and Development Corporation, Kamehameha Schools, Land Use Research Foundation of Hawaii, Reit Management & Research LLC, Queen Emma Land Company, Small Landowners Association, and several concerned citizens opposed this measure.

Your Committee is aware that the current draft of this measure creates serious constitutional and legal concerns. Your Committee has amended this measure in an attempt to address some of those concerns. As this measure progresses, your Committee intends that those concerns will continue to be discussed and that all legal issues relating to this measure will be satisfactorily resolved.

Your Committee has amended this measure by:

- (1) Adding additional background information to section 1 of this measure;
- (2) Limiting the provisions regarding commercial and industrial leases to all new leases entered into after July 1, 2012;
- (3) Providing new definitions for the terms "fee simple", "excess rent", "leasehold", "market rent", "fair market rent", "fee simple interest", and "leasehold interest";
- (4) Deleting the definition of "legal and equitable owners";
- (5) Restricting the application to property that is larger than 50,000 square feet;
- (6) Excluding the State and any county or other political subdivision of the State from the property addressed by the bill as well as from the phrases "fee owner" and "lessor";
- (7) Removing the requirement that leases renewed under the new section created in Chapter 519, Hawaii Revised Statutes (HRS), regarding commercial and industrial leases have a rate of return not more than five percent;
- (8) Adding a provision as to how the market rent or fair market rent shall be established;
- (9) Removing the requirement that land value should be in part based upon the tax-assessed valuation from 1985 adjusted by the increase in the consumer price index;
- (10) Requiring fair market rent or market rent to be determined in conformance with the Uniform Standards of Professional Appraisal Practice;
- (11) Requiring any disputes over value be settled by alternative dispute resolution mutually agreed upon by the lessor and the lessee and not by arbitration under Chapter 658A, HRS;
- (12) Substituting the Department of Business, Economic Development, and Tourism for the Hawaii Housing Finance and Development Corporation as the entity to adopt rules to implement the new chapter established by Section 2 of this measure;
- (13) Providing that the renewal for a lease under the new section created in Chapter 519, HRS, regarding commercial and industrial leases shall not be for a term of not less than thirty-five years and defining how it shall be renegotiated, along with how any increased value of the leasehold interest will be shared;
- (14) Specifying that the new section created in Chapter 519, HRS, regarding commercial and industrial leases shall only apply to ground leases that are in compliance with all terms of the lease contract at the time the rent is reset; and
- (15) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1829, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1829, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 959-12 Judiciary on H.B. No. 2751

The purpose of this measure is to implement the Legislature's inherent authority established under Article III, section 18 of the Hawaii State Constitution to take action against disorderly or contemptuous behavior committed before a legislative body.

The House Sergeant-at-Arms and one concerned individual testified in support of this measure. The Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii; Hawaii Citizens for the Separation of State and Church; League of Women Voters, and many individuals testified in opposition. The Department of the Attorney General and one concerned individual provided comments on this measure.

Your Committee finds that the legislative contempt power is constitutional, inherent, explicit and already embodied in the Hawaii State Constitution. In fact, the United States Supreme Court has long held that a legislature punishing contemptuous conduct is constitutional as the legislature has the inherent power to protect its processes and existence. *Groppi v. Leslie*, 404 U.S. 496, 500-501 (1972) ("Legislatures . . . possess inherent power to protect their own processes and existence by way of contempt proceedings.").

In Hawaii, the statutory embodiment of this inherent power can be traced back to the territorial laws of 1900, wherein provisions recognizing and affirming the legislature's contempt authority under section 25 of the Organic Act, are nearly identical to the provisions of Article III, section 18 of the Hawaii State Constitution. This legislative contempt authority is analogous to the power provided to the state Judiciary through contempt of court, under section 710-1077, Hawaii Revised Statutes.

Your Committee notes that the Legislature's contempt authority is already codified under chapter 21, Hawaii Revised Statutes, originally enacted in 1969. Presently, three types of conduct are specified within section 21-14, Hawaii Revised Statutes:

- (1) Failure or refusal to appear in compliance with a subpoena or testify under oath or affirmation before a legislative body;
- (2) Failure or refusal to answer any relevant question or furnish any relevant material subpoenaed by a legislative body; and
- (3) Committing any other act or offense against a legislative body which would constitute contempt.

Any contempt charge initiated by the legislature under chapter 21, Hawaii Revised Statutes, is done through constructive contempt procedures, requiring the matter to be turned over to the Department of the Attorney General for proceedings in the judicial system.

The United States Supreme Court has consistently upheld the contempt authority of the legislature, defined its limits, and distinguished its proceedings. *Groppi v. Leslie*, 404 U.S. 496, 506-507 and 501 (1972) ("legislative contempt power should be limited to 'the least possible power adequate to the end proposed'") ("the panoply of procedural rights that are accorded a defendant in a criminal trial has never been thought necessary in legislative contempt proceedings.").

The United States Supreme Court has also held, that "a legislature, like a court, must, of necessity, possess the power to act 'immediately' and 'instantly' to quell disorders in the chamber if it is to be able to maintain its authority and continue with the proper dispatch of its business." *Groppi*, 404 US at 503-504 (citing *Johnson v. Mississippi*, 403 U.S. 212, (1971) (summary contempt is appropriate in situations requiring instant action where misbehavior is immediately present and known, and immediate corrective steps are needed to restore order to maintain dignity and authority.) This summary contempt authority is analogous to the same power provided to our state Judiciary through summary contempt of court under section 710-1077(3)(a), Hawaii Revised Statutes.

Your Committee believes this summary contempt authority allows the legislative body to preserve its integrity and protect the public interest, without the involvement of the judicial system, while ensuring due process of law. *Evans v. Takao*, 74 Haw. 267, 288-289 (1992) (imposition of instant and summary punishment is appropriate, even in the absence of due and deliberate procedures.) This authority, however, should be reserved for exceptional circumstances that threaten order and decorum, and necessitate immediate action to protect the institution itself.

Your Committee believes it is prudent to clarify the types of contemptuous conduct prohibited during legislative proceedings, as well as articulate the specific procedures available to restore order to those proceedings. As such, your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Establishing the types of conduct prohibited with provisions similar to those under section 710-1077, Hawaii Revised Statutes, pertaining to:
 - (A) Disorderly or contemptuous behavior; and
 - (B) Breach of peace or disturbance;
- (3) Establishing summary contempt provisions and procedures similar to those under section 710-1077, Hawaii Revised Statutes, to include notice and opportunity to be heard;
- (4) Clarifying the authority of the sergeant-at-arms to arrest and remove a person from a legislative proceeding;
- (5) Reducing the severity of the penalty of imprisonment for legislative contempt from one year to ten days;
- (6) Requiring the respective houses of the Legislature to adopt rules to effectuate this measure; 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. 2751, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2751, H.D. 2.

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

SCRep. 960-12 Judiciary on H.B. No. 2277

The purpose of this measure is to enhance the health and safety of all-terrain vehicle riders, especially those under the age of sixteen.

The American College of Surgeons, ThinkFirst Hawaii, and several concerned individuals testified in support of this measure. The Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Honolulu Police Department; Department of Health, and Maui Police Department provided testimony in support with amendments. The Specialty Vehicle Institute of America; American Motorcyclist Association; Hawaii Motorcycle Dealer Association; Hawaii Cattlemen's Council, Inc.; Maui Cattlemen's Association; McCandless Ranch; PonoHolo Ranch, Ltd.; and a plethora of concerned individuals testified in opposition. The Department of the Prosecuting Attorney of the City and County of Honolulu, and Hawaii Farm Bureau Federation provided comments.

Your Committee has amended this measure by deleting its contents and:

- (1) Inserting the contents of H.B. No. 18, H.D.1, relating to All-Terrain Vehicles, which your Committee previously heard and passed with amendments, during the 2011 Regular Session;
- (2) Changing the age restriction to operate an all-terrain vehicle, from six to eight years old; and
- (3) Inserting exemptions for:
 - (A) Law enforcement and government personnel;
 - (B) Persons engaging in bona fide agricultural activities; and
 - (C) Persons in authorized or certified film productions.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2277, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 961-12 Water, Land, & Ocean Resources on H.R. No. 24

The purpose of this measure is to seek a resolution to noise and other concerns regarding fraternity and sorority houses near the campus of the University of Hawaii at Manoa by requesting that:

- (1) The Department of Planning and Permitting of the City and County of Honolulu study whether the county land use ordinance may be used to restrict the location of fraternity and sorority houses on the island of Oahu, which includes determining whether:
 - (A) A clear and enforceable definition of "fraternity or sorority house" may be developed;
 - (B) Prohibiting a fraternity or sorority house as a permitted use outside of a one-mile radius from the University of Hawaii at Manoa campus would be appropriate and legal;
 - (C) Designing a fraternity or sorority house as a permitted use only in an apartment or apartment mixed use district would be a better alternative; and
 - (D) Amending a state statute or county ordinance to tighten restrictions on the maximum number of unrelated college students cohabitating is preferable and feasible; and
- (2) The Honolulu Police Department consider immediately issuing a citation rather than a warning to a fraternity or sorority house upon finding that an initial complaint of excessive noise is valid.

The University of Hawaii at Manoa commented on 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. 24 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Ito and Riviere.

SCRep. 962-12 Water, Land, & Ocean Resources on H.C.R. No. 44

The purpose of this measure is to seek a resolution to noise and other concerns regarding fraternity and sorority houses near the campus of the University of Hawaii at Manoa by requesting that:

- (1) The Department of Planning and Permitting of the City and County of Honolulu study whether the county land use ordinance may be used to restrict the location of fraternity and sorority houses on the island of Oahu, which includes determining whether:
 - (A) A clear and enforceable definition of "fraternity or sorority house" may be developed;
 - (B) Prohibiting a fraternity or sorority house as a permitted use outside of a one-mile radius from the University of Hawaii at Manoa campus would be appropriate and legal;

- (C) Designing a fraternity or sorority house as a permitted use only in an apartment or apartment mixed use district would be a better alternative; and
 - (D) Amending a state statute or county ordinance to tighten restrictions on the maximum number of unrelated college students cohabitating is preferable and feasible; and
- (2) The Honolulu Police Department consider immediately issuing a citation rather than a warning to a fraternity or sorority house upon finding that an initial complaint of excessive noise is valid.

The University of Hawaii at Manoa commented on 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. 44 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Ito and Riviere.

SCRep. 963-12 Water, Land, & Ocean Resources on H.C.R. No. 36

The purpose of this measure is to request that the Auditor conduct a follow-up audit of the management of state boating facilities, particularly with regards to the Ala Wai Small Boat Harbor.

Numerous concerned individuals supported this measure. The Department of Land and Natural Resources and several individuals commented on this measure.

Your Committee notes that the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources has testified that it is still in the process of implementing the recommendations of the 1993, 1998, and 2001 legislative audits as well as the 2006 legislative financial audit. Statewide, the Division of Boating and Ocean Recreation has completed over \$113,000,000 in capital improvement projects since 2001. With regard to the Ala Wai Small Boat Harbor, the Division of Boating and Ocean Recreation has completed over \$7,000,000 in capital improvement projects and renovated or replaced over 60 percent of all slips at the harbor within the past ten 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 concurs with the intent and purpose of H.C.R. No. 36 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Ito and Riviere.

SCRep. 964-12 Finance on H.B. No. 1800

The purpose of this measure is to appropriate supplemental funds for the operating and capital improvement costs for the Judicial Branch for fiscal year (FY) July 1, 2012, through June 30, 2013.

The Judiciary and Domestic Violence Action Center testified in support of this measure.

Your Committee continues to support the Kapolei Court Complex in its efforts to maintain a secure environment with the addition of three juvenile detention workers at the Hale Ho'omalulu Juvenile Detention Facility by appropriating \$78,000 in general funds to fund security guard contracts and \$696,000 in general funds to fund maintenance agreements and warranty contracts for upkeep to the facility.

In order to support the expansion of court interpreter services, your Committee has approved \$235,000 in additional funding to broaden services and meet federal mandates. Your Committee has also provided three positions and \$119,000 to maintain services for the adult community service sentencing program that was transferred from the Public Safety Division.

In response to an increase in surcharges to fund an expansion of indigent legal services to low- and moderate-income individuals that was provided for in Act 180, Session Laws of Hawaii 2011, your Committee has increased the special fund ceiling of the Indigent Legal Assistance Fund by \$675,000. These funds are necessary to provide broader access to quality civil legal services for those who otherwise would not have the financial means.

Your Committee has also provided two additional social worker positions to the First Circuit Court. These positions are critical to Veterans Court and Victim Services, providing support to Hawaii's war veterans and assisting victims and their families as they proceed through the criminal justice system.

Lastly, your Committee has appropriated \$20,842,000 for capital improvement projects for the FY 2012-2013 supplemental budget. The amount includes funding for various internal maintenance and upgrade projects to resolve issues with air conditioning systems on Maui and Oahu, as well as exterior building improvements at various sites across Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1800, H.D. 2.

Signed by all members of the Committee.

SCRep. 965-12 Finance on H.B. No. 2012

The purpose of this measure is to appropriate supplemental funds for the operating and capital improvement costs for the Executive Branch for fiscal year (FY) July 1, 2012, through June 30, 2013.

In total, this budget appropriates \$5,611,528,160 in general funds and \$11,162,176,637 in all means of financing for FY 2012–2013.

The Office of the Governor, Department of Accounting and General Services, Department of Human Services, Department of Defense, Department of Agriculture, Department of Human Resources Development, Department of Health, Department of Taxation, Office of Information Management and Technology, Hawaii Housing Finance and Development Corporation, Hawaii Health Systems Corporation, Hawaii State Commission on the Status of Women, Waipahu Community School for Adults, Moanalua / Aiea Community School for Adults, Child & Family Service, Women Helping Women, Hawaii State Coalition Against Domestic Violence, Bernice Pauahi Bishop Museum, Domestic Violence Action Center, and a concerned individual testified in support of this measure.

The Office of the Lieutenant Governor; Department of Business, Economic Development & Tourism; Department of Land and Natural Resources; Hawaii Tourism Authority; Hawaii Public Housing Authority; and many individuals offered comments.

Introduction

Revenues for the State of Hawaii peaked in FY 2007–2008 at \$5,200,000,000. If the FY 2011–2012 revenue projections of the Council on Revenues are accurate, on June 30, 2012, the fiscal year will close with revenues reaching or exceeding the FY 2007–2008 level. It will have taken four years for revenues to recover from the shock of the 2008 recession.

During the same four years, state department and agency budgets were, in some cases, decimated, while Medicaid and fixed costs rose and unfunded liabilities continued to explode. For example, in FY 2008–2009, the Department of Agriculture's general fund expenditures totaled \$16,500,000. The department's FY 2011–2012 budget is \$9,000,000, reflecting a reduction of 45.7 percent. This department is charged with supporting Hawaii's agriculture industry and protecting the State from invasive species and pests from around the world. Invasive species impact the economy, as well as the environment.

Between FY 2008–2009 and FY 2011–2012, the combined general fund operating budgets of all executive branch agencies were reduced from \$3,246,000,000 to \$2,970,000,000, resulting in a decrease of \$276,000,000. Meanwhile, Medicaid, the Hawaii Employer–Union Health Benefits Trust Fund (EUTF), Employees' Retirement System (ERS), and debt service expenditures grew from \$2,101,000,000 to \$2,533,000,000, resulting in an increase of \$432,000,000.

EUTF payments grew by \$108,000,000 over the past four years. However, your Committee is concerned that this does not include payment of the actuarially required contribution necessary to address the unfunded liability of the system. Your Committee notes that in FY 2011–2012 approximately \$500,000,000 in additional funding per year is necessary to adequately fund the actuarially required contribution. Your Committee also notes that any delay in making payments increases the annual amount necessary to fund the actuarially required contribution in subsequent years.

Your Committee finds that the budget and financial plan are balanced in the current biennium, and for the first time in four years, your Committee is not faced with a revenue shortfall in excess of a billion dollars. However, fiscal challenges remain. Departments are struggling to provide acceptable levels of services under increasingly challenging conditions. At the same time, Medicaid, EUTF, and ERS costs have continued to rise exponentially.

In recent months, the new Administration provided critical structural stability to the State's financial plan by restructuring debt service payments on outstanding general obligation bonds. The biennium budget adopted by the Legislature during the 2011 Regular Session created a framework that also provided the new Administration an opportunity to review programs and determine its priorities. Those priorities are expressed in the budget submitted to the Legislature in the current 2012 Regular Session for review and action.

Immediately after the Administration submitted its budget and financial plan to the Legislature, the Council on Revenues reduced revenue projections for FY 2011–2012 from 14.5 percent to 11.5 percent. This resulted in a budget deficit of approximately \$20,000,000 by the end of FY 2012–2013.

Your Committee finds that the funding requirements and demand for government services has never been greater. At the same time, Hawaii's economy stands on the edge of recovery and expansion. In the absence of a consistent stream of additional revenues, constraint, targeted triage, and long-term planning are keys to the development of this budget proposal. With these factors in mind, your Committee has laid out a steady course to:

- Refine the Administration's budget submittal to reflect current revenue projections;
- Triage targeted programs to ensure that the most essential needs are met, particularly in human services and agriculture;
- Provide structural stability to the state's financial plan in meeting long-term unfunded liabilities; and
- Support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

Recovery and a New Normal

"State revenues fell like a bowling ball and they have bounced back, much like a bowling ball."

*Arturo Perez, Director, Fiscal Affairs Program
National Conference of State Legislatures
Bloomberg News, 02/13/12*

Your Committee finds that this sentiment aptly describes the primary challenge faced by state governments nationwide to meet the needs of its people. A "State Budget Update: Fall 2011" survey conducted by the National Conference of State Legislatures found that:

- For the first time in four years, lawmakers will not be addressing current year deficits in the early part of their legislative sessions;
- Only four states reported that a budget gap had appeared since fiscal year 2012 began – this compares to 15 states with budget gaps at the same time a year ago;
- Recent global, social, and economic volatility, the European debt crisis, and high unemployment are generating concern among states about the rate of revenue growth and long-term stability of economies that are more interdependent today than at any other time in history; and
- Questions about the impact of Congressional action or inaction to reduce the federal budget deficit is causing states to further constrain much needed spending for fear of federal cuts stalling recent local economic improvement.

In light of these factors, your Committee has refined the Administration's budget priority proposals and funded those items serving the most critical needs. This has been balanced carefully with the need to look ahead and reform and reprioritize government services for the long term.

Your Committee finds that information technology offers long-term solutions to a more efficient and effective state government. The final report of the Governor's information technology assessment conducted by the Office of Information Management and Technology found that:

"[State workers] believe in working together and cooperating, laulima. ... This commitment extends to so many ... State employee[s] ... who were intent on meeting mission objectives and delivering services to the citizens of Hawaii, which often translated simply into working longer and harder with or without being paid overtime. Additionally, due to all the budget cuts, the staff has begun to accept the lack of support and tools to perform their job more effectively as 'just the way it is.'"

"Every Department recognizes that IT truly does support 'doing more with less', but as staff and budget reductions have occurred, the ability to utilize IT to improve the productivity of the remaining staff has been far too limited. ... [I]t became clear that redefining or reengineering a number of processes would provide the State with opportunities to transform and truly utilize IT to enhance support and help the State's citizens."

Your Committee finds that a key element to recovery and a new normal is the Governor's initiative to reform state government, as implemented by the Chief Information Officer. This initiative has the potential to help everyone, including state employees as well as the people of Hawaii served by state programs. Included in this budget proposal are numerous projects determined by the Chief Information Officer as critically needed to immediately support current programs. Additionally, your Committee is committed to funding the larger, long-term initiative that is expected to provide a detailed roadmap by July 2012 to streamline internal processes, improve services delivered by state government, and provide higher levels of transparency and accountability.

Department Summary

The March Storms

Recognizing the extensive damages that recent heavy rains and flooding have caused throughout the State, and the urgency in which emergency response services must be developed and implemented, it is critical to designate funding in FY 2012-2013 for essential clean-up and amelioration services needed across the islands. Although the full extent of damages cannot be assessed at this time, your Committee believes it prudent to appropriate \$5,000,000 to the Department of Transportation for assistance with state harbors, \$5,000,000 to aid public highways, and \$2,000,000 to the Department of Land and Natural Resources to address rock abatement or any other needs.

Department of Agriculture

The Department of Agriculture plays a crucial role in protecting Hawaii's economy. Nearly 50 percent of the department's general fund appropriations were reduced since 2009, directly affecting the services provided to the State of Hawaii. Your Committee recognizes the importance of protecting the economy from the impacts of invasive species and strives to support the department in providing necessary resources.

Funding for nine plant quarantine inspectors at the Kahului Airport provided by the Federal Aviation Administration through the Department of Transportation will be discontinued at the end of FY 2011-2012. Also, funding for twenty plant quarantine inspectors provided by the United States Department of Transportation will be terminated due to an administrative ruling by the Air Transport Association of America, Inc. Therefore, your Committee has provided funding for these twenty nine positions by transferring moneys from the Energy Systems Development Special Fund under the jurisdiction of the University of Hawaii.

Funding for eleven new positions for various Department of Agriculture programs will be added to the Agricultural Development and Food Security Special Fund, which receives \$0.15 of each \$1.05 of the barrel tax collected. Resources provided include five positions for irrigation systems and necessary personnel to manage the acquisition of new non-agricultural lands from the Department of Land and Natural Resources. In response to an increase in food safety issues, your Committee provided funding for two agricultural commodities marketing specialists to inspect and audit food for proper safety standards.

Your Committee recognizes the importance of inspecting the accuracy of scales, gas pumps, and taxi meters. Due to severe budget cuts and attrition resulting from retirement, the Measurement Standards Branch is currently left with only one active inspector and one worker on extended leave. Accordingly, your Committee has provided for three measurement standards inspectors and one measurement standards branch manager in order to effectively implement quality assurance in the State.

Department of Accounting and General Services

In March 2011, in an effort to centralize information technology throughout the State, initiatives were proposed to modernize the State's infrastructure, systems, processes, and procedures. In July 2011, the State's first Chief Information Officer was hired and the Office of Information Management and Technology was established within the Department of Accounting and General Services. By September 2011, the first phase of the State's modernization initiative was completed. A statewide strategic plan is expected to be delivered by the Chief Information Officer in July 2012.

Technology initiatives will be funded through the Shared Services Technology Special Fund which receives three percent of central services expenses revenues. Your Committee will also be proposing that general and non-general fund personnel savings from FY 2011-2012 and FY 2012-2013 be deposited into the Shared Services Technology Special Fund to support supplemental budget requests. Accordingly, your Committee has provided \$15,000,000 for statewide financial enterprise reengineering, \$5,000,000 for business process and information technology and information resource management reengineering, \$1,800,000 for information technology pilot projects, \$3,400,000 for technology triage for mission-critical government services, and \$1,800,000 for various projects for digital archiving records and broadband initiatives.

Department of the Attorney General

The Department of the Attorney General plays a critical role as the State's chief legal counsel, representing the State in civil and criminal cases, investigating violations of state laws, and preparing legal opinions for the Governor, Legislature, and state agencies. Guided by the 2011 program review, the department sought creative opportunities to finance its essential legal services. With that in mind, the Committee has approved interdepartmental transfers and special fund requests for reimbursement totaling \$576,613.

Department of Budget and Finance

As of July 1, 2009 the EUTF had a total unfunded actuarially accrued liability of \$14,546,500,000. The state's portion of that was \$11,523,300,000. In order to amortize the unfunded actuarially accrued liability, the state had to dedicate \$441,400,000 as its annual required contribution starting in FY 2008-2009, but was unable to do so. The state was only able to pay the normal cost of the state's portion of its EUTF obligation which was \$400,800,000. The longer the state waits to dedicate any resources to pre-funding its unfunded actuarially accrued liability, the larger the annual required contribution will become. If nothing is done, this is a critical structural problem in the state's financial plan that will have devastating impacts on the operating budgets of state programs in the years to come.

Your Committee believes it to be prudent to begin setting aside money towards the annual required contribution. Based on revenue projections as of January, 2012, your Committee was able to provide \$50,000,000 for this purpose in FY 2012-2013. Your Committee is concerned that at least another \$450,000,000 will be needed, but such resources are not available at this time.

It will take several years to address this issue in a comprehensive manner. To continue efforts towards that goal, your Committee has added \$100,000 to commission a study on improving the financial health of the EUTF. It is critical to the long-term viability of the EUTF and the state to implement reforms that moderate the public employer health benefit contributions for active and retired members while maintaining sufficient benefits coverage. This study will address the unfunded accrued liability and the implementation of reforms to ensure a reliable and adequate stream of funding for the EUTF, which over 20,000 retirees rely on for benefits.

Department of Commerce and Consumer Affairs

The Department of Commerce and Consumer Affairs strives to provide fair oversight and regulation of the numerous businesses it monitors, including cable television providers, financial institutions, and insurance services. In an effort to strengthen and solidify the department's long-term commitment to a healthy business environment, your Committee has approved thirteen positions for conversion from temporary to permanent status, thereby encouraging the retention of valuable employees and ensuring stability in its operations.

In support of the Hawaii Broadband Initiative, a one-time appropriation of \$2,500,000 in special funds was requested for the Cable Television Division (CCA 102), pursuant to a Governor's Message dated February 10, 2012. The intent of the proposed funds, which will come from moneys collected from cable subscribers and held by Time Warner Entertainment, is to support broadband deployment and adoption efforts of the counties and state government. Your Committee is currently taking this request under advisement.

Recognizing the possible benefits of establishing a state-owned bank in Hawaii, your Committee has also approved the creation of a state bank task force, whose mission will be to study the feasibility and cost of such a venture. To support this task force, \$75,000 in special funds from the Division of Financial Institutions' (CCA 104) current budget will be allocated toward this effort.

Department of Business, Economic Development, and Tourism

In response to large-scale reductions-in-force over the past fiscal biennium, the Department of Business, Economic Development, and Tourism recognized a need to restructure and refocus its key initiatives to make the best use of lean resources. A number of position transfers between different programs within the department were requested last fiscal year, but were left unapproved pending a formal report on the reorganization, which was requested by the Legislature last session. This year, a number of the requests for transfers resurfaced and were approved for implementation as the department worked with the appropriate agencies and organizations, including the Department of Budget and Finance, Department of Human Resources, and Hawaii Government Employees Association, to complete a formal reorganization and subsequently fulfill its reporting requirements.

In 2011, the Governor unveiled the Hawaii Broadband Initiative to work toward ensuring that high-speed broadband access becomes available throughout the State, and to promote the adoption of related services and applications for economic development, health care, education, public safety, governmental efficiency, and civic engagement. As one of the designated leads for the Hawaii Broadband Initiative, the Department of Business, Economic Development, and Tourism is tasked with spearheading implementation and adoption of such services with its sister agencies, and facilitating all correlated requests for state funding. With an aggressive target implementation date of 2018, your Committee has approved the requested appropriations for pilot programs aimed at enabling local government to progress and lead by example. Appropriations for FY 2012-2013 include \$400,000 to upgrade the eHawaii.gov website and \$1,000,000 to assist the Department of Education in implementing a one-to-one computing program in all public schools.

Department of Labor and Industrial Relations

During several site visits conducted by your Committee during the interim of 2011, it was noted that construction projects were being delayed due to the lack of inspectors available to provide timely safety checks of elevators to ensure compliance with regulations. The Department of Labor and Industrial Relations has proposed to modernize the program and create a special fund designed to support the boiler and elevator program and get much needed inspections back on track. Facilitating these inspections will clear a hurdle faced by one of the engines of Hawaii's economy, its construction industry. Additionally, the department will be able to address a backlog of inspections of existing buildings to ensure the safety of the public at large.

Department of Land and Natural Resources

The Department of Land and Natural Resources has discussed the reorganization of the Division of Aquatic Resources and the Division of Forestry and Wildlife as its vision for a land management system based on the traditional Hawaiian ahupua'a approach, where one division would administer the entire region and its resources running from the mountains to the ocean. No organizational changes appear in the current supplemental budget. The department plans on formalizing the merger in the next fiscal biennium. Your Committee has many concerns and questions regarding the merging of the two divisions: What are the impacts regarding the merger and the Watershed Initiatives? How does this affect all sources of water supply provided to the State, including irrigation systems, reservoirs, and dams? What is the impact to the local farmers and fishermen? Your Committee looks forward to receiving more information and a comprehensive implementation plan from the department on these important proposals prior to any changes taking affect.

Your Committee recognizes the importance of protecting the State's land, natural resources, and forests which directly affect the water supply for the State. In order to protect and restore forested watersheds and secure Hawaii's water supply, the Department of Land and Natural Resources has requested \$11,000,000 per year over a ten-year span for a Watershed Initiative. The proposal covers eleven watershed partnerships throughout the State and is composed of over seventy public and private partners, encompassing over 2,000,000 acres of land. Many of the watersheds are located on private lands. Your Committee recognizes the responsibility of the Watershed Initiative in protecting public lands and has thus provided \$2,750,000 to launch the Watershed Initiative beginning in FY 2012-2013 on public lands. However, there is still much concern over the ambiguity and lack of clarity surrounding the details of the ten-year plan for the watershed initiatives: How will this plan be funded for the next ten years? Where will the moneys be expended? What fair level of contribution will private land owners commit? Your Committee believes more information is needed to understand where and on what resources the proposed \$11,000,000 per year for each of the next ten years is being spent. As such, it is your Committee's intention that these appropriations not be expended prior to receiving more information and a comprehensive implementation plan.

The Governor's Emergency Proclamation of April 14, 2011, authorized positions and funds for the purpose of the Nene translocation on the Island of Kauai. The proposal specified that the Division of Forestry and Wildlife would relocate more than 400 Nene near the vicinity of Lihue Airport, Kauai. Your Committee recognizes the importance of relocating the Nene to a new location for both public safety and protection of the endangered Nene. For these reasons, the Department of Land and Natural Resources proposed a five-year plan with funding transferred from the Department of Transportation for \$800,000 for FY 2012-2013. The cost of the five-year plan will be \$4,700,000.

Your Committee provided \$750,000 in general funds to meet a Federal Communications Commission mandate that requires the narrow banding of the department's Green Net Radio System by January 1, 2013. This system affects many divisions throughout the department, including: the Division of Conservation and Resources Enforcement, the Division of Forestry and Wildlife, the Division of Aquatic Resources, State Parks Division, and the Land Division.

Department of Human Services

Your Committee acknowledges the vital role of the Department of Human Services in protecting, aiding, and serving the State's most vulnerable individuals. This critical partnership between the Legislature and the Department of Human Services is essential in rebuilding the department after several years of significant staffing and funding cuts, shortfalls, and a draining of the Temporary Assistance for Needy Families funds. Assisting the department to fully meet its mission and obligations is vital as the Department of Human Services continues to experience the effects of double digit demand increases in Medicaid, the Supplemental Nutrition Assistance Program, and other core services.

Your Committee, mindful of refining government expenditures while maintaining essential coverage for those most in need, has added \$2,000,000 to fund domestic violence shelters to ensure that doors stay open for women and children in need of safe shelter, and sex assault services. \$6,900,000 has been included for Child and Welfare purchase of service contracts, providing critical core services for aging out foster kids, independent living services, sex and substance abuse treatment, foster care family recruitment and home studies, family strengthening services, and case management. \$685,500 has been appropriated in supplemental payments for the aged, blind and disabled living in a foster or care home to help pay for room and board and supply the most basic of necessities.

Understanding the importance of providing timely services to those most in need, your Committee restored positions and funds to meet mounting demands. Ten temporary positions and over \$577,000 for vocational and rehabilitation services are funded to address the waitlist of over 1,000 people waiting for services caused by a lack of sufficient staffing. Four positions and \$159,000 will reestablish a Kona office to reduce fraud in the Supplemental Nutrition Assistance Program. \$5,800,000 will address payroll shortfalls and fund critical positions throughout the Department of Human Services that have not been properly funded for several years.

In recognition of the increase in demand for MedQuest benefits, fifteen additional eligibility workers are funded for the frontline to expedite the process and reduce the time from application to judgment to meet federal guidelines.

As foreseen by your Committee in the 2010 legislative session, excessive spending of Temporary Assistance for Needy Families funds has led to a depletion of the Temporary Assistance for Needy Families reserve fund and an inability of the reserve fund to provide critical programs beyond 2011. Your Committee has deemed it imperative to support beneficiaries as they work towards self sufficiency, and has provided \$23,000,000 million in funding for work support and work programs, job readiness training, programs aimed at helping people get back to work, homeless services, and community youth centers.

Your Committee cites a report by the University of Hawaii's School of Social Work titled "*Juvenile Justice System Crime Analysis, State of Hawaii, Fiscal Year 2009- 2011*", in which status and property offenses were identified as the top two highest offense types in adjudication for youth in the State of Hawaii for all three years. Historically, this is primarily the result of little to no coordination of efforts between State, local, and non-profit agencies.

An integrated system with vigorous oversight of services on each island is not only in the best interest of the youth, their families, and their communities, but is a fiscally sound approach. Over 150 youth are committed to the Hawaii Youth Correctional Facility annually, costing approximately \$168,000 per youth per year. Aside from the expense, incarceration has proven to be the least effective means of dealing with delinquent youth and creates negative results.

Accordingly, your Committee has added four new regional director positions and funds to fill the gap for Hawaii's youth. Presently, the Office of Youth Services does not have any staff on the neighbor islands. Providing a regional director in each judicial circuit would provide a balanced and comprehensive approach for at-risk youth to prevent delinquency, reduce recidivism, and maximize opportunities for youth to become productive, responsible citizens through community-based and family-focused treatment interventions. This funding fulfills statutory requirements as outlined in section 352D-10, Hawaii Revised Statutes, calling for the appointment of a regional director in each county. A community-based approach to juvenile justice is simply the right thing to do for Hawaii's youth and their families.

Department of Health

The Department of Health has displayed continual inconsistency within its structure and organization. Since 2008, the Department of Health has transferred 236 full-time employees and \$293,676,404 within the department, occasionally moving positions and funds out one year only to move them again the next year. These movements appear to be arbitrary and band-aid approaches to structural weaknesses. The current Department of Health Strategic Plan for the fiscal years spanning 2011-2014 titled, "*Foundations for Healthy Generations*", is a mere four pages in length and lacks detailed planning critical for strategic direction. The plan does not provide details for implementation, funding, staffing, operations, or anticipated national and environmental policy changes. For this reason, your Committee has provisioned the development of a comprehensive and detailed strategic plan before any further transfers and trade-offs are made.

Your Committee has funded the Early Childhood Obesity and Diabetes Prevention Program with \$250,000. The Department of Health maintains well-established programs for prevention of chronic disease, with increased emphasis on childhood obesity and diabetes throughout the State's schools. In order to reduce overlapping monies and efforts, your Committee recommends childhood obesity and diabetes prevention be embedded in the Department of Health portion of the Hawaii Tobacco Settlement Special Fund.

Your Committee recognizes the importance of a single coordinated system of information and access to in home and community based services for our elderly population through the establishment of Aging and Disabilities Resource Centers. Recognizing the recurring nature of such an implementation and with current Agencies on Aging in place on Hawaii, Maui, Oahu, and Kauai, your Committee recommends that site implementation be prioritized and proceed with a more deliberate rollout. Your Committee has approved the establishment of an Aging and Disabilities Resource Center starting with Kauai, and recommends taking best practices from that implementation to expand to additional sites on Maui, Oahu and Hawaii Island in the future. Kauai site implementation will be funded in the amount of \$88,683 in FY 2012-2013, along with supplemental efforts necessary for future, sustainable federal funding of the entire Aging and Disabilities Resource Centers program including: Project Development (\$50,000), Management Information System (\$175,000), Participant Direction (\$22,585), Dementia-capable (\$50,000), and Communication (\$1,000).

Hawaii Health Systems Corporation

The Electronic Medical Records project is set to "go-live" in February 2013. The Hawaii Health Systems Corporation set an ambitious implementation plan in order to receive \$10,000,000 in Medicare incentive payments over a four-year period. Additionally, the Hawaii Health Systems Corporation projected costs of \$57,000,000 over the next five years for this priority.

Department of Education

With regard to the Department of Education, your Committee was presented with a variety of factors vital to the future of our education system: the weighted student formula, student transportation, and adult education.

Your Committee examined the weighted student formula and the enrollment projections. The enrollment projection is based primarily on three factors:

- (1) The graduating senior class;
- (2) The incoming kindergarten class; and
- (3) In-and-out movement of all students from grades 1 through 11.

Although the senior class enrollment is accurate, the projection process for the kindergarten and migration factors are subjective. This year's senior class consists of 11,007 students across all Department of Education schools and represents the student body that will graduate out of the Department of Education system. However, the department estimates the value of entering kindergarteners by taking 77 percent of the children born five years prior which amounts to roughly 16,108 new students.

The migration factor is arbitrary and while the Department of Education conducts an analysis of previous year's migrations, this figure ultimately seems to be a guess. As such, your Committee has utilized an average of the migration factor for the past six years, which equates to a departure of 4,855 students compared to the Department of Education's prediction of a departure of 3,900 students. Your Committee does not predict that official enrollment of public schools will increase in the amounts indicated by the Department of Education and has provided funds for the weighted student formula according to this enrollment projection.

The Board of Education approved an increase in the price of student lunches by \$0.85 for all students for the 2012-2013 school year, which amounts to \$3.35 for high school lunches. Your Committee is concerned that despite the Board of Education's justification that the United States Department of Agriculture has mandated this increase, the federal government has also placed an annual mandatory maximum price increase of \$0.10 to ease families into this additional cost burden. Of great concern to your Committee is the possible creation of a gap group who will neither qualify for free or reduced price lunch nor afford daily lunch at the increased price. These actions can have severe ramifications upon student learning as there have been numerous studies connecting the importance of dietary habits with a child's ability to learn.

A long standing issue that has challenged your Committee is the continuously increasing budgetary demands of student transportation services. In its examination of the current program, your Committee continued to uncover failures in the system. This includes bus contractors and the Department of Education's failure to collect daily ridership numbers, possible overcapacity leading to excess costs, and a failure by the department to present viable cost saving measures.

The Department of Education anticipates spending \$73,000,000 in general funds on student bus transportation in FY 2011-2012. This amount is equal to the general fund appropriation for the following departments combined: the Department of Agriculture, Department of Business, Economic Development, and Tourism, Department of Defense, Department of Labor, Department of Land and Natural Resources, the Lieutenant Governor's office, and the Governor's office. The Department of Education expects costs to rise to \$79,200,000 in FY 2012-2013. The Administration and Legislature, under heavy budgetary constraints, were forced to make the difficult decision of continuing to fund a program with out-of-control costs. Your Committee reduced the daily cost per bus to the median cost on each of the neighbor islands, providing \$20 million for student transportation.

Your Committee has long supported adult education, recognizing continuous learning as a cornerstone of improved life chances and quality of life. Many find their second chance through the adult education GED program, where one in ten high school diplomas are awarded yearly. Due to budget cuts, the Board of Education resolved to eliminate funding of adult education programs. However, your Committee believes it is vital that those wishing to complete their degree, at whatever point in life that becomes possible, have that opportunity. Your Committee has therefore approved \$2,500,000 in general funds for adult education to ensure that opportunity.

Charter Schools

Your Committee has long been mindful of the accountability challenges existing within the Charter School system. During the interim a Joint Charter Schools Task Force evaluated the relationships, responsibilities, and accountability of Charter Schools, issuing a January 2012 report to the Legislature outlining recommendations for higher performance, increased flexibility and autonomy, and meaningful accountability. Deliberation of these reforms in the legislative arena is a necessary step for the growth of the charter school movement in Hawaii. Your Committee recommends that no changes be made to the supplemental year budget of the Charter Schools.

Department of Public Safety

Currently, there are approximately 1,740 male inmates housed at two facilities in Arizona. Your Committee recognizes that the out-of-state location presents an enormous hardship on both the inmates, who are isolated from their families and culture, and their families. Accordingly, your Committee recognizes the importance of bringing Hawaii's inmates home. The department's informational briefing to the Legislature in February 2012 reported that it will be at least five more years until all our inmates return home from the mainland.

The Legislature and the Department of Public Safety have joined efforts in developing a Justice Reinvestment Initiative to provide reforms to our incarceration system. In order to accomplish this, the department plans to both reduce the inmate population and increase the amount of space available by adding 400 new beds to a Puunene facility on Maui, which is in the planning stage, possibly reopening Kulani Prison on Hawaii Island with 300 new beds, and making available 200 new beds at the Waiawa Correctional facility on Oahu. Your Committee recognizes that the current contract with the Corrections Corporation of America costs the state approximately \$60,000,000 per year, funds that can be redirected to house prisoners at home. A March 2, 2012 Governors Message requested thirty-five permanent positions and \$6,000,000 in general funds to be moved from the non-state facilities budget (PSD 808) to fund the initiative. Your Committee looks forward to receiving more details on the plan.

University of Hawaii

The University of Hawaii continues to strive toward three Strategic Initiatives: the Hawaii Graduation Initiative, Innovation and Workforce Advancement, and Project Renovate to Innovate. All campuses have experienced unprecedented enrollment growth, which is common during economic downturns, mirroring the national response to changes in economic status. As such, Tuition and Fees Special Funds throughout the various campuses have increased their ceilings in order to account for services and personnel.

The University of Hawaii will begin FY 2012-2013 with the opening of a new campus, the University of Hawaii - West Oahu at Kapolei. The new campus spurred the University of Hawaii President's Hawaii Graduation Initiative to address more four-year college graduates, with an emphasis on the Native Hawaiian graduation rate. The University of Hawaii - West Oahu will serve as a convenient, alternate campus to university students living on the west side of the island, with similar general education courses and future specialized concentrations such as allied health services, health care administration, and media. Your Committee supports this new campus with sixteen positions and \$900,000.

The Hawaii Natural Energy Institute situated in the University of Hawaii at Manoa is the expending agency of the Energy Systems Development Special Fund, which receives \$0.10 of each \$1.05 of the barrel tax collected, or approximately \$2,200,000. The Hawaii Natural Energy Institute has not expended nor do they plan to expend any of the funds collected since FY 2009-2010 due to the receipt of federal funds. Your Committee has determined that a greater need exists in the Department of Agriculture, where the FY 2012-2013 expenditure ceiling from the Energy Systems Development Special Fund will fund twenty nine critical agricultural inspectors.

Your Committee recognizes the university's number one priority in advancing graduation rates of Native Hawaiians by funding seven positions and \$355,000 for the Na Pua Noeau program, and adding three temporary positions and \$100,000 in general funds to the University of Hawaii at Manoa Ho'okulawi 'Aha Ho'ona'auao 'Oiwī Initiative in support of Native Hawaiian culture and language education.

Your Committee prioritized all requests based on the university and subject matter committee recommendations and funded three positions and \$175,000 for the Office of Mauna Kea Management for enforcement officers/rangers for Mauna Kea, and six permanent positions and \$303,000 for the system wide maintenance backlog.

The John A. Burns School of Medicine (JABSOM) isolated itself from the University of Hawaii at Manoa in FY 2011-2012, by separating its budget appropriations and expenditures into its own program ID, UOH 110. This new sense of independence, compounded by the division's general fund appropriation of nearly \$17,000,000 and the constitutional autonomy provision frequently invoked have, unfortunately, created obstacles for your Committee in its attempts to thoroughly analyze the medical school's budget. In addition, past fiscal reports to the Legislature have proven unsatisfactory.

JABSOM continues to pursue its goal of being the top research medical school in the Pacific, but not without challenges. In particular, the school's family practice program, while praised by many in Hawaii's medical field, has come under scrutiny for FY 2012-2013, as the hospital in which the program is based, Wahiawa General Hospital, is struggling fiscally to provide faculty support. In an effort to remedy this situation, your Committee has recommended, through a budget proviso, that JABSOM utilize its general fund appropriation to finance its own faculty and provide related support as was agreed upon at the program's inception. JABSOM has also not provided any funding to the Hilo Medical Center, where the University participates in a similar family practice program. As such, your Committee recommends \$200,000 of the school's portion of the Tobacco Settlement Special Fund be appropriated to the Hawaii Island facility. JABSOM's portion of the Tobacco Settlement Special Fund is 28 percent of the total Master Settlement Agreement, roughly \$13,000,000 per year. For the past two years, debt service payments and operating costs have remained constant, revealing leftover monies that the school may take advantage of to pursue other opportunities.

Capital Improvement Projects

In preparing the capital improvement project budget contained in this measure, your Committee has remained mindful of the ongoing need to stimulate economic growth and create jobs within the construction and services industries which have suffered greatly through the recent recession. Accordingly, your Committee has provided \$746,616,000 in general obligation and general obligation reimbursable bond-funded projects and \$2,471,072,000 in all means of financing for capital projects in FY 2012-2013.

While these funding levels are substantial, your Committee has recognized the efforts of the Governor and Director of Finance and emphasizes that these funding levels are consistent and within the Administration's current issuance plan and debt service levels. In other words, this capital improvement project budget will not require any additional debt service payments above what is already budgeted.

While developing the capital improvement project budget, your Committee scrutinized each request, aware of the imminent need for "shovel ready" projects that will address the repair and maintenance and health and safety project backlogs which continue to fester within the State's agencies and departments. As such, your Committee believes that this capital improvement program budget will not only help spur economic recovery, but will also address the most basic necessities expected of state facilities.

Highlights of the capital improvement project budget for FY 2012-2013 include \$121,500,000 for the Department of Education to address its repair and maintenance backlog and over \$20,000,000 in lump sum appropriations for health and safety, Americans with Disabilities Act compliance, special education, and electrical upgrade projects at schools throughout the State.

For the University of Hawaii, your Committee has approved nearly \$90,000,000 for capital renewal and deferred maintenance as well as health, safety, and building code requirements. Of these funds, \$12,500,000 has been designated to address the needs of community college facilities statewide.

Your Committee has also addressed the needs of health and human services facilities throughout the State. \$61,000,000 has been provided for the Hawaii Public Housing Authority to continue to upgrade its units and help achieve its mission to better provide adequate shelter and housing to low-income families. In addition, \$20,000,000 has been appropriated for the Hawaii Health Systems Corporation to help tackle the repair and maintenance needs at community hospitals statewide.

Lastly, your Committee remains keenly aware of Hawaii's need, as an island-state, to preserve its long-term sustainability. Nearly \$30,000,000 has been provided to the Department of Agriculture and Department of Land and Natural Resources to allow them to continue their efforts to maintain the State's irrigation systems, as well as reservoirs and dams statewide.

Your Committee believes that the implementation of the numerous projects within this capital improvement project budget will result in the expansion of Hawaii's economy. In addition, your Committee aimed to address those structural needs most critical to maintaining the long-term viability of the State's facilities. It is only through the ongoing maintenance of these facilities that the State can continue to provide the programs and services essential to those who need them the most.

Conclusion

At the same time your Committee was voting on this budget, the Council on Revenues was meeting on March 7, 2012 to update the revenue projections on which this budget is based. The revised upward projection of the Council on Revenues, from 11.5 percent growth to 12.0 percent growth in FY 2011-2012, is a strong indicator that things are getting better.

Your Committee notes, however, that the revised revenue projection is still lower than the 14.5 percent revenue growth projection which served as the basis for the Governor's original budget submittal to the Legislature.

Your Committee, therefore, maintains that that the steady, deliberative approach in this budget remains a prudent approach to preparing for the challenges ahead in reprioritizing, rehabilitating, and renewing government services in the years ahead. The short-term and long-term goals of this budget are to:

- Refine the Administration's budget submittal as a result of current revenue projections;
- Triage targeted programs to ensure that the most basic needs are met, particularly in human services and agriculture;
- Provide structural stability to the state's financial plan in meeting long-term unfunded liabilities; and
- Support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 966-12 Water, Land, & Ocean Resources on H.R. No. 16

The purpose of this measure is to authorize the Department of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (2) 4-5-001: seaward of 4, in Lahaina, Maui, pursuant to the laws regarding reclamation and disposition of submerged or reclaimed public land for the:

- (1) Maintenance and repair of the existing deck; and
- (2) Use, repair, and maintenance of the existing improvements constructed thereon.

The Department of Land and Natural Resources supported 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. 16 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Nakashima and Riviere.

SCRep. 967-12 Water, Land, & Ocean Resources on H.C.R. No. 23

The purpose of this measure is to authorize the Department of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (2) 4-5-001: seaward of 4, in Lahaina, Maui, pursuant to the laws regarding reclamation and disposition of submerged or reclaimed public land for the:

- (1) Maintenance and repair of the existing deck; and
- (2) Use, repair, and maintenance of the existing improvements constructed thereon.

The Department of Land and Natural Resources supported 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. 23 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Nakashima and Riviere.

SCRep. 968-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 25

The purpose of this measure is to approve the sale of the leased fee interest in 619 Kuliouou Road, Honolulu, Hawaii, tax map key number 1-3-8-17-1 pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism and an individual supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 25 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 969-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 26

The purpose of this measure is to approve the sale of the leased fee interest in 644 Hokiokio Place, Honolulu, Hawaii, tax map key number 1-3-8-17-6, pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism and an individual supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 26 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 970-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 27

The purpose of this measure is to approve the sale of the leased fee interest in 2314 Tenth Avenue, Honolulu, Hawaii, tax map key number 1-3-4-3-38 pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing and Finance Development Corporation of the Department of Business, Economic Development, and Tourism, and an individual supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees 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 Ito, Pine and Riviere.

SCRep. 971-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 28

The purpose of this measure is to approve the sale of the leased fee interest in 41-557 Kamaaaina Place, Waimanalo, Hawaii, tax map key number 1-4-1-34-96 pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism and an individual supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 28 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 972-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 31

The purpose of this measure is to approve the sale of the leased fee interest in 95-017 Kuahelani Avenue, No. 321, Mililani, Hawaii, tax map key number 1-9-4-5-34-0156, pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 31 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 973-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 24

The purpose of this measure is to approve the sale of the leased fee interest in 593 Kuliouou Road, Honolulu, Hawaii, tax map key number 1-3-8-16-57.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism and an individual supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 24 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 974-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 29

The purpose of this measure is to approve the sale of the leased fee interest in 2949 Ala Ilima Street, No. 303, Honolulu, Hawaii, tax map key number 1-1-1-61-2-0007, pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism and an individual supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 29 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 975-12 Water, Land, & Ocean Resources/Housing on H.C.R. No. 30

The purpose of this measure is to approve the sale of the leased fee interest in 95-031 Kuahelani Avenue, No. 242, Mililani, Hawaii, tax map key number 1-9-4-5-34-109, pursuant to the requirements of Legislative approval for the sale or gift of certain public lands found in section 171-64.7, Hawaii Revised Statutes.

The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism supported this measure. The Office of Hawaiian Affairs commented on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 30 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Pine and Riviere.

SCRep. 976-12 Judiciary on S.B. No. 2206

The purpose of this measure is to propose a constitutional amendment to increase the mandatory retirement age for justices and judges from seventy to eighty years.

The League of Women Voters supported this measure. A concerned citizen opposed this bill. The Office of the Public Defender submitted comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2206 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, Coffman, Herkes and Ito.

SCRep. 977-12 Health on S.B. No. 2818

The purpose of this measure is to make changes to statutory law regarding the disposition of dead human bodies by:

- (1) Repealing the authority of the Department of Health to deliver or distribute an unclaimed dead human body to a university, hospital, or institution for medical education and research purposes; and
- (2) Clarifying the responsibilities of the person who has possession, charge, or control of an unclaimed dead human body with respect to gathering and providing information to state agencies.

The Department of Health and Department of Human Services testified in support of this measure.

Your Committee made 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. 2818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2818, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 978-12 Transportation on S.B. No. 2873

The purpose of this measure is to clarify and make permanent current exemptions from Hawaii's environmental impact statement law for secondary actions that occur within the highway or public right-of-way. Specifically, this measure:

- (1) Authorizes agencies to exempt certain secondary actions from the environmental impact statements law;
- (2) Requires applicants proposing certain actions identified in the environmental impact statements law to prepare environmental assessments; and
- (3) Requires the Office of Environmental Quality Control to determine whether preparation of an environmental assessment by an applicant is required in cases where it is uncertain which agency has the responsibility of determining whether an environmental assessment is required.

The Department of Transportation, NAIOP Commercial Real Estate Development Association Hawaii Chapter, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., and a concerned individual testified in support of this measure. The Office of Environmental Quality Control testified in support of the intent of this measure. The Outdoor Circle and Land Use Research Foundation of Hawaii testified in opposition to this measure. The Environmental Center of the University of Hawaii provided comments.

According to the Department of Transportation, it has been inundated with a large number of requests for minor work project reviews that increases the processing time for applications affecting rights-of-way. The processing of these minor work project reviews costs numerous man hours and causes unnecessary project delays. This measure attempts to address this issue.

Your Committee has amended this measure by:

- (1) Deleting the provision that the Office of Environmental Quality Control determine whether preparation of an environmental assessment by an applicant is required in cases where it is uncertain which agency has the responsibility of determining whether an environmental assessment is required; and
- (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. 2873, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2873, 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 Saiki.

SCRep. 979-12 Transportation on S.B. No. 2746

The purpose of this measure is to continue to incentivize the use of electric vehicles and make the existing laws pertaining to electric vehicles more readily accessible to the general public by generally codifying the incentives for registration, licensing, parking, and the operation of electric vehicles which were established under Act 290, Session Laws of Hawaii 1997.

The Department of Transportation testified in support of this measure. The Department of Business, Economic Development, and Tourism, Department of Accounting and General Services, and Alliance of Automobile Manufacturers testified in support of the intent of this measure.

Hawaii relies primarily on the consumption of imported oil to satisfy its energy needs. Much of this imported oil is used for the production of gasoline to fuel internal combustion engines. With over one million registered motor vehicles on Hawaii's roadways, the consumption of gasoline can be enormous.

One possible mechanism to reduce the consumption of petroleum products is to promote the use of newer technologies in everyday life. In 1997, the Legislature recognized that the emergence of alternatives to fossil-fueled vehicles had the potential to significantly reduce Hawaii's dependency on petroleum-based products and enacted legislation to incentivize the use of electric vehicles. The Legislature intended that Act to increase the use of electric vehicles in Hawaii by providing incentives for the registration, licensing, parking, and operation of electric vehicles. However, as this law was never statutorily codified, the general public could not readily and easily access it. This measure addresses this issue.

Your Committee has amended this measure by:

- (1) Conforming the definition of "electric vehicle" to federal standards by specifying that the vehicle draw propulsion energy from a battery with at least four kilowatt hours of energy storage capacity; and
- (2) Changing its effective date to July 1, 2021, to facilitate 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 S.B. No. 2746, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2746, 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 Saiki.

SCRep. 980-12 Transportation on S.B. No. 2402

The purpose of this measure 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 all state agencies comply with shielded lighting fixture requirements beginning July 1, 2013;
- (2) Prohibiting the sale or installation of new mercury vapor lamps after July 1, 2013;
- (3) Establishing parameters for retrofit work on, or replacement of, existing lighting fixtures to meet the shielding requirements;
- (4) Stipulating conditions and parameters for lights in areas where fully shielded light fixtures are not used;
- (5) Establishing conditions under which installation of fully shielded replacement lighting fixtures shall take place and allowing for partially shielded lights to be used provided the lights do not emit more than five percent of their light above the horizontal plane; and
- (6) Providing numerous exceptions to the shielded lighting requirements.

The Department of Transportation, Department of Land and Natural Resources, Department of Accounting and General Services, University of Hawaii, and Chair of the Starlight Reserve Committee testified in support of this measure. The Department of Business, Economic Development, and Tourism, and Land Use Research Foundation of Hawaii testified in support of the intent of this measure.

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.

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. 2402, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Energy & Environmental Protection and Economic Revitalization & Business.

Signed by all members of the Committee except Representative Saiki.

SCRep. 981-12 Tourism on S.B. No. 2114

The purpose of this measure is to provide for the allocation of transient accommodations tax revenues to the Convention Center Enterprise Special Fund on a fiscal year basis, instead of a calendar year basis.

The Hawaii Tourism Authority and Department of Taxation testified in support of this measure. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.

Your Committee notes and supports the request of the Hawaii Tourism Authority to retain language in this measure that allows unexpended and unencumbered funds in excess of any unencumbered reserve remaining in the Convention Center Enterprise Special Fund at the end of the 2011-2012 fiscal year to be expended for repair and maintenance projects of the Hawaii Convention Center, such as the rooftop terrace maintenance project and painting of the Hawaii Convention Center.

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. 2114, 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 Marumoto.

SCRep. 982-12 Tourism on S.B. No. 2632

The purpose of this measure is to reduce the Land Court recording and registration backlog by:

- (1) Requiring new fee time share interests to be recorded in the regular system instead of Land Court;
- (2) Streamlining the process for updating certificates of title for remaining fee time share interests; and
- (3) Allowing the Bureau of Conveyances to charge a fee for the recording of time share interest deeds.

American Resort Development Association; Wyndham Vacation Ownership; and SVO Pacific, Inc. testified in support of this measure. The Department of Land and Natural Resources; the Judiciary; Department of Commerce and Consumer Affairs; and Title Guaranty of Hawaii, Inc. provided comments.

Your Committee respectfully requests that the Committee on Finance consider the Department of Land and Natural Resources' request to change language in this measure by stating specific recording fees in the Bureau of Conveyances and the Office of Assistant Registrar of the Land Court.

In addition, your Committee notes the Judiciary's concerns that language in this measure regarding title issues is ambiguous.

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. 2632, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 983-12 Tourism/International Affairs on S.B. No. 490

The purpose of this measure is to provide funding for three years at \$2,000,000 per year to develop and implement initiatives that take advantage of expanded visa programs to increase travel opportunities for international visitors who wish to visit Hawaii.

The Hawaii Tourism Authority, Outrigger Enterprises Group, Starwood Vacation Ownership, Airlines Committee of Hawaii, Retail Merchants of Hawaii, ILWU Local 142, and Kohala Coast Resort Association testified in support of this measure. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.

As affirmed by the records of votes of the members of your Committees on Tourism and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 490, S.D. 3, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 984-12 Human Services on S.B. No. 2318

The purpose of this measure is to:

- (1) Adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act to ensure that only one state has jurisdiction at any one time in adult guardianship cases and protective proceedings;
- (2) Adopt guidelines to specify whether a court has jurisdiction to appoint a guardian or conservator for an incapacitated adult; and

- (3) Prioritize which state may proceed with a petition.

The Executive Office on Aging and the Commission to Promote Uniform Legislation supported the measure. The Judiciary offered comments on the measure.

Your Committee respectfully notes that the Judiciary testified that this bill may not be necessary and may subject families and guardians to increased complexity and procedure. For example, under Hawaii law, the circuit court has jurisdiction over protective proceedings and the family court has jurisdiction over guardianship proceedings. The Judiciary added that families are currently able to seek guardianship for challenged minors before they turn 18 years of age, but the bill appears to not allow that as it defines an "incapacitated person" as an adult. Finally, the Judiciary asserted that the bill would require changes to court policies, procedures, and rules, and as a result, these changes would consume valuable and limited staff resources in a time of economic downturn.

Your Committee encourages the testifiers to work together on the measure as it moves through the legislative process to the Committee on Judiciary.

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. 2318, 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 Wooley and Pine.

SCRep. 985-12 Human Services on S.B. No. 2505

The purpose of this measure is to allow the family and district courts to issue a temporary restraining order in domestic abuse and harassment cases, respectively, based on sworn oral testimony communicated to the court by telephone, radio, or other means of electronic voice communication when exigent circumstances exist that prevent the applicant from appearing in person.

The Judiciary, Hawaii State Commission on the Status of Women, the Prosecuting Attorney of the City and County of Honolulu, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, and the Hawaii Women's Coalition opposed the measure.

Your Committee has amended this measure by replacing its contents with a study on the feasibility of allowing a court to issue a temporary restraining order based on sworn oral testimony communicated to the court by electronic measures when exigent circumstances exist that prevent the applicant from appearing in person.

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. 2505, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2505, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 986-12 Human Services on S.B. No. 2798

The purpose of this measure is to enable the Department of Human Services to determine on a timely basis the eligibility of persons to receive health care insurance through Medicaid by requiring all commercial health care insurers to provide the State with a listing of their members on a quarterly basis.

The Department of Human Services testified in support of this measure. Hawaii Association of Health Plans testified in opposition to this measure. Hawaii Medical Service Association commented on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2798, 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 Wooley and Pine.

SCRep. 987-12 Human Services on S.B. No. 2590

The purpose of this measure is to make paramount the safety and health of children under the Child Protective Act by providing that in the determination by the court on whether to place a child in foster custody or under family supervision:

- (1) The court shall consider whether the alleged or potential perpetrator of imminent harm, harm, or threatened harm should be removed from the family home, rather than continuing the child's placement in foster care; and
- (2) The child's family shall have the burden of establishing that it is in the child's best interest to remove the child from the family home, rather than removing the alleged or potential perpetrator from the family home.

The Department of Human Services testified in support of the intent of this measure.

Your Committee has amended this measure by 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 S.B. No. 2590, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2590, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 988-12 Health on S.B. No. 2709

The purpose of this measure is to allow the Department of Health to disclose upon request, the dates of vital events to government agencies in the State that seek to verify information contained in vital statistics records for the purpose of updating official lists.

The Department of Health, Department of Human Services, and Department of the Attorney General 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2709, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 989-12 Health on S.B. No. 2821

The purpose of this measure is to reduce the incidence of preventable deaths to persons with developmental or intellectual disabilities by authorizing the Department of Health to conduct multidisciplinary and multiagency mortality reviews of deaths of persons with developmental or intellectual disabilities.

The Department of Health, State Council on Developmental Disabilities, and two individuals testified in support of the 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2821, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 990-12 Judiciary on H.R. No. 5

The purpose of this measure is to urge Congress to propose an amendment to the United States Constitution providing 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, Americans for Democratic Action Hawaii, Common Cause Hawaii, and one concerned individual 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 concurs with the intent and purpose of H.R. No. 5, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 5, H.D. 1.

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

SCRep. 991-12 Judiciary on H.C.R. No. 5

The purpose of this measure is to urge Congress to propose an amendment to the United States Constitution providing 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, Americans for Democratic Action Hawaii, Common Cause Hawaii, and one concerned individual 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 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 Finance in the form attached hereto as H.C.R. No. 5, H.D. 1.

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

SCRep. 992-12 Higher Education on S.B. No. 2005

The purpose of this measure is to propose an amendment to Article X, Section 6 of the Hawaii Constitution to remove the requirement that the Governor nominate candidates for the University of Hawaii Board of Regents from pools of qualified candidates submitted by the Regents Candidate Advisory Council.

The Governor and University of Hawaii Professional Assembly supported this measure. The Regents Candidate Advisory Council and two concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2005, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Mizuno, Wooley and Ching.
(Representative Belatti voted no.)

SCRep. 993-12 Higher Education on S.B. No. 2620

The purpose of this measure is to abolish the Regents Candidate Advisory Council and its role of submitting names to the Governor of qualified candidates for the University of Hawaii Board of Regents. This measure is contingent upon the ratification of a constitutional amendment that repeals the constitutional requirement that is being implemented by the current law.

The University of Hawaii Professional Assembly supported this bill. The Regents Candidate Advisory Council and two concerned individuals opposed this measure. The Governor 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. 2620, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Chang, Mizuno, Wooley and Ching.
(Representative Belatti voted no.)

SCRep. 994-12 Consumer Protection & Commerce/Judiciary on S.B. No. 2429

The purpose of this measure is to implement the 2011 recommendations of the Mortgage Foreclosure Task Force and other best practices to address mortgage foreclosures and related issues, including:

- (1) Adding provisions relating to unpaid assessments and release of recorded liens by associations;
- (2) Clarifying the mortgage foreclosure law under chapter 667, Hawaii Revised Statutes, by establishing general provisions and provisions for an association alternate power of sale process;
- (3) Clarifying provisions relating to penalties and fines;
- (4) Clarifying provisions relating to public notice of public sale;
- (5) Clarifying provisions relating to unfair or deceptive acts or practices; and
- (6) Making other clarifying and conforming amendments.

The Department of Commerce and Consumer Affairs, Legal Aid Society of Hawaii, and a concerned individual testified in support of this measure. The Office of Consumer Protection supported the intent of this measure. The Hawaii Financial Services Association, Mililani Town Association, Hawaii Credit Union League, Hawaii Bankers Association, and many concerned individuals opposed this measure. The Hawaii Chapter of the Community Associations Institute, Hawaii Association of REALTORS, RCO Hawaii LLLC, Anderson Lahne & Fujisaki LLP, and several 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 S.B. No. 2429, 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 Luke.
(Representatives Yamane and Ching voted no.)

SCRep. 995-12 Consumer Protection & Commerce on S.B. No. 2768

The purpose of this measure is to conform to unified standards adopted by the National Association of Insurance Commissioners by eliminating the underlying producer license requirement as a prerequisite for applying and obtaining a surplus lines broker license.

In addition, this measure:

- (1) Provides greater clarity and consistency in licensing insurance producers that sell annuity products; and

- (2) Clarifies the licensing requirements for reinsurance intermediaries and removes unnecessary licensing conditions.

The Department of Commerce and Consumer Affairs and National Association of Insurance and Financial Advisors 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 S.B. No. 2768, 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, Coffman, Ito, Luke and McKelvey.

SCRep. 996-12 Consumer Protection & Commerce on S.B. No. 2767

The purpose of this measure is to update the Insurance Code to conform with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

The Department of Commerce and Consumer Affairs, Hawaii Insurance Guaranty Association, and Hawaii Life and Disability Insurance Guaranty Association testified in support of this measure. The American Council of Life Insurers, American Insurance Association, and Property Casualty Insurers Association of America 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. 2767, 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, Coffman, Ito, Luke and McKelvey.

SCRep. 997-12 Water, Land, & Ocean Resources on S.B. No. 2277

The purpose of this measure is to:

- (1) Establish a new administrative procedure and remedy for challenges to a habitat conservation plan or safe harbor agreement and accompanying license;
- (2) Repeal current provisions on administrative enforcement of rules, habitat conservation plans, and safe harbor agreements and accompanying licenses; and
- (3) Make permanent the Board of Land and Natural Resources' authority to approve new safe harbor agreements, habitat conservation plans, or incidental take licenses.

The Department of Land and Natural Resources, Sierra Club Hawaii, and two concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism; Building Industry Association of Hawaii; The Chamber of Commerce of Hawaii; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; General Contractors Association of Hawaii; and two concerned individuals provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing provisions establishing a new administrative procedure and remedy for challenges to a habitat conservation plan or safe harbor agreement and accompanying license; and
- (2) Leaving the current procedures to challenge a habitat conservation plan or safe harbor agreement and accompanying license in the Hawaii Revised Statutes.

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. 2277, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2277, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 998-12 Water, Land, & Ocean Resources on S.B. No. 2534

The purpose of this measure is to ensure that students in Hawaii have adequate facilities in which to learn by establishing the School Facilities Special Fund to accept revenue generated from the non-permanent disposition of public school lands and facilities to fund the new construction and upgrade of twenty-first century school facilities and the retrofit and upgrade of existing school facilities.

The Public Land Development Corporation, Department of Education, Building Industry Association-Hawaii, The Chamber of Commerce of Hawaii, General Contractors Association of Hawaii, Hawaii Carpenters Union, and Laborers-Employers Cooperation and Education Trust supported this bill. The Pacific Resource Partnership supported the intent of this measure. The Department of Budget and Finance and Office of Hawaiian Affairs 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 S.B. No. 2534, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Education.

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

SCRep. 999-12 Water, Land, & Ocean Resources/Hawaiian Affairs on S.B. No. 682

The purpose of this measure is to allow certain lots in the makai area of Kakaako Community Development District to be developed for residential units and exempt from public facilities fees, provided that 20 percent of the units are designated for residents in the low- or moderate-income range.

The Office of the Governor, Association of Hawaiian Civic Clubs, and General Contractors Association of Hawaii testified in support of this measure. Friends of Kewalos, The Outdoor Circle, and several individuals testified in opposition to this measure. The Department of the Attorney General, Office of Hawaiian Affairs, and several individuals commented on this measure.

Your Committees have amended this measure by:

- (1) Appropriately referring to Tax Map Key (1) 2-1-15-61 as follows: Lot 4 as shown on the map filed with the State Bureau of Conveyances as File Plan 2335;
- (2) Making the approval of this measure contingent upon the Legislature approving the transfer of Lot 1 and Lot 4, as shown on the map filed with the State Bureau of Conveyances as File Plan 2471 and File Plan 2335, respectively, to the Office of Hawaiian Affairs by the passage of S.B. No. 2783 before the second regular session of the Twenty-sixth Legislature adjourns; 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 S.B. No. 682, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 682, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Wooley, Pine and Ward.
(Representative Cabanilla voted no.)

SCRep. 1000-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 2785

The purpose of this measure is to establish the regulatory framework for the development, financing, and use of a high-voltage undersea electric transmission cable system that will permit the transmission of power generated on one or more islands to an electric utility system located on another island of the State.

The Governor; the Public Utilities Commission; the Department of Business, Economic Development, and Tourism; the Department of Commerce and Consumer Affairs; the Office of the Mayor of the County of Maui; the Building Industry Association of Hawaii; the Chamber of Commerce of Hawaii; the General Contractors Association of Hawaii; NextEra Energy Transmission, LLC; First Wind; the Hawaii Farm Bureau Federation; Hawaii Labor-Employers Cooperation and Education Trust; the Hawaii Carpenters Union; the International Longshore Warehouse Union Local 142; the Laborer's International Union of North America, Local 368; and several individuals supported this measure.

The Office of the Mayor of the City and County of Honolulu; the Pacific Resource Partnership; and the Land Use Research Foundation of Hawaii supported the intent of this measure. Hawaii Interisland Cable, LLC and Windward Ahupuaa Alliance supported this measure with amendments. The Kuliouou/ Kalani Iki Neighborhood Board No. 2, Hawaii's Thousand Friends, Life of the Land, and numerous individuals opposed this measure. Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company; I Aloha Molokai; and a few individuals commented on this measure.

Your Committees have amended this measure by:

- (1) Specifying that nothing in this measure is intended to require the construction of an interisland cable from any particular island; and
- (2) 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 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. 2785, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2785, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1001-12 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 2001

The purpose of this measure is to amend the Hawaii State Planning Act to:

- (1) Include promoting the development of indigenous renewable energy resources located on public trust land as a source of firm power; and
- (2) Ensure that the development of energy resources on public trust land directly benefits native Hawaiians and public beneficiaries of the trust.

The Department of Land and Natural Resources; the Association of Hawaiian Civic Clubs; Innovations Development Group; Indigenous Consultants, LLC; and two individuals supported this measure.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2001, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

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

SCRep. 1002-12 Energy & Environmental Protection on S.B. No. 2511

The purpose of this measure is to reduce the adverse effects of single-use checkout bag waste on Hawaii's precious and unique natural environment.

Specifically, this measure establishes an offset fee for the distribution of single-use checkout bags and directs that the bulk of fee revenues be used to fund programs to mitigate the damaging effects of single-use checkout bags.

The Department of Land and Natural Resources; the Department of Health; the Environmental Center of the University of Hawaii at Manoa; the Coordinating Group on Alien Pest Species; the West Maui Mountains Watershed Partnership; The Trust for Public Land; The Nature Conservancy; the Surfrider Foundation; Sustainable Coastlines; The Outdoor Circle; the Sierra Club, Hawaii Chapter; Retail Merchants of Hawaii; the League of Women Voters of Hawaii; Hawaii Food Industry Association; the Conservation Council for Hawaii; the Safeway Companies; Times Supermarkets; KYD, Inc.; the Environmental Caucus of the Democratic Party of Hawaii; Castle & Cooke Resorts, LLC; and numerous individuals supported this measure. Two individuals opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, Verizon Wireless, and two individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Including a sunset date of December 31, 2017; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2511, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2511, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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

SCRep. 1003-12 Energy & Environmental Protection on S.B. No. 2512

The purpose of this measure is to continue to provide oversight and analysis of the distribution of the environmental response, energy, and food security tax by extending the sunset date of the Hawaii Economic Development Task Force to June 30, 2014, and renaming it the Hawaii Food and Energy Security Council.

The Hawaii Farm Bureau Federation, Hawaii Farmers Union United, The Nature Conservancy, and an individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2512, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Agriculture.

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

SCRep. 1004-12 Energy & Environmental Protection on S.B. No. 2787

The purpose of this measure is to ensure stability and reliability of the State's power grid.

Specifically, this measure:

- (1) Authorizes the Public Utilities Commission to perform necessary electricity system reliability and grid access oversight functions;
- (2) Allows the Public Utilities Commission to contract for the services of a Hawaii Electricity Reliability Administrator to support the Commission in carrying out some of those reliability and grid access oversight functions; and
- (3) Authorizes the establishment of a surcharge affecting users, owners, and operators of Hawaii's electricity system to be collected to maintain system reliability.

The Governor; the Department of Business, Economic Development, and Tourism; the Public Utilities Commission; Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company; the International Longshore and Warehouse Union Local 142; the Hawaii Renewable Energy Alliance; the Sierra Club, Hawaii Chapter; and an individual supported this measure. Life of the Land commented on this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2787, 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, Har and Thielen.

SCRep. 1005-12 Energy & Environmental Protection on S.B. No. 2752

The purpose of this measure is to allow electric utility companies operating within the State to recover all power purchase costs that arise out of power purchase agreements that have been approved by the Public Utilities Commission.

The Public Utilities Commission; Hawaiian Electric Company, Inc., and its subsidiaries Maui Electric Company, Limited and Hawaii Electric Light Company, Inc.; and the Hawaii Renewable Energy Alliance supported this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, 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 Thielen.

SCRep. 1006-12 Tourism/International Affairs on S.B. No. 2642

The purpose of this measure is to further establish Hawaii as a global destination and benefit the State's economy by appropriating an unspecified amount of funds for the Hawaii Tourism Authority to take advantage of new initiatives for increased travel and tourism in the United States.

The Hawaii Tourism Authority, Hawaii Lodging & Tourism Association, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, A3H, Outrigger Enterprises Group, Starwood Vacation Ownership, and Airlines Committee of Hawaii testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Tourism and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2642, 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 Representative Marumoto.

SCRep. 1007-12 Education on S.B. No. 2527

The purpose of this measure is to ensure the full and efficient use of public school facilities by requiring:

- (1) That unused public school facilities be made available to pre-plus programs in addition to charter schools prior to sale by the Department of Land and Natural Resources; and
- (2) The Department of Education to identify and give reasonable consideration to making all or portions of unused public school facilities available for use by early learning programs and other purposes deemed appropriate by the Board of Education in addition to charter schools.

The Department of Education and Department of Human Services supported this measure. The Office of Hawaiian Affairs opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1008-12 Health/Human Services on S.B. No. 2828

The purpose of this measure is to revise the membership and functions of the Hawaii Early Intervention Coordinating Council to be consistent with the State Interagency Coordinating Council in Part C of the Individuals with Disabilities Education Act of 2004.

The Department of Health and Family Voices of Hawai'i testified in support of this measure.

Your Committees have amended this measure by:

- (1) Increasing total membership on the Hawaii Early Intervention Coordinating Council to 23 members by increasing the number of members from the Legislature on the council to two members, and specifying that one member is to be appointed by the Senate President and one member is to be appointed by the House Speaker;
- (2) Specifying that the Hawaii Early Intervention Coordinating Council chairperson shall not be a member of an executive or administrative department under Chapter 26, Hawaii Revised Statutes, relating to executive and administrative departments;
- (3) Changing its effective date to July 1, 2050, to facilitate continued discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2828, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2828, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 1009-12 Human Services on S.B. No. 2800

The purpose of this measure is to:

- (1) Specify that kindergartens, schools, and child care programs licensed by the Department of Education, Charter School Review Panel, Hawaii Council of Private Schools, or any federal agency; and
- (2) Clarify that county child care programs, irrespective of the age of the child,

are excluded from child care facility licensure by the Department of Human Services.

The Department of Human Services and Hawaii Association of Independent Schools testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2800, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Education.

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

SCRep. 1010-12 Human Services on S.B. No. 2810

The purpose of this measure is to amend the definition of "employment" under the workers' compensation law, temporary disability insurance law, and the Prepaid Health Care Act, by excluding from the definition, certain domestic services authorized by the Department of Human Services when performed by an individual in the employ of a recipient of social service payments.

The Department of Human Services, Department of Health, Department of Labor and Industrial Relations, United Self Help, and an individual testified in support 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 is in accord with the intent and purpose of S.B. No. 2810, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

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

SCRep. 1011-12 Human Services on S.B. No. 2833

The purpose of this measure is to exempt Medicaid-ineligible recipients of state funded domestic in-home and community-based services for persons with developmental and intellectual disabilities from being required to provide unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care coverage for providers of those services.

The Department of Human Services, Department of Health, and Department of Labor and Industrial Relations testified in support 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 is in accord with the intent and purpose of S.B. No. 2833, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

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

SCRep. 1012-12 Human Services on S.B. No. 2950

The purpose of this measure is to appropriate funds for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Honolulu Family Justice Center, including the hiring of necessary staff.

The Office of the Mayor, Department of the Prosecuting Attorney of the City and County of Honolulu, and a concerned individual supported the measure.

Your Committee notes that the Department of the Prosecuting Attorney of the City and County of Honolulu requested \$350,000 as a grant-in-aid for fiscal year 2013 for start-up costs for the Honolulu Family Justice Center.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to promote 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. 2950, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2950, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Wooley, Yamane and Pine.

SCRep. 1013-12 Human Services on S.B. No. 2588

The purpose of this measure is to provide victims of sexual abuse additional time to bring a civil action against an individual or entity. Specifically, this measure:

- (1) Extends the statute of limitations to allow individuals subjected to sexual offenses as a minor to bring a civil action after they have reached the age of majority against the individual who committed the offense;
- (2) Provides a two-year window period for a victim of child sexual abuse to bring a civil action against the abuser, even though the statute of limitations period has lapsed;
- (3) Authorizes the court to award the recovery of attorney's fees to the defendant if the sexual abuse accusation was made with no basis in fact and with malicious intent; and
- (4) Requires a plaintiff to file with the court a certificate of merit that shall be sealed and remain confidential and includes a notarized statement upon which it can be reasonably concluded the plaintiff was a victim of a sexual offense.

Several concerned individuals supported the measure. The Sex Abuse Treatment Center supported the intent of the measure. The Hawaii Catholic Conference opposed the measure. The Attorney General and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Requiring the notarized statement be provided by a mental health care professional or other specified professional who is not currently treating nor had previously treated the plaintiff;
- (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 S.B. No. 2588, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2588, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1014-12 Transportation on S.B. No. 2968

The purpose of this measure is to improve traffic safety by allowing motor vehicle insurance companies to offer premium discounts for the completion of a driver safety course or driver improvement course.

The Department of Commerce and Consumer Affairs testified in support of the intent of this measure.

Driver safety courses and driver improvement courses allow operators of motor vehicles to gain increased knowledge in the safe operation and handling of a motor vehicle under numerous conditions, including emergency conditions. Taking these courses often results in increasing the skill level of the everyday motorist. Allowing insurance companies to offer premium discounts to individuals who complete such courses is a means of incentivizing participation in these courses and thus improving highway safety.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1015-12 Transportation on S.B. No. 2874

The purpose of this measure is to assist the Department of Transportation in addressing its operational needs at Hawaii's airports by providing more flexibility in renting land and facilities at Hawaii's airports for revenue generation purposes.

The Department of Transportation testified in support of this measure. The Airlines Committee of Hawaii testified in support of the intent of this measure. The Office of Hawaiian Affairs provided comments.

The State's airport system is required to be economically self-supporting under both Hawaii law and federal regulations. To meet this requirement, the Department of Transportation relies on revenue from airline operations, facility and space rental from aeronautical and airport-related users, revenues from concessions, and, to a very small extent, facility and space rentals from non-aeronautical or non-airport-related users.

Due to the events of September 11, 2001, and the worldwide economic downturn over the past few years, Hawaii's airports have experienced a steady decline in concession revenue. While revenues from landing fees, aeronautical and airport-related rentals, and non-aeronautical rentals have increased and have helped offset the decline in concession revenues, recent upheavals in the airline industry, including airline closures and mergers, have reduced the overall amount of real estate rented by the airlines at Hawaii's airports. Allowing lands that are not immediately needed for aeronautics purposes to be rented to non-aeronautical entities will allow Hawaii's airport system to generate much needed revenue from lands that would have otherwise remained vacant and unproductive.

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. 2874, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1016-12 Labor & Public Employment on S.B. No. 2070

The purpose of this measure is to increase the number of individuals eligible for appointive offices in state and county government by allowing for the one-year residency requirement for appointment to be waived when the appointive officer is required to have highly specialized or scientific knowledge and training and no qualified applicant who meets the residency requirement can be found.

The Department of Human Resources of the City and County of Honolulu and a concerned individual testified in support of this measure.

Current law requires applicants for appointive positions in state or county government to reside in the State for at least one year immediately preceding their appointment to government positions. While this requirement was initiated to ensure that individuals applying for government positions would remain in Hawaii, your Committee finds that it has also limited the number of potentially qualified applicants for highly skilled or specialized positions. This is especially true where the position requires highly specialized or scientific knowledge and training such as that of Chief Medical Examiner for the City and County of Honolulu. According to the Department of Human Resources of the City and County of Honolulu, due to the level of expertise required to fill this position, it has been practically impossible to find qualified applicants who have established and meet the one year residency requirement. Expanding the pool of future government employees for these specialized and highly skilled positions by allowing for the waiver of the one year residency requirement will assist in this matter.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2070, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2070, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1017-12 Labor & Public Employment on S.B. No. 2846

The purpose of this measure is to improve the effectiveness and efficiency of government by allowing the Director of Labor and Industrial Relations to accept the notice of employers' workers' compensation insurance from third party agencies in a manner and form approved by the Director.

The Department of Labor and Industrial Relations, Plumbers and Fitters Union, Local 675, ILWU Local 142, Pacific Resource Partnership, and a concerned individual testified in support of this measure.

Currently, all workers' compensation insurance coverage information is submitted to the Department of Labor and Industrial Relations on paper forms which are then manually inputted into the Department's information system. However, budget cuts over the past several years due to lagging economic conditions have resulted in staff reductions and reduced the Department's capabilities of inputting the insurance information data in a timely manner. This delay often renders the information system's data reports unreliable. To address this situation, the Department of Labor and Industrial Relations plans to accept insurance information electronically thus making the inputting of data easier and eliminating the labor-intensive process currently being employed.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2846, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2846, S.D. 1, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1018-12 Economic Revitalization & Business on S.B. No. 3024

The purpose of this measure is to apply the lower shareholder voting requirements to approve a plan of merger or share exchange of corporations incorporated after June 30, 1987, to publicly traded corporations.

Alexander & Baldwin, Inc. and Maui Land & Pineapple Company, Inc. testified in support of this measure with amendments.

Your Committee has amended this measure by clarifying that where a merger involves a publicly traded corporation with its subsidiary, all of the subsidiary's shares must be owned by the publicly traded corporation, as opposed to the parent corporation, before applying the lower voting requirement to approve a plan of merger or share exchange.

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. 3024, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, 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, Nishimoto and Pine.

SCRep. 1019-12 Judiciary on S.B. No. 2508

The purpose of this measure is to ensure both transparency and efficiency in the election process by changing certain deadlines for campaign spending reports of candidate committees. Specifically, this measure changes the deadline for the first preliminary report for a primary election.

The Campaign Spending Commission testified in opposition to this measure. The League of Women Voters, Americans for Democratic Action Hawaii, and Common Cause Hawaii provided comments on this measure.

Your Committee has amended this measure in response to concerns raised in all of the testimony submitted on this measure by expanding the requirement for candidate committees to file a supplemental report on January 31 in the year after an election, so as to require the January 31 supplemental report to be filed every year.

In addition, 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. 2508, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2508, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1020-12 Labor & Public Employment on S.B. No. 2323

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9) and for state officers and employees excluded from collective bargaining unit (9) due to an impasse in negotiations for fiscal year 2012–2013.

The Department of Budget and Finance and Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO testified in support of this measure.

Your Committee finds that registered professional nurses under bargaining unit (9) rejected an initial collective bargaining agreement between their exclusive representative and the public employers thus leading to the exclusive representative and the public employer to declare an impasse. Bargaining unit (9) is subject to binding arbitration as a means of impasse resolution. As such, an arbitration panel will decide the terms that will be awarded. If an arbitration panel decides in favor of the nurses, funds will need to be made available for their new contract. This measure serves as a vehicle for funds to be appropriated.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, 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 Luke, Souki and Takumi.

SCRep. 1021-12 Labor & Public Employment on S.B. No. 2845

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing within 30 days of the filing of a dispute.

The Department of Labor and Industrial Relations; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; ILWU Local 142; Hawaii Laborers' Union; United Public Workers, AFSCME, Local 646, AFL-CIO; and two concerned individuals testified in support of this measure. The Chamber of Commerce of Hawaii and Property Casualty Insurers Association of America testified in opposition to this measure.

Under Hawaii's current workers' compensation law, when a dispute is filed regarding a proposed treatment plan or whether medical services should be continued, the Director of Labor and Industrial Relations is required to hold a hearing and render a decision within 30 days of the filing of a dispute. However, Hawaii's recent economic downturn has resulted in budget cuts and staff shortages within the Department of Labor and Industrial Relations and it currently takes three to four months to schedule a hearing, notice the parties, conduct the hearing, and render a decision. This measure attempts to simplify the dispute process and allow injured workers, insurance carriers, and employers to receive more prompt decisions as to whether medical services will continue or whether a treatment plan will be approved or denied.

Your Committee has amended this measure by:

- (1) Clarifying that, although the Director of Labor and Industrial Relations is allowed to render a decision without a hearing, the Director shall render a decision within thirty days of the filing of the dispute; and
- (2) Changing its effective date to upon its approval.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2845, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2845, S.D. 1, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1022-12 Labor & Public Employment on S.B. No. 2071

The purpose of this measure is to protect Hawaii's people by allowing criminal history record checks to be conducted by:

- (1) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations; and
- (2) The counties on prospective employees:
 - (A) Who will work with vulnerable adults or senior citizens in community-based programs;
 - (B) For fire department positions that involve contact with children or dependent adults;
 - (C) For emergency medical services positions that involve contact with children or dependent adults; and
 - (D) For emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable or disabled citizens during emergencies or crises.

The Hawaii Civil Rights Commission, State Fire Council, Department of Human Resources of the City and County of Honolulu, Honolulu Fire Department, and a concerned individual testified in support of this measure.

Under current law, certain agencies at both the state and county levels, as well as private entities are allowed to conduct state and national criminal history record checks on specific types of personnel for the purposes of determining suitability or fitness, for among other things, employment. However, counties are currently only allowed to conduct these types of checks on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services. Changing missions and duties of various county departments have resulted in employees within those departments coming into contact, and dealing with, children in situations other than recreation or child care programs and services, and vulnerable adults. In addition, with the elimination of residency requirements, as well as the recent economic downturn, applications for civil service positions, including positions in these departments, have increased. This presents a dilemma for these departments because they have no legal means to verify whether or not applicants for these positions possess the qualities to deal with children and vulnerable adults. This measure attempts to correct this problem.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2071, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2071, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1023-12 Tourism on S.B. No. 3017

The purpose of this measure is to clarify that the daily \$10 taxes on transient accommodations furnished on a complimentary or gratuitous basis include certain types of prizes or gifts, but does not include transient accommodations furnished as part of a tourism industry promotional or marketing activity.

The Department of Taxation, Hawaii Lodging & Tourism Association, Outrigger Enterprises Group, and Starwood Hotels and Resorts testified in support of this measure. The Hawaii Tourism Authority and Tax Foundation of Hawaii provided comments.

Your Committee notes the questions raised by the Hawaii Tourism Authority and respectfully requests the Committee on Finance to ask the Department of Taxation:

- (1) Is it worth collecting this complimentary or gratuitous transient accommodations tax?
- (2) Since 2011, when Act 105 went into effect, how much Transient Accommodation Tax was collected from the \$10 tax on complimentary or gratuitous accommodations?

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. 3017, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1024-12 Tourism on S.B. No. 3048

The purpose of this measure is to stimulate new construction and renovation work by creating tax incentives for:

- (1) Employers that hire certain individuals at new or renovated hotel and resort facilities; and
- (2) Large hotel and resort construction and renovation projects.

The Hawaii Tourism Authority; Hawaii Lodging & Tourism Association; American Resort Development Association; Wyndham Vacation Ownership; and Outrigger Enterprises Group testified in support of this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; Pacific Resource Partnership; and Tax Foundation of Hawaii provided comments.

Your Committee notes the request of the Pacific Resource Partnership to amend the effective date of this measure from July 1, 2050, to June 30, 2012.

Your Committee also acknowledges the concerns of the Department of Taxation regarding the amendments to Hawaii Revised Statutes in this measure that:

- (1) Allow employers to claim a tax credit for wages paid to qualified employees; however, employee wages may already be deducted from gross income;
- (2) Have unclear language stating tax credits may be available for seven years after the project is substantially complete, which is contrary to other parts of the measure that explicitly state tax credits must be claimed within the twelve months following the close of the taxable year and that require excess credits to be refunded to the taxpayer resulting in no carryover of excess tax credit claims;
- (3) Allow tax credits to be claimed prior to confirmation that a construction or renovation project qualifies for the tax credit because the pre-certification process only requires the reporting of estimated costs. This creates a substantial risk that this measure can be abused based on the statute of limitations for recovery of incorrectly claimed tax credits; and
- (4) Define "department" as the Department of Business, Economic Development, and Tourism, even though the "department" in chapters 235 and 237, Hawaii Revised Statutes, is generally the Department of Taxation. It is recommended to specifically reference the Department of Business, Economic Development, and Tourism as was done in section 235-17, Hawaii Revised Statutes, relating to motion picture, digital media, and film production income tax credits.

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. 3048, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1025-12 Water, Land, & Ocean Resources/Hawaiian Affairs on S.B. No. 2783

The purpose of this measure is to effectively and responsibly meet the State's constitutional obligation to give effect to the right of native Hawaiians to benefit from the ceded lands trust by conveying certain public lands in Kakaako, Oahu, to the Office of Hawaiian Affairs, with respect to their share of the income and proceeds from the public land trust lands from November 7, 1978, to June 30, 2012.

The Governor, Department of the Attorney General, Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Oahu Council of the Association of Hawaiian Civic Clubs, Council for Native Hawaiian Advancement, General Contractors Association of Hawaii, Ko'olaupoko Hawaiian Civic Club, ALU LIKE, Inc., and several concerned individuals testified in support of this measure. A concerned individual opposed this measure.

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 S.B. No. 2783 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, Herkes, Mizuno, Yamane, Pine, Riviere and Thielen.

SCRep. 1026-12 Water, Land, & Ocean Resources on S.B. No. 3011

The purpose of this measure is to require the Department of Land and Natural Resources to transfer three parcels of land located in Kunia, Oahu, to the Agribusiness Development Corporation.

The Agribusiness Development Corporation supported this measure. The Office of Hawaiian Affairs opposed this measure. The Department of Agriculture and the Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by requiring the Department of Agriculture, rather than the Department of Land and Natural Resources, to transfer the parcels to the Agribusiness Development Corporation.

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. 3011, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 2, H.D. 1, and be referred to the Committee on Agriculture.

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

SCRep. 1027-12 Higher Education on S.B. No. 2110

The purpose of this measure is to help preserve Hawaii's historical film, videotape, and audiovisual materials and increase access to such materials by designating 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i as the official state archive for moving images and to establish a special fund for its support.

The University of Hawaii at West Oahu and several concerned individuals supported this measure. 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. 2110, 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, Mizuno, Wooley and Ching.

SCRep. 1028-12 Judiciary on S.B. No. 2056

The purpose of this measure is to require a defendant's probation officer to provide information to the court regarding whether or not the defendant has complied with the conditions of the defendant's probation prior to the court granting the defendant early discharge from probation.

The Judiciary 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. 2056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2056, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1029-12 Hawaiian Affairs on S.B. No. 2792

The purpose of this measure is to provide the Hawaiian Home Lands with a supplemental source of income to continue existing programs for native Hawaiians. Specifically, this measure, among other things, provides an unspecified percentage of geothermal royalties and an unspecified percentage of revenues from the disposition of state lands to nongeothermal renewable energy producers to be transferred to the Native Hawaiian Rehabilitation Fund.

The Office of Hawaiian Affairs and the Sovereign Councils of the Hawaiian Homelands Assembly supported the measure. The Department of Hawaiian Home Lands supported the measure with amendments. The Department of Land and Natural Resources supported the intent of the measure. The Planning Department of the County of Hawaii supported the intent of the measure with amendments. Aupuni O Hawaii opposed the measure.

Your Committee has amended this measure by:

- (1) Specifying that 15 percent of geothermal royalties collected by the State from mining leases executed after July 1, 2012, and 30 percent of all revenues from the disposition of state lands to non-geothermal renewable energy producers made after July 1, 2012, be deposited into the Native Hawaiian Rehabilitation Fund;
- (2) Specifying that 25 percent of all royalties received by the State from geothermal mining operations shall be paid to the county which has the geothermal mining operation;
- (3) Providing that no less than 12 percent of the gross amount or value of the geothermal resources produced under a geothermal mining lease shall be paid to the State as royalties; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2792, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2792, S.D. 3, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

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

SCRep. 1030-12 Hawaiian Affairs on S.B. No. 2669

The purpose of this measure is to amend the schedule for filing candidate nomination papers to fill a vacancy on the Board of Trustees of the Office of Hawaiian Affairs to ensure ballots are finalized early enough to be printed and mailed to uniformed and overseas voters no later than 45 days prior to the election as mandated by the National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84. This measure also makes a conforming amendment to lengthen the period when the Board of Trustees or the Governor may make an appointment to fill the vacancy.

The Office of Elections, Election Division of the Office of the County Clerk of the County of Kauai, Office of the County Clerk of the County of Maui, the Sovereign Councils of the Hawaiian Homelands Assembly, Sovereign Moku-puni Council o Oahu, Waianae Kai Homestead Community Association, Sovereign Moku-puni Council O Maui, and the Sovereign Moku-puni Council O Molokai supported the measure. The Office of Hawaiian Affairs offered comments on the measure.

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

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. 2669, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2669, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1031-12 Hawaiian Affairs on S.B. No. 2175

The purpose of this measure is to encourage the widespread use and preservation of the Hawaiian language by:

- (1) Designating February as Olelo Hawaii Month;
- (2) Requiring all documents and letterheads prepared by or for state or county agencies or officials to include accurate, appropriate, and authentic Hawaiian names and words beginning on January 1, 2013; and
- (3) Requiring the Hawaiian language to be used on all emblems and symbols representative of the State, its departments, agencies, and political subdivisions with specified exceptions beginning on January 1, 2013.

The Office of Hawaiian Affairs, Kuakini Hawaiian Civic Club of Kona, Association of Hawaiian Civic Clubs, and many concerned individuals supported 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. 2175, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1032-12 Hawaiian Affairs on S.B. No. 2386

The purpose of this measure is to:

- (1) Require the Native Hawaiian Roll Commission to be responsible for receiving and maintaining verification documents from individuals seeking to be included in the roll of qualified Native Hawaiians;
- (2) Require verification documents to be kept confidential; and
- (3) Prohibit the Native Hawaiian Roll Commission from publishing or releasing any verification documents of any qualified Native Hawaiian on the roll.

The Office of Hawaiian Affairs, Native Hawaiian Roll Commission, Association of Hawaiian Civic Clubs, Sovereign Moku-puni Council O Kauai, Sovereign Councils of the Hawaiian Homelands Assembly, Kaupea Homestead Community Association, Kapaakea Homestead Association, Kamiloloa One-Alii Homestead Community Association, Ka Ohana Kahikinui, Waiehu Kou Homestead Association, Waianae Kai Homestead Community Association, Villages of Leialii Association, Paukukalo Hawaiian Homestead Association, Panaewa Hawaiian Home Lands Community Association, Kewalo Hawaiian Homestead Community Association, Sovereign Moku-puni Council o Oahu, Waiehu Kou II Homestead Association, Waiehu Kou III Homestead Association, Waiehu Kou IV Homestead Association, Waimea Hawaiian Homesteaders Association Inc., Association of Hawaiians for Homestead Lands, Moku-puni Council O Maui, Moku-puni Council O Molokai, Hoolehua Homestead Association, and the Anahola Hawaiian Lands Farms Association supported the measure.

Your Committee respectfully notes that individuals should be provided some financial relief when paying the Department of Health for verification documents, such as certified copies of birth, marriage, divorce, or death certificates, when the documents are required to prove that an individual is a qualified Native Hawaiian for purposes of the Native Hawaiian Roll Commission. An earlier measure required the Department of Health to lessen the fees for these particular individuals. Your Committee respectfully notes that affordability should not be a barrier to be included in the roll of qualified Native Hawaiians.

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

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. 2386, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2386, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1033-12 Hawaiian Affairs on S.B. No. 3071

The purpose of this measure is to increase the opportunities for Native Hawaiian language and culture in the public school curricula through addressing the shortage of high quality Native Hawaiian teachers by appropriating funds for fiscal year 2012-2013 for Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwai, the program for Native Hawaiian and indigenous education within the University of Hawaii at Manoa.

The Office of Hawaiian Affairs, University of Hawaii College of Education, Department of Education, Association of Hawaiian Civic Clubs, Sovereign Councils of Hawaiian Homelands Assembly, Nanakuli Neighborhood Board, Waianae Kai Homestead Community Association, 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 S.B. No. 3071, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

SCRep. 1034-12 Hawaiian Affairs on S.B. No. 2790

The purpose of this measure is to allow the Department of Hawaiian Home Lands to continue building affordable homes for its beneficiaries by extending the repeal date of the pilot project created by Act 187, Session Laws of Hawaii 2010, that enables the Department to begin housing and other projects without having the full amount of the cost of the projects on hand at the beginning of the project.

The Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Sovereign Councils of the Hawaiian Homelands Assembly, 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 S.B. No. 2790, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 1035-12 Hawaiian Affairs on S.B. No. 3053

The purpose of this measure is to protect Hawaii's environment, to promote sustainability in Hawaii, and to preserve the Hawaiian culture, among other things, by establishing and appropriating funds for the Aha Moku Advisory Committee within the Office of Hawaiian Affairs to advise the chairperson of the Board of Trustees of the Office of Hawaiian Affairs on issues related to land and natural resources management through the Aha Moku System.

This measure also facilitates island burial council meetings and business by establishing a reduced quorum requirement for island burial council meetings.

The Department of Land and Natural Resources; Oahu Council, Association of Hawaiian Civic Clubs; Sovereign Moku-puni Council O Kauai; Sovereign Moku-puni Council O Molokai; Sovereign Moku-puni Council O Maui; Sovereign Moku-puni Council o Oahu; Waianae Kai Homestead Community Association; Sovereign Councils of the Hawaiian Homelands Assembly; and a concerned individual supported the measure. The Office of Hawaiian Affairs opposed the measure. The Aha Moku Advisory Committee, Maunaloa Hawaiian Civic Club, and the Society for Hawaiian Archaeology offered comments on the measure.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 2806, H.D. 2 (2012), which establishes and appropriates funds for the Aha Moku Advisory Committee within the Department of Land and Natural Resources to advise the chairperson of the Board of Land and Natural Resources on issues related to land and natural resources management through the Aha Moku System, and establishes the number of Committee members at nine, rather than eight.

Additionally, this measure does not contain any provisions regarding island burial councils.

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. 3053, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3053, 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 Belatti, Mizuno, Yamane and Pine.

SCRep. 1036-12 Housing on S.B. No. 2397

The purpose of this measure is to prohibit the counties from requiring the installation or retrofitting of automatic fire sprinklers or an automatic fire sprinkler system in any new or existing detached one- or two-family dwelling unit used for residential purposes.

BIA-Hawaii; Hawaii LECET; Complete Construction Services Corp.; Hawaii Farm Bureau Federation; Gentry Homes, Ltd.; Pacific Resource Partnership; Alan Shintani, Inc.; General Contractors Association of Hawaii; Universal Construction, Inc.; and an individual testified in support of this measure. The State Fire Council; Honolulu Fire Department; and Plumbers and Fitters Union, Local 675 testified in opposition to this measure. An individual commented on this measure.

Your Committee has amended this measure by creating an exemption to allow counties to require sprinklers for:

- (1) Any new home that requires a variance from access road or fire fighting water supply requirements; and
- (2) Any non-residential agricultural or aquacultural building or structure located outside the urban area.

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. 2397, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2397, S.D. 1, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Herkes, Pine and Thielen.

SCRep. 1037-12 Housing on S.B. No. 2769

The purpose of this measure is to make homeowners insurance and motor vehicle insurance premium information more readily available to the public by:

- (1) Requiring the Insurance Commissioner to publish lists of all homeowners and motor vehicle insurers annual premiums on the Insurance Division's official website;
- (2) Requiring all homeowners and motor vehicle insurers to provide premium information to the Insurance Commissioner within 30 days of the Insurance Commissioner's request; and
- (3) Authorizing the Insurance Commissioner to review the rate filings of insurers and adjust the rates if the rates are excessive, inadequate, or unfairly discriminatory.

This measure also authorizes insurers to meet the filing requirements by subscribing to an advisory organization that makes filings.

The Department of Commerce and Consumer Affairs testified in support of this measure. American Insurance Association, Hawaii Insurers Council, Liberty Mutual, and Property Casualty Insurers Association of America testified in opposition to this measure. State Farm Insurance Companies commented on this measure.

Your Committee notes that existing law already makes notices, hearings, orders, and appeals under Article 14, Chapter 431, Hawaii Revised Statutes (HRS), relating to rate regulation, subject to the Hawaii Administrative Procedure Act under Chapter 91, HRS. The proposed decision of the hearings officer as indicated in the measure is subject to the appeals process under the Administrative Procedure Act.

Your Committee has amended this measure by:

- (1) Specifying that if an insurer files a written request for a hearing on the Insurance Commissioner's disapproval of a rate filing, the existing effective rate shall remain in effect until the final order is rendered and the appeals process has been exhausted; and
- (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. 2769, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2769, 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 Herkes, Pine and Thielen.

SCRep. 1038-12 Transportation on S.B. No. 2747

The purpose of this measure is to assist Hawaii in addressing its energy needs and promote the increased use of electric vehicles by simplifying and clarifying current requirements for electric vehicle parking. Among other things, this measure:

- (1) Clarifies the parking space requirements for electric vehicle parking in parking lots with over 100 parking spaces;
- (2) Stipulates that parking spaces designated for electric vehicles shall not displace or reduce accessible stalls required by the Americans with Disabilities Act Accessibility Guidelines; and
- (3) Delays, for one year, the implementation of warnings given to non-electric vehicles parked in stalls reserved for electric vehicles.

The Department of Business, Economic Development, and Tourism and Outrigger Hotels Hawaii testified in support of the intent of this measure. The Department of Design and Construction of the City and County of Honolulu testified in opposition to this measure. The Disability and Communication Access Board, Retail Merchants of Hawaii, and Alliance of Automobile Manufacturers provided comments.

Hawaii relies primarily on the consumption of imported oil to satisfy its energy needs. Much of this imported oil is used for the production of gasoline to fuel internal combustion engines. With over one million registered motor vehicles on Hawaii's roadways, the consumption of gasoline can be enormous.

One possible mechanism to reduce the consumption of petroleum products is to promote the use of newer technologies in everyday life. Providing parking incentives such as reserved parking for electric vehicles in parking structures or parking facilities is one way to try to foster the rapid development of electric vehicle use in Hawaii. However, according to the Department of Business, Economic Development, and Tourism, Hawaii's current electric vehicle parking law has caused confusion among the public. This measure addresses this issue.

However, your Committee finds that a slightly better approach to addressing this issue is contained in H.B. No. 2485, H.D. 3, which passed the House of Representatives. As such, your Committee has amended this measure by deleting its contents and replacing them with language contained in H.B. No. 2485, H.D. 3. As amended, this measure, among other things:

- (1) Requires at least one parking space to be equipped with an electric vehicle charging system and designated for the exclusive use of electric vehicles in places of public accommodation with at least 100 parking spaces;
- (2) Allows the space for the electric vehicle to be located anywhere in the parking structure or lot;
- (3) Allows owners of multiple parking facilities within the State to designate and electrify fewer parking spaces than required in one or more of their owned properties; provided that the scheduled requirement is met for the total number of aggregate spaces on all of their owned properties;
- (4) Repeals mandatory designated space increases that would have taken effect once registered electric vehicles in the State numbered at least 5,000;
- (5) Specifies that an electric vehicle means a "neighborhood electric vehicle" as defined in the Hawaii Highway Safety Act or a vehicle that has at least four wheels and draws propulsion energy from a rechargeable battery with at least four kilowatt hours of energy storage capacity;
- (6) Defines "electric vehicle charging system" and "place of public accommodation";
- (7) Delays, for one year, the implementation of warnings given to non-electric vehicles parked in stalls reserved for electric vehicles; and
- (8) Specifies that this measure shall take effect on July 1, 2030.

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. 2747, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2747, 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 Saiki.

SCRep. 1039-12 Transportation on S.B. No. 2339

The purpose of this measure is to repeal the ten percent ethanol by volume requirement for gasoline sold in Hawaii for use in motor vehicles.

The Ocean Tourism Coalition testified in support of this measure. Pacific West Energy LLC and Pacific West Energy Kauai LLC testified in opposition to this measure. The Department of Business, Economic Development, and Tourism, and Western States Petroleum Association provided comments.

The intent of Hawaii's requirement that gasoline for internal combustion engines sold in the State contain at least ten percent ethanol was to reduce statewide gasoline consumption, to establish industrial plants to produce ethanol locally, and to achieve independence from foreign oil. However, since enacting the ethanol content requirement in 2006, the expected benefits have yet to be realized. To the contrary, the economic feasibility of producing ethanol in Hawaii and whether or not establishing ethanol contents in gasoline have reduced Hawaii's dependence on foreign oil have been brought into question. Also, questions and concerns have been raised regarding whether the use of ethanol-treated gasoline in marine engines and small gasoline engines have resulted in expensive repairs for individuals who own boats and watercraft. Additionally, on the global level, the production of fuel crops has replaced the production of food crops in the agricultural industry, thus causing the price of staple foods to increase.

While the goal of reducing Hawaii's dependence on fossil fuel is laudable, your Committee finds that too many questions remain on whether the requirement that gasoline sold in the State contain ten percent ethanol is achieving its intended purpose. Your Committee further believes that other forms of alternative energy and blends of fuel besides ethanol should be given 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 S.B. No. 2339, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1040-12 Transportation on S.B. No. 2876

The purpose of this measure is to assist the Department of Transportation's Harbors Division in addressing the management and operations of its commercial harbor facilities by, among other things:

- (1) Establishing that citations for non-criminal violations issued by enforcement officers or harbor agents shall be adjudicated through an administrative hearing process;
- (2) Stipulating that fines and penalties for non-criminal matters are to be deposited into the Harbor Special Fund;
- (3) Removing jurisdictional references to recreational properties, properties used for the landing of fish, and Kewalo Basin as Kewalo Basin is currently under the jurisdiction of the Hawaii Community Development Authority;
- (4) Clarifying that citations and violations for traffic code and other criminal statutes shall be issued by law enforcement officers conferred with police powers by the Director of Transportation;
- (5) Allowing the courts or administrative hearings officer to deprive an individual violating any rule of the Department of Transportation of the privilege of entering the secured area of the port or obtaining an operating or mooring permit for any vessel in state waters for a period of not more than one year;
- (6) Stipulating that an individual deprived of operating or mooring any vessel in state waters that is allowed to resume these activities after the penalty period is completed shall assume the last position on any waiting list for such activities; and
- (7) Requiring commercial harbor tenants and users who violate any federal maritime transportation security law or rule that results in the Department of Transportation being assessed a fine by the United States Coast Guard to reimburse the Department of Transportation for the fine.

The Department of Transportation testified in support of this measure.

The Director of Transportation currently has the authority to adopt rules to regulate vessels, passengers, freight, carriers, shippers, and consignees; can adopt rules for the safety of docks, wharves, piers, quays, bulkheads, and landings within commercial harbors; and has the explicit authority to regulate traffic and other activities in the State's commercial harbors, including the waters of the commercial harbors. However, according to the Department of Transportation, violations of laws and rules, occurring in areas under the jurisdiction of the Department of Transportation's Harbors Division are currently adjudicated in the courts, even for non-criminal violations. Also, penalties and fines assessed for these violations are not deposited into the Harbor Special Fund. This measure addresses these issues.

Your Committee has amended this measure by:

- (1) Requiring that a purported violator:
 - (A) Remit a fee to the Harbor Special Fund in lieu of appearing at an administrative hearing to contest the charges and forfeit the opportunity to appear at the administrative hearing; or
 - (B) Appear before an administrative hearing and answer to the charge against the purported violator;
- (2) Clarifying that the purported violator shall have ten calendar days after receipt of the notice of the violation to make a written request for an administrative hearing in the event the purported violator elects to appear before an administrative hearing;
- (3) Clarifying that the administrative hearing shall be held solely for the purpose of allowing the purported violator to contest the basis of the given notice of violation by the Department of Transportation; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that, although this measure establishes an administrative procedure to address the enforcement of rules adopted by the Department of Transportation, it does not preclude an individual from appealing an adverse decision through the court system.

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

Signed by all members of the Committee except Representative Saiki.

SCRep. 1041-12 Transportation on S.B. No. 2224

The purpose of this measure is to increase the ability of state and county agencies to collect outstanding debts by:

- (1) Requiring the county Director of Finance to record notices of judgments as an encumbrance payable to a county on any registered motor vehicle in the Director's "tax lien and encumbrance record" book;
- (2) Exempting state and county agencies, under certain conditions, from paying the fee for the recording of an entry in the "tax lien and encumbrance record" book; and
- (3) Allowing a taxpayer to enter into a payment agreement with the Department of Taxation to avoid a lien and encumbrance recordation.

The Department of the Attorney General, Department of Customer Services of the City and County of Honolulu, and Finance Department of the County of Hawaii testified in support of this measure.

Hawaii, like the rest of the nation, is facing economic conditions that have not been experienced for some time, which has necessitated a search for ways of increasing revenues. One way of accomplishing this is to pursue collections of outstanding debts owed to the State and counties that have not been recoverable because the debtor either did not meet their payment obligations or simply ignored the recovery efforts by state and county agencies. Placing liens and encumbrances on motor vehicles is an effective mechanism to significantly increase the likelihood of recovering these outstanding debts.

Your Committee notes that currently, agencies may record liens or claims with the Director of Finance of each county, but are required to pay a statutory fee that is deposited into the general fund. This fee may be hindering some agencies from using the tax lien and encumbrance record to assist in the recovery of outstanding debts owed the agency. Exempting the State and counties from the fee requirement will further facilitate the recovery of those debts.

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. 2224, 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 Saiki.

SCRep. 1042-12 Transportation on S.B. No. 2419

The purpose of this measure is to protect personal information while providing reasonable access to this information in certain circumstances by allowing the scanning and retention of personal information contained in a state identification card or driver's license for limited purposes.

The Department of Customer Services of the City and County of Honolulu and American Civil Liberties Union of Hawaii testified in support of this measure. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs and the Retail Equation testified in support of the intent of this measure. Verizon testified in opposition to this measure. The Retail Merchants of Hawaii, AT&T Services, Inc., and the Consumer Data Industry Association provided comments.

The recently increasing practice of private businesses scanning the bar codes on customer driver's licenses or state identification cards for all manner of purchases has raised privacy concerns. Hawaii driver's licenses contain bar codes with significant personal information, including name, address, date of birth, hair color, eye color, height, weight, gender, license expiration date, organ donor status, driver's license number, fingerprint, medical indicators and driver classification codes. While the collection of some of this information is a result of regulations some businesses must follow, private businesses are also able to keep and use this data for any purpose. Although the protection of a consumer's personal information is a priority for most businesses, the sheer amount of information amassed in databases increases the likelihood that personal information will be misused or stolen, leading to risks of identity theft. This measure attempts to address this issue.

However, your Committee notes that according to several of the testifiers on this measure, H.B. No. 2309, H.D. 1, better addresses this issue. Accordingly, your Committee has amended this measure by deleting its contents and inserting the language contained in H.B. No. 2309, H.D. 1, which is substantially similar in purpose to S.B. No. 2419, S.D. 2. As amended, this measure continues to protect personal information while providing reasonable access to this information in certain circumstances but, among other things, additionally stipulates that scanned information may be used to:

- (1) Verify the identity of the individual who possesses the Hawaii certificate of identification or driver's license if the individual pays for goods or services with a method other than cash, returns an item, or requests a refund;
- (2) Verify the individual's age when providing age-restricted goods or services to the individual if there is any reasonable doubt of the individual's having reached 21 years of age;
- (3) Prevent fraud or other criminal activity if the individual returns an item or requests a refund and the business uses a fraud prevention service company or system; and
- (4) Establish or maintain a contract between a business and an individual; provided that the information collected for this purpose is specifically limited in its scope.

In addition, the amended version of this measure contains:

- (1) A savings clause;
- (2) An effective date of January 7, 2059, to facilitate further discussion; and
- (3) Technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee realizes that this remains a work in progress and continues to urge the concerned parties to work together in formulating a solution amenable to all parties.

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. 2419, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2419, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1043-12 Health on S.B. No. 2084

The purpose of this measure is to prohibit an insurer from requiring a doctor's referral for annual covered screening mammograms for insureds over the age of 40.

The Hawaii Association of Health Plans, Kaiser Permanente, Hawaii Medical Service Association, and the American Cancer Society supported the measure. The Department of Commerce and Consumer Affairs offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2084, 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 Pine.

SCRep. 1044-12 Health on S.B. No. 2182

The purpose of this measure is to make permanent the assessment and deposit of Center for Nursing fees into the compliance resolution fund and the disbursement of those moneys to the Center for Nursing special fund.

The School of Nursing and Dental Hygiene at the University of Hawaii at Manoa; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Board of Nursing; Hawaii Health Systems Corporation; Healthcare Association of Hawaii; Hawaii Chapter of the American Organization of Nurse Executives; Hawaii State Center for Nursing; Hawaii Association of Professional Nurses; Hawaii Pacific Health; and several concerned individuals supported the measure.

Your Committee has amended this measure by changing its effective date to July 1, 2050, 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. 2182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2182, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Pine.

SCRep. 1045-12 Health on S.B. No. 2766

The purpose of this measure is to update the Insurance Code provisions relating to the regulation and administrative oversight of mutual benefit societies and fraternal benefit societies by the Insurance Division of the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs supported this measure. The American Council of Life Insurers provided comments on this measure.

Your Committee has amended this measure by:

- (1) Inserting blank amounts for new or amended fees to be collected by the Insurance Commission or in connection with administrative actions; 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 S.B. No. 2766, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2766, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 1046-12 Health on S.B. No. 2106

The purpose of this measure is to make outpatient prescription drugs more affordable and accessible to the residents of Hawaii by requiring health insurers to provide outpatient prescription drug coverage.

Hawaii Medical Association, Hawaii Medical Service Association, National Cornerstone Healthcare Services, GBS/CIDP Foundation International, Neuropathy Action Foundation, United Self Help, and one individual testified in support of this measure. Benefit Plan Solutions, Inc., and two individuals opposed this measure. The Department of Commerce and Consumer Affairs, American Cancer Society, Advocacy for Patients with Chronic Illness, Inc., Hawaii Academy of Physician Assistants, and two individuals provided comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to December 31, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2106, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2106, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 1047-12 Health on S.B. No. 2825

The purpose of this measure is to allow authorized health organizations limited access to registry information in the Hawaii Immunization Registry in order to produce immunization assessment reports. Additionally, this measure requires the Department of Health to store in the Hawaii Immunization Registry only minimal demographic information on individuals who have elected to refuse inclusion in the registry.

The Department of Health, Hawaii Medical Service Association, Hawaii Association of Health Plans, Ohana Health Plan, and AlohaCare supported the measure. The American Civil Liberties Union of Hawaii opposed the 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2825, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2825, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 1048-12 Health on S.B. No. 2101

The purpose of this measure is to make permanent the general excise tax exemption on funds received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third-party health care providers pursuant to a contract with the United States.

The Military Officers Association of America, The Chamber of Commerce of Hawaii, and Hawaii Medical Service Association testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying the preamble by updating the figure for the number of current and former service members and their family members who reside in Hawaii; and
- (2) Changing the effective date to July 1, 2012.

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. 2101, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2101, S.D. 1, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representative Pine.

SCRep. 1049-12 Health on S.B. No. 2434

The purpose of this measure is to amend Hawaii's health insurance exchange law by:

- (1) Requiring the Hawaii Health Connector to establish and administer one separate program to serve the individual market and one separate program to serve the small group market;
- (2) Establishing a Navigator Program and specifying qualifications and restrictions for navigators;
- (3) Specifying the staggered terms for the Hawaii Health Connector Board of Directors; and
- (4) Clarifying the role of the Department of Human Services in determining Medicaid eligibility.

The Hawaii Health Connector, Hawaii Association of Health Plans, 'Ohana Health Plan, Hawaii Medical Service Association, Kaiser Permanente Hawaii, and a concerned individual testified in support of this measure. The Hawaii Primary Care Association and a concerned individual opposed this measure. AARP, the American Cancer Society, Americans for Democratic Action/Hawaii, Progressive Democrats of Hawaii, Common Cause Hawaii, Kokua Council, United Self Help, Faith Action for Community Equity, Hawaii Coalition for Health, and several individuals provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the composition of the Hawaii Health Connector Board of Directors to include five consumers, one employer, three insurers, and two providers;
- (2) Specifying that the clarification of the composition of the board is not intended to replace any member prior to the ending of that member's term;
- (3) Changing the effective date to July 1, 2050, to facilitate 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. 2434, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 1050-12 Health on S.B. No. 2436

The purpose of this measure is to streamline the process to obtain authorization for prescription drugs by requiring:

- (1) The Director of Human Services to develop a uniform prior authorization form for prescription drugs no later than July 1, 2013; and
- (2) Health care insurance providers that provide prescription drug benefits and prescribers to use the uniform prior authorization form, beginning January 1, 2014.

Hawaii Medical Association, American Cancer Society, American Academy of Private Physicians, Neuropathy Action Foundation, National Council of Asian Pacific Islander Physicians, GBS/CIDP Foundation International, Power of Pain Foundation, Hawaii Academy of Physician Assistants, and Epilepsy Foundation of Hawaii testified in support of this measure. The Department of Human Services, AlohaCare, and CVS Caremark testified in opposition to this measure. The Department of Commerce and Consumer Affairs, University of Hawaii at Manoa School of Nursing and Dental Hygiene, and Ohana Health Plan commented on this measure.

Your Committee has amended this measure by:

- (1) Limiting the use of the uniform prior authorization form for prescription drugs to drugs that are prescribed for the treatment of diabetes or any form of cancer; and
- (2) Increasing to 72 hours, the time period in which a health care insurance provider must respond to a prescriber upon receipt of a completed uniform prior authorization form, or the prior authorization request will be granted.

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. 2436, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2436, 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 Pine.

SCRep. 1051-12 Health on S.B. No. 2228

The purpose of this measure is to monitor the sale of products, mixtures, or preparations containing pseudoephedrine by:

- (1) Establishing an electronic tracking system for the sale of products containing pseudoephedrine base; and
- (2) Requiring the Department of Public Safety Narcotics Enforcement Division to implement the electronic tracking system.

Legislative Information Services of Hawaii and Hawaii Food Industry Association testified in support of this measure. The Department of Public Safety and the Department of the Attorney General testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Specifying that the sales restriction applies to products, mixtures, or preparations that contain pseudoephedrine, not pseudoephedrine base;
- (2) Specifying that the record of sales of nonprescription products containing pseudoephedrine maintained by pharmacies or retailers shall be in written or electronic form; 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. 2228, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 1052-12 Health on S.B. No. 2398

The purpose of this measure is to enhance the licensing and regulation of tattoo artists by, among other things:

- (1) Restricting the sale of tattoo supplies;
- (2) Requiring every tattoo artist license applicant to pass a blood borne pathogen test as a prerequisite for licensure;
- (3) Prohibiting body modification or piercing at product or educational demonstrations;
- (4) Prohibiting tattoo trade shows in the State; and

- (5) Establishing a tattoo artist task force to enhance the regulation of tattoo artists and report findings and recommendations to the Legislature prior to the 2013 Regular Session.

The CHOW Project, Hep Free Hawaii, and several individuals testified in support of this measure. The Department of Health and two individuals testified in opposition to this measure. Several individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Defining "tattoo supplies";
- (2) Requiring a person holding a tattoo artist license to pass a blood borne pathogen test every two years, instead of every four years, after the initial test for licensure;
- (3) Specifying that the adoption of rules by the Department of Health shall include defining "trade show" and the licensing of trade shows as they relate to tattoo artists;
- (4) Prohibiting tattoo trade shows in the State until rules are adopted by the Department of Health defining "trade shows" and the licensing thereof;
- (5) Deleting the \$500 nonrefundable permit fee for an event featuring not more than 40 participating tattoo artists;
- (6) Having the tattoo artist task force be co-chaired by the chairs of the Senate Committee on Health and the House Committee on Health, rather than the chairs of the Senate Committee on Public Safety, Government Operations, and Military Affairs and the House Committee on Public Safety and Military Affairs;
- (7) Requiring an individual representing Hawaiian cultural practices to serve on the task force;
- (8) Deleting the requirement that the task force hold public meetings not less than four times; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2398, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2398, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 1053-12 Labor & Public Employment/Economic Revitalization & Business on S.B. No. 2424

The purpose of this measure is to facilitate the implementation of the professional employer organization law established by Act 129, Session Laws of Hawaii 2010. Specifically, this measure, among other things:

- (1) Establishes the Professional Employer Organization Special Fund;
- (2) Requires each registered professional employer organization to provide written notice within 30 days to the Department of Labor and Industrial Relations of any judgment, award, or disciplinary sanction imposed against the organization for violating a statutory provision in an action brought by any state or federal regulatory agency and provides for a penalty for non-compliance;
- (3) Requires professional employer organizations to file the organization's current mailing address with the Department;
- (4) Authorizes the Director of Labor and Industrial Relations (Director) to deny, suspend, revoke, or deny renewal of registration of any professional employer organization or impose a penalty under certain conditions;
- (5) Establishes various fees on applicants for registration as a professional employer organization;
- (6) Requires the Director to collect the various fees from professional employer organizations and registrants upon adoption of rules pursuant to chapter 91, Hawaii Revised Statutes (HRS);
- (7) Establishes a method for calculating the number of covered employees of a professional employer organization;
- (8) Gives additional responsibilities and duties to the Director regarding the registration and regulation of professional employer organizations;
- (9) Provides requirements for professional employer agreements between a professional employer organization and its client company;
- (10) Provides various penalties for non-compliance with the professional employer organization law;
- (11) Provides for a hearings process for cases in which the Director refuses to issue, renew, restore, or reinstate a registration, or proposes to impose a penalty on a professional employer organization, as well as a judicial review process by the circuit court;
- (12) Incorporates an existing general excise tax exemption relating to professional employer organizations into chapter 373L, HRS;

- (13) Amends various definitions in chapter 373L, HRS, for the purpose of consistency;
- (14) Creates a protocol for the acceptance of electronic filings;
- (15) Amends bond level requirements for professional employer organizations and specifies that bonds must be issued by an A-rated surety, rather than a federally-insured lending institution;
- (16) Repeals chapter 373K, HRS, relating to professional employment organizations;
- (17) Allows the Director to establish three .5 full-time permanent positions; and
- (18) Appropriates funds to the Department of Labor and Industrial Relations.

The Department of Labor and Industrial Relations and ILWU Local 142 testified in support of this measure. ALTRES, Inc. testified in support of the intent of this measure. The Department of Budget and Finance, Department of Taxation, Tax Foundation of Hawaii, and ProService Hawaii HR Administration provided comments.

Act 225, Session Laws of Hawaii 2007, established chapter 373K, HRS, relating to professional employment organizations. The main purpose of Act 225 was to provide a general excise tax exemption for these organizations. In 2010, the Legislature enacted Act 129, Session Laws of Hawaii 2010, which established chapter 373L, HRS, relating to professional employer organizations and provided registration requirements for professional employer organizations in Hawaii. Although the registration requirements went into effect on July 1, 2011, amendments to the existing statutes are needed before the Department of Labor and Industrial Relations can fully implement the law.

Chapter 373K and 373L, HRS, address the same type of entities and contain duplicative subject matter. Your Committees find that having these two chapters in the HRS is unnecessary, and that this measure will eliminate duplicative provisions relating to professional employer organizations and facilitate the implementation of the professional employer organization law, as established by Act 129, Session Laws of Hawaii 2010.

Your Committees note that this measure remains a work in progress and that parties continue to negotiate the details of this legislation.

Your Committees have amended this measure by:

- (1) Deleting the establishment of an initial registration fee;
- (2) Clarifying language specifying that the fees established by this measure shall remain in effect until such time that the Director changes the fees through the adoption of rules;
- (3) Specifying that the covered worker count used to assess the fees should be based on the average number of employees reported on the UC-B6 form submitted by a professional employer organization;
- (4) Clarifying the definition of "leased employee" to ensure that it covers employees leased in arrangements in addition to those covered under a professional employer organization arrangement;
- (5) Correcting inconsistencies with regard to the loss of general excise tax benefits;
- (6) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 2424, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2424, 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 Saiki, Souki and Pine.

SCRep. 1054-12 Labor & Public Employment on S.B. No. 2324

The purpose of this measure is to provide a vehicle to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), and (13) and for state officers and their excluded counterparts for fiscal year 2012–2013.

The Department of Budget and Finance and Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO testified in support of this measure.

Although the majority of bargaining units represented by the Hawaii Government Employees Association have already negotiated a contract with the public employers, the negotiated contract contains what has been termed a "Favored Nation" clause. This "Favored Nation" clause in the collective bargaining agreement with the Hawaii Government Employees Association authorizes the union to renegotiate the terms of an agreement if another public union settles on terms that are more favorable. As such, your Committee finds that there may be a need to appropriate funds if the terms of the Hawaii State Teachers Association and the United Public Workers collective bargaining agreements are found to be more favorable. This measure will serve as a vehicle for funds to be appropriated.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2324, S.D. 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, Souki and Takumi.

SCRep. 1055-12 Energy & Environmental Protection on S.B. No. 2981

The purpose of this measure is to allow the Public Utilities Commission to direct electric utilities to include specific scenarios in each utility's integrated resource planning action to help the State achieve its clean energy goals, including goals for the use of renewable resources and the transmission of excess firm or intermittent renewable resources via an undersea cable.

Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company, Innovations Development Group, and Indigenous Consultants, LLC supported this measure. The Public Utilities Commission and the Sierra Club, Hawaii Chapter supported the intent of this measure. The Kuliouou/Kalani Iki Neighborhood Board No. 2 opposed this measure.

Your Committee has amended this measure by:

- (1) Authorizing the Public Utilities Commission to develop a framework for the replacement of oil-based power generation facilities with indigenous renewable power generation facilities including:
 - (A) Incentives for replacing fossil fuel facilities;
 - (B) Disincentives for retaining fully depreciated oil-based fossil fuel facilities;
 - (C) Elimination of the market driven bidding process and authorization for the electric utility company to enter into joint ventures with renewable energy providers under utility proposals that replace fossil fuel facilities; and
 - (D) Other frameworks that expedite the replacement of existing oil-based power generation facilities with indigenous renewable clean energy power generation facilities;
- (2) Requiring the Public Utilities Commission to examine:
 - (A) Its avoided cost calculation methodology;
 - (B) Ways to maximize the use of distributed generation;
 - (C) Ways to minimize the curtailment of renewable energy; and
 - (D) Ways to modernize the State's electrical grid; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2981, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1056-12 Energy & Environmental Protection on S.B. No. 1197

The purpose of this measure as received by your Committee is to require the incorporation of alternative energy use designs into the construction or renovation of public buildings and facilities, including public school buildings.

For the purposes of a public hearing on this bill, your Committee circulated Proposed S.B. No. 1197, S.D. 2, H.D. 1 (Proposed Draft) and notified the public that it would be accepting testimony on the proposal, which authorizes the Public Utilities Commission to:

- (1) Establish a grid reliability management rate surcharge to enable an electric utility company to recover costs incurred under a power purchase agreement for the purchase of renewable energy; and
- (2) Request certain electric utility companies to initiate the renegotiation of certain power purchase agreements no later than September 1, 2012.

The Public Utilities Commission and Tawhiri Power LLC supported the intent of the Proposed Draft. The Consumer Advocate, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Hawaii Renewable Energy Alliance opposed the Proposed Draft. The Sierra Club Hawaii Chapter provided comments.

Your Committee took action by adopting the Proposed Draft and amending the Proposed Draft by, among other things:

- (1) Authorizing, rather than requiring, the Public Utilities Commission to establish the grid reliability management rate surcharge;

- (2) Specifying that the rate surcharge is intended to enable the electric utility company to recover "operational costs", rather than an unspecified percent of costs;
- (3) Clarifying that the type of curtailment provision that is prohibited in a power purchase agreement is one relating to excessive curtailment;
- (4) Clarifying that the Public Utilities Commission is requested to request, rather than initiate, the renegotiation of power purchase agreements with renewable energy power producers and that the renegotiated agreements reduce, rather than eliminate, curtailment; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 2, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 1057-12 Public Safety & Military Affairs on S.B. No. 2250

The purpose of this measure is to encourage the Hawaii Paroling Authority to work with offenders in the community by authorizing the Hawaii Paroling Authority to use a continuum of administrative sanctions in lieu of revocation of parole when a parolee violates a term or condition of parole.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, and a concerned individual testified in support of this measure. The Department of Public Safety and Hawaii Paroling Authority 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 S.B. No. 2250, 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. 1058-12 Public Safety & Military Affairs on S.B. No. 2584

The purpose of this measure is to increase accessibility to the State's tuition assistance program for Hawaii National Guard members who are students in a degree program at the University of Hawaii by:

- (1) Expanding eligibility for the existing tuition assistance program to include all such students, while reserving priority for those working on an undergraduate degree; and
- (2) Appropriating funds for the expansion of the tuition assistance program.

The Department of Defense, University of Hawaii, and one concerned individual 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 S.B. No. 2584, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 1059-12 Public Safety & Military Affairs on S.B. No. 2394

The purpose of this measure is to protect members of the armed forces from abusive lending practices by authorizing the Director of Commerce and Consumer Affairs to enforce certain federal laws to protect military members and their families from these practices.

The Office of Consumer Protection of the Department of Commerce and Consumer Affairs, The Chamber of Commerce of Hawaii, and Legislative Committee of the Oahu Veterans Council testified in support of this bill. The Office of the Assistant Secretary of Defense, Military Community & Family Policy DoD-State Liaison Office provided 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, 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 M. Lee and Souki.

SCRep. 1060-12 Public Safety & Military Affairs on S.B. No. 2489

The purpose of this measure is to support national security and the armed services by:

- (1) Establishing an employer income tax credit for taxpayers who maintain employee insurance coverage for National Guard members for the duration of the National Guard members' active duty;
- (2) Expanding the powers of the Governor and the Governor's designee in calling the National Guard into active service;
- (3) Authorizing the Adjutant General to order the National Guard or other militia member into active service for nonemergency purposes that are necessary and attendant to the Department of Defense mission; and
- (4) Expanding the rights granted to National Guard members by incorporating the rights granted under federal law, including the Servicemembers Civil Relief Act and the Uniformed Services Employment and Reemployment Rights Act and further extending those rights to National Guard members called to active duty by the Governor.

The Department of Defense and Oahu Veterans Council testified in support of this measure. The Hawaii Bankers Association and Hawaii Financial Services Association testified in support of the intent of this measure. The Department of Taxation and the Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting provisions establishing an employer income tax credit for taxpayers who maintain employee insurance coverage for National Guard members for the duration of the National Guard members' active duty; and
- (2) Making a technical, nonsubstantive, amendment 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. 2489, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2489, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 1061-12 Public Safety & Military Affairs on S.B. No. 2776

The purpose of this measure is to implement the recommendations of the Justice Reinvestment Working Group regarding three areas of improvement to Hawaii's criminal justice and corrections system—pretrial process, parole, and payment of restitution—by focusing on incarceration, supervision, and treatment as follows:

- (1) Requiring that an objective assessment be conducted within the first three working days of a person's commitment to a community correctional center;
- (2) Increasing the number of Hawaii Paroling Authority members;
- (3) Requiring the Hawaii Paroling Authority to use a validated risk assessment to determine the person's risk of re-offense and suitability for community supervision;
- (4) Reducing recidivism by using effective responses to parole condition violations;
- (5) Improving the collection of restitution by the Department of Public Safety;
- (6) Ensuring all felony offenders are supervised for a minimum period of time after their release from incarceration;
- (7) Requiring that savings realized by reducing the incarcerated population be reinvested within the criminal justice system; and
- (8) Appropriating funds for Department of Public Safety positions in the state and counties to improve the State's criminal justice system and to increase public safety.

The Governor, Department of Public Safety, Hawaii Paroling Authority, Office of the Public Defender, Hawaii State Commission on the Status of Women, Chaminade University of Honolulu, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, Drug Policy Forum of Hawaii, Office of Hawaiian Affairs, and several individuals testified in support of this measure. Da Kine Bail Bonds and an individual testified in opposition to this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu, Crime Victim Compensation Commission, American Civil Liberties Union of Hawaii, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO commented on this measure.

Your Committee requests that the Committee on Judiciary consider the severity of offense committed by the individual in considering the level of risk of the offender with respect to the risk assessment process.

Upon consideration, your Committee has amended this measure by deleting its contents and inserting substantially similar provisions contained in H.B. No. 2514, H.D. 3, which enhances public safety by addressing needed improvements to Hawaii's criminal justice and corrections system in the areas of pretrial process, parole, and payment of restitution. Your Committee made further amendments by:

- (1) Clarifying that the objective assessment will enable the courts to more quickly exercise discretion in determining whether to release a pre-trial offender;
- (2) Specifying that if a paroled prisoner is retaken and reimprisoned for violating a condition of parole but has not been charged with a new misdemeanor offense under Chapter 707, Hawaii Revised Statutes, or Section 709-906, Hawaii Revised Statutes, the paroled prisoner shall be confined for a specified period of time;
- (3) Deleting the condition of scientifically proven from actuarial tool under the definition of "validated risk assessment";
- (4) Extending the period of time in which the research-based risk assessment tool must be validated for accuracy;
- (5) Requiring that assessments be performed by Department of Public Safety staff who are trained in the use of the risk assessment tool;
- (6) Specifying that except for good cause shown to the Hawaii Paroling Authority, a person who is assessed as low risk for re-offending shall be granted parole upon completing the minimum sentence, subject to certain conditions;
- (7) Requiring that Hawaii Paroling Authority must release a prisoner on parole based on the longest term of imprisonment, provided that Hawaii Paroling Authority has approved a parole plan, irrespective of a court-ordered minimum sentence; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2776, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2776, 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. 1062-12 Public Safety & Military Affairs on S.B. No. 2248

The purpose of this measure is to ensure that aging or seriously ill prisoners who pose a low risk to public safety are no longer punished through imprisonment by creating a medical or "compassionate" release program for certain ill, disabled, and geriatric inmates. Specifically, this measure, among other things:

- (1) Requires the Department of Public Safety to assess and refer inmates to the Hawaii Paroling Authority for possible medical release;
- (2) Provides that an inmate in the custody of the Department shall be eligible to be considered for medical release if the inmate meets specified criteria under certain procedures;
- (3) Requires the Hawaii Paroling Authority to set reasonable conditions on an inmate's medical release; and
- (4) Requires the Hawaii Paroling Authority to promptly order an inmate returned to custody of the Department to await a revocation hearing if credible information that an inmate has failed to comply with any reasonable condition set upon the inmate's release has been received.

The Office of Hawaiian Affairs, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, and several concerned individuals testified in support of this measure. The Department of Public Safety testified in opposition to this measure. The Hawaii Paroling Authority provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate 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 S.B. No. 2248, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2248, 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. 1063-12 Public Safety & Military Affairs on S.B. No. 2582

The purpose of this measure is to amend the Hawaii Public Procurement Code as it relates to assistance to small businesses by:

- (1) Specifying that three percent of the twenty percent of the State's annual purchasing expenditures set aside for small businesses shall be awarded to veteran owned small businesses and service disabled veteran owned small businesses; and
- (2) Adding relevant definitions.

The Oahu Veterans Council and one concerned individual testified in support of this measure. The National Veteran-Owned Business Association; Military Officers Association of America, Hawaii Chapter; and Hawaii Procurement Institute testified in support of the intent of this measure. The State Procurement Office and General Contractors Association provided comments on this measure.

After careful consideration, your Committee has deleted the contents of this measure, and replaced them with provisions that seek to stimulate economic growth in the State by:

- (1) Authorizing the chief procurement officer to establish the goal of awarding at least three percent of the State's total annual purchasing expenditures to veteran-owned businesses;
- (2) Establishing graduated price preferences for bids and proposals submitted to procuring agencies by Hawaii small businesses, veteran-owned businesses, and service-disabled veteran-owned businesses; and
- (3) Adding four new definitions to the Hawaii Public Procurement Code relating to assistance for small businesses regarding veterans, service-disabled veterans, and small businesses.

In addition, your Committee has amended the measure by changing the effective date to July 1, 2112, to promote 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 S.B. No. 2582, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2582, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee.

SCRep. 1064-12 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 2261

The purpose of this measure is to help reduce violent crime, drug abuse, and gang activity in Hawaii's neighborhoods and encourage community revitalization across the State by permanently establishing the Weed and Seed Program within the Department of Labor and Industrial Relations and appropriating an unspecified amount of general revenues to both maintain current Weed and Seed Programs and expand the Program into other areas of the State.

The Department of Public Safety, Honolulu Police Department, and many concerned individuals supported this measure. The Department of Human Services, Department of Labor and Industrial Relations, and Office of Community Services provided comments.

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. 2261 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1065-12 Public Safety & Military Affairs on S.B. No. 3016

The purpose of this measure is to assist incarcerated individuals with reintegration into society and work to reduce recidivism among incarcerated individuals, particularly those of Native Hawaiian ancestry, as well as benefit the community without jeopardizing public safety by:

- (1) Directing the Department of Public Safety, in cooperation with 'Ohana Ho'opakele and other restorative justice groups, to plan for the creation of a wellness center employing native Hawaiian cultural practices to restore the overall well-being of individuals, families, and the native Hawaiian community;
- (2) Requiring the Public Land Development Corporation to assist in determining an appropriate site for the wellness center, but to give preferential consideration to the Kulani Correctional Facility on the island of Hawaii; and
- (3) Requiring the Department to create a work release pilot program on the Island of Hawaii for low-risk incarcerated individuals to work on community projects.

The Office of Hawaiian Affairs, Community Alliance on Prisons, Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Malu Aina Center for Non-Violent Education & Action, Na Maka o ka Aina, Blueprint for Change, and numerous concerned individuals testified in support of this measure. The Department of Public Safety, Department of Land and Natural Resources, 'Ohana Ho'opakele, and Hawaii Substance Abuse Coalition provided comments.

Your Committee has amended this measure by:

- (1) Deleting references specifying that the work release program created by the Department of Public Safety be located on the island of Hawaii; and
- (2) Changing its effective date to July 1, 2050, to facilitate 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 S.B. No. 3016, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3016, S.D. 2, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Hawaiian Affairs.

Signed by all members of the Committee except Representative Souki.

SCRep. 1066-12 Human Services on S.B. No. 2713

The purpose of this measure is to clarify requirements for Medicaid liens for restitution for injury by a third party by:

- (1) Requiring the Department of Human Services to provide to a person who caused injury to a Medicaid recipient a written notice of lien and an itemized list of payments to be reimbursed that identifies the provider of services, the dates of services, amounts billed, amounts paid, and dates of payments; and
- (2) Creating a presumption of validity for the entire amount of the lien unless a specific line item charge or charges in the lien are contested on a good faith basis.

The Department of the Attorney General, Department of Human Services, and the Adult Foster Homecare Association of Hawaii supported the measure. The Pacific Renal Care Foundation supported the measure with amendments. The Alliance of Residential Care Administrators and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Adding a new part that requires the Department of Transportation in collaboration with the City and County of Honolulu's Department of Transportation Services to conduct a study on increasing the efficiency and punctuality of non-emergency transportation, such as TheHandi-Van;
- (2) Adding a new part that allows a community care foster family home six months to find another Medicaid client when the community care foster family home loses its only Medicaid client, and changes the age requirement for nurse aide substitute caregivers at community care foster family homes to 18 years to be consistent with federal law;
- (3) Specifying that any provisions of this measure that conflict with federal requirements for the receipt of federal funds shall be void and shall be severable from the remaining operative provisions;
- (4) Changing its effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2713, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2713, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1067-12 Human Services on S.B. No. 3008

The purpose of this measure is to allow family court plaintiffs and petitioners who are unable to afford notice by publication to serve notice to an opposing party by posting pleadings and process at the courthouse after:

- (1) Conducting a due and diligent search for the defendant;
- (2) Mailing the pleadings to the defendant, and to the closest known relative to the defendant; and
- (3) Requesting permission from the family court to post the pleadings at the courthouse.

The Legal Aid Society of Hawaii and the Domestic Violence Action Center supported the measure. The Judiciary offered comments on the measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3008, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Wooley, Yamane and Pine.

SCRep. 1068-12 Human Services on S.B. No. 2576

The purpose of this measure is to authorize a person convicted of a prostitution-related offense to file a motion to vacate the conviction under certain circumstances, and to establish procedures for the motion to vacate.

The Pacific Alliance to Stop Slavery, Polaris Project, and several concerned individuals testified in support of this measure. The IMU Alliance supported this measure with amendments. The Department of the Attorney General opposed this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu provided comments.

Your Committee notes that concerns were raised by several testifiers. The Department of the Attorney General stated that a process is already in place that allows convicted defendants to appropriately challenge judgments of conviction, but that the process to vacate prostitution convictions as set forth in this measure is inconsistent with the State's criminal justice system and invites misuse and abuse.

The Department of the Prosecuting Attorney of the City and County of Honolulu also raised concerns, noting that an appeal to the appellate courts or recourse to Rule 40 of the Hawaii Rules of Penal Procedure may be more appropriate methods of achieving the goal that this measure is attempting to reach. Although the department recommended that this measure be deferred, it also suggested amendments in the event this measure moves forward.

The Polaris Project proposed an amendment to give judges broader discretion to take additional action as necessary or as justice requires.

Your Committee has amended this measure by:

- (1) Changing the term "vacate" to "discharge" with regard to a judgment or motion filed under this measure; and
- (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. 2576, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2576, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1069-12 Human Services on S.B. No. 2579

The purpose of this measure is to protect children from further victimization after the child is discovered to be a sexually exploited child. Specifically, this measure:

- (1) Establishes a new chapter for the safe harbor of sexually exploited children;
- (2) Establishes the minor victims of prostitution special fund;
- (3) Grants the family court exclusive jurisdiction over any person under eighteen who is charged with certain offenses of prostitution;
- (4) Amends the statute of limitations under the prostitution coercion liability act; and
- (5) Establishes that persons who are under 18 and suspected of or charged with certain offenses of prostitution shall not be prosecuted, and shall be subject to the provisions of the safe harbor for sexually exploited children chapter.

The Polaris Project, Papa Ola Lokahi, and several concerned individuals supported the measure. IMUAlliance and the Pacific Alliance to Stop Slavery supported the measure with amendments. The Honolulu Police Department opposed the measure. The Attorney General, Department of Human Services, Department of Budget and Finance, and the Prosecuting Attorney of the City and County of Honolulu offered comments on the measure.

Your Committee notes that the Department of Human Services testified that it respectfully opposes placing the services for sexually exploited children within the Department of Human Services for multiple reasons, including lack of staff with expertise in human trafficking and services, and the added financial costs for such a project, among other concerns.

Your Committee also notes that the Attorney General testified that it had concerns with the measure and suggested the Committee delete the provision that granted the Family Court exclusive jurisdiction over any person under 18 who is charged with certain offenses of prostitution, and to also delete the provision that established that persons who are under 18 and suspected of or charged with certain offenses of prostitution, including loitering for the purpose of engaging in prostitution, shall not be prosecuted, and shall be subject to the provisions of the safe harbor for sexually exploited children chapter.

Your Committee also notes that the Department of the Prosecuting Attorney of the City and County of Honolulu testified that it had strong objections to the provision that provides for law enforcement detention of juveniles suspected of prostitution offenses, but exempting them from prosecution. The Prosecuting Attorney said the provision was too broad, vague, and unwise and counterproductive.

Your Committee has amended this measure by:

- (1) Expanding the scope of the domestic violence and sexual assault special fund annual report to the legislature to include promoting prostitution in the first degree and sex trafficking;
- (2) Deleting the safe house for sexually exploited children provision;
- (3) Deleting the minor victims of prostitution special fund provision; 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. 2579, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2579, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1070-12 Human Services/Labor & Public Employment on S.B. No. 2123

The purpose of this measure is to assist victims of human trafficking by establishing a working group to develop a comprehensive state plan to coordinate services for survivors of human trafficking.

The Office of Community Services of the Department of Labor and Industrial Relations, Polaris Project, and several individuals supported this measure. The Pacific Alliance to Stop Slavery, Imua Alliance, and Pacific Survivor Center supported this measure with amendments. The Department of Human Services and the Department of the Attorney General commented on this measure.

Your Committees have amended this measure by:

- (1) Requiring that specified establishments post in a conspicuous location a poster informing the public of information about the National Human Trafficking Resource Center;
- (2) Requiring the Department of Labor and Industrial Relations to post an electronic version of the poster on its public website;
- (3) Establishing fines for violation of the posting requirement;
- (4) Subjecting persons convicted of certain crimes related to prostitution to forfeit motor vehicles used or intended for use in that crime; and
- (5) Imposing additional monetary fines for conviction of certain prostitution-related crimes.

Your Committees note that this bill requires the Department of the Attorney General to oversee the working group and coordinate the development of the state plan; however the Department of the Attorney General does not actually provide social services to the public. Its main objective is to provide legal advice and legal representation to state agencies. The Department is concerned that it does not have the expertise or resources to create a plan for social or job training services for human trafficking survivors.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2123, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2123, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1071-12 Human Services/Health on S.B. No. 2088

The purpose of this measure is to bring more transparency into the operations of the Medicaid program in Hawaii by:

- (1) Requiring the Department of Human Services to notify the Legislature of any proposed changes to the Medicaid program in Hawaii and state plan amendments; and
- (2) Clarifying that the Legislature may by statute require the Department of Human Services to either make changes or not make changes to Hawaii's Medicaid program or submit a state plan amendment.

Healthcare Association of Hawaii, United Self Help, Papa Ola Lokahi, and a concerned individual supported the measure. The Hawaii Primary Care Association supported the intent of the measure. The Department of Human Services opposed the measure.

Your Committees note that the Legislature continues to work to bring transparency and public input into the evolving operations of the Medicaid program in Hawaii. Your Committees also note that the testifiers have agreed to work together to increase input and transparency in the Medicaid program in Hawaii as this measure moves through the legislative process.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to promote 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 S.B. No. 2088, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2088, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 1072-12 Human Services/Health on S.B. No. 2712

The purpose of this measure is to clarify the term "medical institution" by providing a definition therefor in Chapter 346, Hawaii Revised Statutes, relating to the Department of Human Services.

The Department of Human Services and Department of the Attorney General supported the measure. The Alliance of Residential Care Administrators and Hokolani Senior Living, LLC supported the measure with amendments.

Your Committee has amended this measure by:

- (1) Providing for:

- (A) The development of a fair and equitable reimbursement system for all clients under the Medicaid Program for community based caregiver services; and
- (B) The development of a fair and equitable referral system for clients transferring from hospitals to community based care homes;
- (2) Adding a new part that mandates a non-emergency transportation services study;
- (3) Prohibiting Hawaii Medicaid, QUEST, and their contractors from modifying reimbursement policies and guidelines without prior notice and further prohibiting retroactive changes of previously approved Medicaid reimbursements;
- (4) Changing its effective date to July 1, 2050, to promote further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2712, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2712, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1073-12 Economic Revitalization & Business on S.B. No. 2655

The purpose of this measure is to protect consumers of portable electronics in Hawaii by requiring that portable electronics insurance be sold by vendors with a limited lines license.

Asurion supported the measure. The Department of Commerce and Consumer Affairs offered comments on the measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 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 S.B. No. 2655, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2655, 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, Nishimoto and Pine.

SCRep. 1074-12 Economic Revitalization & Business on S.B. No. 2235

The purpose of this measure, as received by your Committee, is to incorporate the recommendations of the Hawaii Broadband Task Force in the Hawaii State Plan to promote broadband services as critical infrastructure for communications.

For the purposes of a public hearing on this measure, your Committee circulated Proposed S.B. No. 2235, S.D. 2, H.D. 1 and notified the public that it would be accepting testimony on the proposal, which:

- (1) Requires that the State and the counties approve, approve with modification, or disapprove all broadband related permits within forty-five business days; and
- (2) Provides that if no action is taken, the application will be deemed approved on the forty-sixth business day.

Your Committee received testimony from the following organizations and individuals on S.B. No. 2235, S.D. 2, as received by your Committee, and on the proposed draft:

The Department of Business, Economic Development, and Tourism and the Department of Commerce and Consumer Affairs testified in support of this measure as received by your Committee.

AT&T, Verizon, and Sandwich Isles Communications, Inc., testified in support of the proposed draft. The Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Office of Planning; and Hawaiian Telcom testified in support of the intent of the proposed draft. Friends of Lanai and an individual testified in opposition to the proposed draft. The Department of Land and Natural Resources, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company provided comments on the proposed draft.

Your Committee has amended this measure by:

- (1) Adopting the contents of the proposed draft;
- (2) Changing the forty-five day approval period to sixty days;
- (3) Changing the effective date to July 1, 2112, to encourage further discussion of this issue; and

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2235, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2235, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1075-12 Economic Revitalization & Business on S.B. No. 2941

The purpose of this measure as received by your Committee, is to extend the income tax credit for qualified research activities for an additional five years and to add extensive reporting requirements related to the tax credit.

For the purposes of a public hearing on this bill, your Committee circulated Proposed S.B. No. 2941, S.D. 2, H.D. 1 and notified the public that it would be accepting testimony on the proposal, which extends the income tax credit for qualified research activities for an additional five years and adds extensive reporting requirements related to the tax credit.

Your Committee received testimony from the following organizations and individuals on S.B. No. 2941, S.D. 2, as received by your Committee, and on the proposed draft.

Dual Use Hawaii; Skai Ventures; Cardax Pharmaceuticals, Incorporated; Archinoetics; Novasol; Schlissel and Associates; Puko'a Scientific; and the Chamber of Commerce of Hawaii testified in support of the measure as received by your Committee. Two individuals testified in support of the intent of the measure as received by your Committee. The Hawaii Strategic Development Corporation and Tax Foundation of Hawaii provided comments on the measure as received by your Committee.

Concentris Systems testified in support of the proposed draft. The Tax Foundation of Hawaii and Hawaii Strategic Development Corporation provided comments on the proposed draft.

Your Committee respectfully requests that the Committee on Finance examine the possibility of inserting a clawback section into the measure.

Your Committee considered the merits of both S.B. No. 2941, S.D. 2, as received by your Committee, and the proposed draft, and upon careful consideration adopted the proposed draft with the following amendments:

- (1) Inserting the contents of H.B. No. 2872, H.D. 3, which allows for aerospace high technology to be considered a permitted land use in an agricultural land use district;
- (2) Inserting the contents of H.B. No. 1511, H.D. 2, which extends the land lease for the high technology development corporation;
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2941, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1076-12 Economic Revitalization & Business on S.B. No. 2947

The purpose of this measure as received by your Committee is to require that a report be submitted to the Department of Taxation for every authorized state tax credit or exemption related to economic development by the state agency administering the credit or exemption. This measure also requires the Department of Taxation to post the reports on its website.

For the purposes of a public hearing, your Committee circulated a proposed House Draft 1 that:

- (1) Establishes a monetary reward from the collected proceeds for whistleblowers whose information leads to a Department of Taxation administrative or judicial action;
- (2) Allows the Director of Taxation to appoint an administrative appeals officer to administer the expedited appeals and dispute resolution program;
- (3) Prohibits certain penalties from being added to tax underpayments on which other specified penalties are already imposed;
- (4) Requires all advertisements and solicitations for transient accommodations and all operator- or plan manager-maintained websites regarding transient accommodations to display the registration identification number or a website address to a website containing the number; and
- (5) Requires operators of transient accommodations who reside out-of-state or on an island other than the one on which the transient accommodations are located to include contact information for an agent who resides on the island on which the transient accommodations are located.

The Department of Business, Economic Development, and Tourism and Hawaii Innovation Alliance supported the measure as received by your Committee. The Hawaii Strategic Development Corporation and High Technology Development Corporation supported the intent of the measure as received by your Committee. The Tax Foundation of Hawaii provided comments on the measure as received by your Committee.

Aston Hotels & Resorts opposed the proposed draft. The Department of Taxation, Hawaii Association of REALTORS, and the Tax Foundation of Hawaii provided comments on the proposed draft.

Your Committee has amended this measure by adopting the proposed draft. Your Committee has further amended the proposed draft by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2947, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2947, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1077-12 Economic Revitalization & Business on S.B. No. 2421

The purpose of this measure is to establish a peer review process for public accountancy firms that engage in attest work.

The Hawaii Association of Public Accountants and Hawaii Society of Certified Public Accountants testified in support of this measure. The Board of Public Accountancy and an individual provided comments on this measure.

Your Committee notes for further clarification that the words "report" or "reports" as used in this measure means one or more reports.

Your Committee has amended this measure by deleting the contents of this measure and replacing it with the contents of the House companion version of this measure, H.B. No. 2169, H.D. 2 (2012), which also establishes a peer review process for public accounting firms that engage in attest work.

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. 2421, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, 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, Nishimoto and Pine.

SCRep. 1078-12 Economic Revitalization & Business on S.B. No. 2504

The purpose of this measure is to:

- (1) Require retail pet stores to:
 - (A) Implant an identification microchip in a dog or cat prior to sale or exchange;
 - (B) Collect appropriate dog licensing forms and fees from a purchaser;
 - (C) Provide specific written documentation regarding each dog or cat sold;
 - (D) Provide written information on the health and benefits of spaying and neutering to the purchaser; and
 - (E) Provide completed and signed documents for inspection and copying upon request from a county humane officer, animal control officer or law enforcement officer; and
- (2) Prohibit the sale or trading of dogs and cats in public places, except by humane societies or certain animal control, rescue, or care organizations facilitating adoptions.

The Humane Society of the United States, Hawaiian Humane Society, West Hawaii Humane Society, Hawaii Island Humane Society, Hawaii Military Pets, Cat Friends, Hawaii Cat Foundation, Hui Pono Holoholona, and numerous individuals testified in support of this measure. The Pet Hale, Koolau Pets, and an individual testified in support with amendments to this measure.

Your Committee has amended this measure by:

- (1) Amending the definition of "pet seller" to include humane societies, or animal control, rescue, or care organizations exempt under title 26 United States Code section 501(c)(3) and making a conforming amendment to the definition of "retail pet store";
- (2) Requiring that retail pet stores provide a certificate or voucher for the implantation of a microchip for a dog or cat that is sold or exchanged rather than implant the microchip themselves;
- (3) Changing the effective date to January 2, 2112, for the purposes of facilitating 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. 2504, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2504, 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, Nishimoto and Pine.

SCRep. 1079-12 Economic Revitalization & Business on S.B. No. 2528

The purpose of this measure is to transfer the Hawaii 3Ts School Technology Laboratories Fund from the Department of Education to the Department of Business, Economic Development, and Tourism.

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

Your Committee has amended this measure by:

- (1) Adding the contents of H.B. No. 1511, H.D. 2 (2012), which requires the University of Hawaii to extend the current land lease agreement with the High Technology Development Corporation for a period no less than twenty-five years from the expiration date of the existing lease;
- (2) Changing the effective date to July 1, 2112, for the purposes of facilitating further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2528, S.D. 2, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 1080-12 Economic Revitalization & Business on S.B. No. 2239

The purpose of this measure as received by your Committee is to:

- (1) Exempt grants made under the Community-based Economic Development Program from the Procurement Code;
- (2) Clarify that moneys in the Hydrogen Investment Capital Special Fund are to be expended by the Hawaii Strategic Development Corporation; and
- (3) Abolish the High Technology Innovation Corporation.

Your Committee circulated Proposed S.B. No. 2239, S.D. 1, H.D. 1 (Proposed Draft) and notified the public that it would be accepting testimony on the proposal which, among other things:

- (1) Establishes a Venture Accelerator Funding Program within the Hawaii Strategic Development Corporation to support organizations that closely integrate entrepreneurial support and capital investment to develop technology-based entrepreneurial commercialization outcomes in Hawaii;
- (2) Requires an annual report to the Legislature on the activities and expenditures of the Venture Accelerator Funding Program until all moneys have been expended; and
- (3) Appropriates \$5,000,000 for the Venture Accelerator Funding Program, of which up to \$250,000 is to be expended for project oversight of program awardees.

The Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; Hawai'i Innovation Alliance; StartupHui LLC; Hawaii Venture Capital Association; a member of the Hawaii Strategic Development Corporation Board; and several concerned individuals testified in support of the Proposed Draft.

Your Committee has adopted the Proposed Draft with the following amendments:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2239, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2239, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 1081-12 Economic Revitalization & Business/Tourism on S.B. No. 2433

The purpose of this measure is to require the permitting and inspection by the Department of Labor and Industrial Relations of ziplines and canopy tours in Hawaii.

Piholo Ranch Zipline and an individual testified in support of this measure. The Representative from the First Representative District of the State of Hawaii testified in support of this measure with amendments. The Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committees have amended this measure by:

- (1) Removing the requirement that zipline and canopy tours obtain permits and inspections from the Department of Labor and Industrial Relations;
- (2) Requiring that zipline and canopy tours obtain a certificate of insurance from the operator's insurance provider;
- (3) Requiring that the insurance provider or qualified challenge course professional inspector approved by the insurance provider verify annually that the zipline or canopy tour is in compliance with approved challenge course standards;
- (4) Requiring that the certificate of insurance shall appear in all publicity material, websites, and advertising by the operator;
- (5) Requiring an operator to notify county or state officials of any fatality or accident that resulted in serious physical injury or illness that occurred during a person's use or operation of the zipline or canopy tour;
- (6) Requiring that the Legislative Auditor conduct a sunrise study on the regulation of zipline and canopy tours;
- (7) Changing the effective date to July 1, 2012, to facilitate further discussion; and
- (8) 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 Economic Revitalization & Business and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2433, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2433, 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 Ching and Pine.

SCRep. 1082-12 Health/Human Services on H.R. No. 22

The purpose of this measure is to request the Department of Health and the Department of Human Services to:

- (1) Implement a program to educate operators of adult residential care homes, community care foster homes, and other home-based care services about the appropriate insurance for their businesses; and
- (2) Coordinate the program with the relevant trade organizations.

An individual testified in support of this measure. The Department of Human Services opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 22 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1083-12 Health/Human Services on H.C.R. No. 42

The purpose of this measure is to request the Department of Health and the Department of Human Services to:

- (1) Implement a program to educate operators of adult residential care homes, community care foster homes, and other home-based care services about the appropriate insurance for their businesses; and
- (2) Coordinate the program with the relevant trade organizations.

An individual testified in support of this measure. The Department of Human Services opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 42 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1084-12 Health on H.R. No. 7

The purpose of this measure is to request the Auditor to:

- (1) Conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, on the social and financial effects of mandating health insurance coverage for fertility preservation procedures for persons who are of reproductive age and have been diagnosed with cancer and will undergo treatment that may adversely affect the person's fertility as described under H.B. No. 2105 (Regular Session of 2012); and
- (2) Submit a report on its findings and recommendations to the Legislature at least 20 days prior to the convening of the Regular Session of 2013.

The Pacific In Vitro Fertilization Institute and an individual testified in support of this measure.

Your Committee notes that adoption of this measure will enable consideration of H.B. No. 2105, introduced during the Regular Session of 2012, to mandate health insurance coverage for fertility preservation procedures.

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. 7 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1085-12 Health on H.C.R. No. 9

The purpose of this measure is to request the Auditor to:

- (1) Conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, on the social and financial effects of mandating health insurance coverage for fertility preservation procedures for persons who are of reproductive age and have been diagnosed with cancer and will undergo treatment that may adversely affect the person's fertility as described under H.B. No. 2105 (Regular Session of 2012); and
- (2) Submit a report on its findings and recommendations to the Legislature at least 20 days prior to the convening of the Regular Session of 2013.

The Pacific In Vitro Fertilization Institute and an individual testified in support of this measure.

Your Committee notes that adoption of this measure will enable consideration of H.B. No. 2105, introduced during the Regular Session of 2012, to mandate health insurance coverage for fertility preservation procedures.

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. 9 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1086-12 Health on H.C.R. No. 15

The purpose of this measure is to request the Auditor to:

- (1) Conduct a study to determine ways, other than tax incentives, to encourage employers to provide and pay for long-term care insurance and encourage individuals to purchase long-term care insurance; and
- (2) Submit 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 2013.

One individual testified in support of this measure.

Your Committee requests that in discussions involving the study, involvement by union representatives be considered.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 15 and recommends that it be referred to the Committee on Economic Revitalization & Business.

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

SCRep. 1087-12 Health on H.C.R. No. 32

The purpose of this measure is to request the Office of the Governor to:

- (1) Conduct a study on the efficacy of combining state government health policy, planning, and purchasing in a single agency to advance transformation of Hawaii's healthcare system and universal access to care; and

- (2) Submit a report of its findings and recommendations to the Legislature, including any proposed legislation, no later than 20 days before the convening of the Regular Session of 2013.

The Office of the Governor, Department of Health, Department of Human Services, University of Hawaii Professional Assembly, Hawai'i Pacific Health, Kaiser Permanente Hawaii, and an individual testified in support of this measure. Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting reference to the establishment of the Healthcare Transformation Coordinator in leading the State's efforts to develop and implement a strategy to establish a healthcare system that is universal, of high quality, highly efficient, value-based, patient-centered, affordable, and accessible; and
- (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 concurs with the intent and purpose of H.C.R. No. 32, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 32, H.D. 1.

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

SCRep. 1088-12 Health on H.C.R. No. 12

The purpose of this measure is to encourage public awareness, conversation, and support for reproductive rights statewide by designating the week of January 22-28, 2012, as "Reproductive Rights Awareness Week".

The Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawai'i, Kewalo Hawaiian Homestead Community Association, Hawai'i Women's Coalition, Planned Parenthood of Hawaii, Community Alliance on Prisons, and an individual 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. 12 and recommends its adoption.

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

SCRep. 1089-12 Education on S.B. No. 2542

The purpose of this measure is to clarify the exceptions to the requirement that a student must attend school in the district in which they reside.

The Department of Education and IMUAlliance supported this measure. The Office of Hawaiian Affairs 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 S.B. No. 2542, 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 Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1090-12 Education on S.B. No. 2543

The purpose of this measure is to streamline administration of the Hawaii 3R's School Repair and Maintenance Fund by repealing, among other things:

- (1) The Hawaii 3R's advisory board;
- (2) Provisions that set standards for applicants submitting grant proposals to the fund and imposing conditions for expenditures on awardees;
- (3) Requirements for an annual audit and for a dollar-for-dollar match of state funds by non-state funds; and
- (4) The annual reporting requirement.

This measure also repeals the Hawaii Teacher Cadet Program.

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. 2543 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1091-12 Education on S.B. No. 2773

The purpose of this measure is to update chapter 312, Hawaii Revised Statutes, to more accurately reflect the duties and responsibilities of the Board of Education, Hawaii State Public Library System, and State Librarian with respect to the Hawaii State Public Library System.

The Department of Human Resources Development and Hawaii State Public Library System supported 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. 2773, 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 Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1092-12 Education on S.B. No. 2952

The purpose of this measure is to support quality education in Hawaii by authorizing the issuance of special purpose revenue bonds to assist Le Jardin Academy to finance and refinance the construction, improvement, and equipping of its educational facilities.

The Hawaii Association of Independent Schools supported 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. 2952, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1093-12 Labor & Public Employment on S.B. No. 2057

The purpose of this measure is to clarify the time periods of the salary increase moratorium and other salary cuts for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009 (Act 85), as amended by Act 57, Session Laws of Hawaii 2011 (Act 57). Among other things, this measure:

- (1) Changes the date of the cessation of the five percent salary reduction for legislators, justices, judges, and certain Executive Branch positions to June 30, 2013;
- (2) Removes language providing for the automatic restoration of salaries for justices, judges, and certain Executive Branch positions on January 1, 2014;
- (3) Removes language specifying that additional salary recommendations, if any, made by the Commission on Salaries for justices, judges, and certain Executive Branch positions that are not disapproved by the Legislature will take effect on, or after, January 1, 2014;
- (4) Delays for one year, the salary recommendations of the 2006 Commission on Salaries for justices, judges, and certain Executive Branch positions that are effective on July 1, 2012;
- (5) Delays for six months, the salary recommendations of the 2006 Commission on Salaries for legislators that are to become effective on January 1, 2013; and
- (6) Removes language restoring the levels of vacation and sick leave for legislators, justices, judges, and certain Executive Branch positions.

The Hawaii State Bar Association testified in support of this measure. The Judiciary testified in support of the intent of this measure.

In 2009, amid a growing economic crisis, the Legislature elected to exercise its authority under article XVI, section 3.5 of the Hawaii State Constitution to reduce the salaries of salaried officers of the State by instituting a five percent salary cut and establishing a moratorium on the automatic salary increases recommended by the Commission on Salaries. Act 85 reduced the salary levels of state legislators, justices, judges, and certain Executive Branch positions, by five percent. At the time that Act 85 was passed, the Legislature believed that the economy would rebound soon, and therefore, the salary cuts were scheduled to sunset on June 30, 2011.

Unfortunately, the economy did not recover as quickly or strongly as expected, and given the economic and fiscal condition of the State, the Legislature believed that a fiscally prudent course of action should be taken. Thus, Act 57 was enacted to extend the salary cuts through December 31, 2013.

However, beginning with the Regular Legislative Session of 2007, the Commission on Salaries has been constitutionally authorized to submit salary recommendations for the Governor, Lieutenant Governor, department heads and deputies, administrative director of the State, members of the Legislature, and justices and judges of state courts every six years. The Commission is scheduled to meet in 2012 and these next salary recommendations will be considered during the Regular Session of 2013. If not disapproved by the Legislature, the salaries contained in this recommendation may possibly be in conflict with Act 57. Amending the dates contained in Act 57 eliminates this possible conflict between the date Act 57 is scheduled to be repealed and the next recommendation of the Commission on Salaries.

While your Committee notes that S.B. No. 2057, SD1, and a similar measure already heard by your Committee, H.B. No. 1744, HD1, attempt to accomplish the same goals, your Committee finds that the language contained in H.B. No. 1744, HD1, is slightly more precise. Accordingly, your Committee has amended this measure by replacing the contents of S.B. No. 2057, SD1, with the contents of H.B. No. 1744, HD1. As amended, this measure

continues to clarify the time periods of the salary increase moratorium and other cuts for legislators, justices, judges, and certain Executive Branch positions. Among other things, the amended measure:

- (1) Specifies that the five percent salary reduction for legislators, justices, judges, and certain Executive Branch positions will terminate on June 30, 2013;
- (2) Repeals language providing for the automatic restoration of salaries for justices, judges, and certain Executive Branch positions on January 1, 2014;
- (3) Repeals language specifying that additional salary recommendations, if any, made by the Commission on Salaries for justices, judges, and certain Executive Branch positions will take effect on or after January 1, 2014, if not disapproved by the Legislature;
- (4) Repeals language providing for the automatic restoration of legislative salaries scheduled to take effect on January 1, 2014;
- (5) Repeals language restoring the levels of vacation and sick leave for all positions affected by the salary reductions;
- (6) Specifies that on July 1, 2013, and thereafter, all salaries reduced by Act 85, as amended by Act 57, as amended by this measure, will revert to the rates recommended by the Commission on Salaries in the recommendation dated March 14, 2007, unless modified by the adoption of recommendations from the 2012 convening of the Commission on Salaries; and
- (7) Provides for the repeal of Act 85, as amended by Act 57, on June 30, 2013, subject to the requirements of this measure that the repeal of that Act shall not be construed to restore or reinstate any leaves of absence, salary reduction, or other compensation reduced by Act 85 or Act 57.

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. 2057, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2057, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1094-12 Labor & Public Employment on S.B. No. 2214

The purpose of this measure is to promote more meaningful discussion during the negotiation process relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Among other things, this measure:

- (1) Clarifies the requirement that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the Hawaii Employer-Union Health Benefits Trust Fund for health benefit plans and group life insurance benefits for active employees by clarifying statutory language and repealing obsolete provisions;
- (2) Repeals the prohibition against using arbitration to resolve impasses or disputes relating to state and county Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (3) Authorizes the arbitration panel to make a final and binding decision on Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (4) Repeals the legislative relief option to determine public sector health benefits contributions when an impasse exists regarding the negotiation of state cost issues; and
- (5) Repeals the prohibition against striking over the issue of public sector health benefits contributions.

The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; University of Hawaii Professional Assembly; and United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this measure. The Department of Budget and Fiscal Services and Department of Human Resources of the City and County of Honolulu testified in opposition to this measure. The Department of Budget and Finance provided comments.

The current collective bargaining law for public employees lacks a dispute resolution process over the contributions to the Hawaii Employer-Union Health Benefits Trust Fund. As currently written, if an employer and exclusive representative cannot agree on the contributions, then the pro-rata share shall be determined by the Legislature. However, all other negotiable items can proceed to impasse. Allowing disputes over contributions to the Hawaii Employer-Union Health Benefits Trust Fund to be resolved via the impasse procedure similar to all other negotiable items seems reasonable and fair.

Your Committee finds that broadening the scope of bargaining will promote more meaningful discussion during the negotiation process making it more likely for the parties to find a joint resolution to issues which encompass employment agreements.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2214, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2214, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1095-12 Labor & Public Employment on S.B. No. 2213

The purpose of this measure is to protect the rights of public employees by clarifying that an appointing authority shall consider the feasibility of transferring or demoting the employee to another position for which the employee qualifies and that is administrated by the appointing authority prior to discharge due to failure to meet performance requirements.

The Department of Human Resources Development and United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this bill. The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO provided comments.

Currently, Hawaii law provides seven criteria that an employer is obligated to meet when a civil service employee fails to meet performance requirements prior to releasing that employee from the position or discharging the employee from service. One of the criteria is that the employer consider the feasibility of transferring or demoting that employee to another position for which the employee qualifies. However, your Committee has been informed that since the scope of this investigation is not statutorily defined, each state department and county jurisdiction or department has its own interpretation as to what the scope of the investigation is intended to encompass, leading to inconsistencies in application.

However, your Committee also notes the concerns that the requirement as expressed in this measure as it was received by your Committee that the transfer or demotion considered be to another position that is administered by the appointing authority may be overly vague and not feasible. Accordingly, your Committee has amended this measure by narrowing the scope of the transfer or demotion being considered to the appointing authority's department. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2213, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

SCRep. 1096-12 Economic Revitalization & Business on S.B. No. 2167

The purpose of this measure is to add a definition of "land surveying", clarify the definition of "landscape architect", and replace the definition of "surveyor" or "land surveyor" with a definition of "professional surveyor", "professional land surveyor", or "land surveyor".

The Hawaii Land Surveyors Association and an individual testified in support of this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2112, for the purposes of facilitating 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. 2167, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2167, 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, Nishimoto and Pine.

SCRep. 1097-12 Consumer Protection & Commerce on S.B. No. 2432

The purpose of this measure is to amend certain provisions relating to pest control operators by:

- (1) Clarifying and extending for two more years the exemption for certain activities of pest control operators from the definition of "excavation" under the one call center law;
- (2) Requiring exempt pest control operators to attend training provided by the Hawaii one call center; and
- (3) Requiring the public utilities commission to conduct an investigation on the risks of residential pest control application and report to the legislature no later than twenty days prior to the convening of the Regular Session of 2014.

The Hawaii Pest Control Association testified in support of this measure. The Public Utilities Commission provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2432, 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, Coffman, Ito, Luke and McKelvey.

SCRep. 1098-12 Higher Education on S.B. No. 2546

The purpose of this measure is to amend the form and function of the Regents Candidate Advisory Council for the University of Hawaii Board of Regents, most notably by requiring the Governor to directly appoint members of the Council according to specified conditions.

The University of Hawaii Professional Assembly supported this bill. The Governor supported the intent of this measure. The Regents Candidate Advisory Council and two concerned individuals opposed this bill.

This measure generated a robust discussion during the public hearing regarding the nature and function of the Regents Candidate Advisory Council. For discussion purposes, your Committee notes in particular testimony that suggested alternate membership and membership terms for the Council.

Specifically, it was suggested that the membership be changed by increasing the membership from seven to eight, to include the executive secretary to the Board of Regents as a non-voting ex officio member and by replacing the member appointed by the chairperson of the Association of Emeritus Regents with the most recent emeritus chair of the Board of Regents. In addition, testimony was offered that the terms of Council members appointed by the Governor, President of the Senate, and Speaker of the House of Representatives end coterminous with their appointing authority.

Your Committee has amended this measure by:

- (1) Clarifying that the current members of the Regents Candidate Advisory Council will be discharged from office upon the Governor's appointment of five members according to the established process; and
- (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. 2546, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2546, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Mizuno, Wooley and Ching.
(Representative Belatti voted no.)

SCRep. 1099-12 Energy & Environmental Protection on S.B. No. 2823

The purpose of this measure is to provide additional funding to the Department of Health's Office of Solid Waste Management, by increasing and differentiating the solid waste management surcharge for disposal at landfills, solid waste reduction facilities, and waste-to-energy facilities.

The Department of Health and one individual testified in support.

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. 2823, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1100-12 Transportation on S.B. No. 2337

The purpose of this measure is to provide limited economic relief to airport concessionaires by providing the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to extend the term of the concession and to modify and amend terms of any concession lease or contract in exchange for revenue-enhancing improvements that are made or paid for by the concession.

The Department of Transportation; Airport Concessionaires Committee; Tiare Enterprises, Inc.; Greeters of Hawaii, Ltd.; HMSHost; Island Shoppers, Inc.; ICE Currency Services; and EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii testified in support of this measure. The Office of Hawaiian Affairs testified in opposition to this measure. The Airlines Committee of Hawaii provided comments.

Although economic conditions appear to be rebounding nationally, as well as in Hawaii, the recovery is slow and precarious. While businesses throughout the islands have experienced financial difficulties, these hardships were compounded for concessions at Hawaii's airports because of security measures put into place after the attacks of September 11, 2001. These security changes restrict access to many of the airport concessions to ticketed passengers only and therefore severely restrict a concession's market share. In addition, the spiraling economy resulted in a decrease in the number of visitor arrivals, which has resulted in greater economic losses for airport concessions. Your Committee notes that as a result, the Legislature provided limited economic relief to airport concessions in the past.

Your Committee also finds that improvements at Hawaii's airports concessions have not kept pace with passenger needs and demands. A recent study by the State indicates that various areas at our public airports are lacking in concession space by as much as 40 percent. In addition, the study indicates that Hawaii's public airports are not maximizing the revenues they could be receiving from airport concession operations if additional concession spaces were provided and concession locations were also improved. These improvements reportedly would not only pay for themselves but would also generate additional revenues for Hawaii's public airports.

Responding to these needs, the Department of Transportation has begun to fast-track the addition of over 80,000 square feet of concession space at Hawaii's public airports, which will not only benefit Hawaii's public airports but also provide critical jobs and help stimulate Hawaii's economy. However, concerns have been raised that this fast-tracking of construction projects will result in hardship to existing airport concessions with inconveniences such as temporary barricades, re-routing of passengers, and temporary relocation of concession operations, among other issues. Moreover, airport concessions are currently responsible for building out their spaces and providing the fixtures and merchandise to operate their concession. The airport concessions may face additional financial hardship when asked by the Department to make and pay for improvements to these newly-added concession spaces or improved areas especially if the existing or remaining term of a concession lease, contract, or permit is too short. This measure attempts to address this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Takumi.

SCRep. 1101-12 Transportation on S.B. No. 2971

The purpose of this measure is to increase public safety by amending the scope of offenses relating to negligent injury to broaden the offenses' application to include injuries caused by more types of vehicles.

The Department of the Prosecuting Attorney of the County of Maui testified in support of this measure.

Under current law, an individual causing serious or substantial bodily injury to another individual by the operation of a motor vehicle is guilty of the offense of negligent injury in the first or second degree respectively. However, the term "motor vehicle" does not apply to mopeds or vessels, such as jet skis. Recently, incidents involving the negligent operation of mopeds and vessels have increased. Within the past year alone there have been two fatalities in Maui County involving the operations of boats and several fatalities on the island of Oahu involving improper operation of a moped. This measure will make operators of more types of vehicles, such as mopeds and vessels, more accountable for their actions when those actions involve the safety of others.

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. 2971 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1102-12 Education on S.B. No. 2772

The purpose of this measure is to clarify that the transfer of certain functions pertaining to personnel and facilities to the Department of Education by Act 51, Session Laws of Hawaii 2004, does not apply to the Hawaii State Public Library System and its employees.

The Department of Human Resources Development, Department of Accounting and General Services, and Hawaii State Public Library System supported 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. 2772, 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 Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1103-12 Education on S.B. No. 2774

The purpose of this measure is to help lower printing, workload, and delivery costs associated with government publications by reducing the number of copies required to be deposited with the State Publications Distribution Center and requiring that every state and county agency notify the Center when electronic publications are made available.

This measure also requires the Chief Information Officer to review the requirements necessary to implement a program to make all state and county agency publications available for online distribution.

The Office of Information Management and Technology, Hawaii State Public Library System, and a concerned individual supported this measure. The City and County of Honolulu Department of Planning and Permitting 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. 2774, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1104-12 Education on S.B. No. 2484

The purpose of this measure is to assist educators with out-of-pocket expenses for school supplies by authorizing a nonrefundable state income tax credit for certain expenses paid or incurred by a teacher, counselor, or school librarian.

The Hawaii State Teachers Association, IMUAlliance, and a concerned individual supported this measure. The Hawaii State Public Library System supported this measure with amendments. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Including public service librarians employed by the Hawaii State Public Library System to the list of qualified taxpayers able to claim the tax credit; and
- (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. 2484, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2484, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Hanohano, Mizuno, Nishimoto and Wooley.

SCRep. 1105-12 Education on S.B. No. 2535

The purpose of this measure is to help ensure that students across the State receive quality instructional time by:

- (1) Requiring the Department of Education to develop up to four standard bell schedules for elementary, middle, and high schools and allowing individual schools the discretion to implement one of the available schedules for each grade level;
- (2) Clarifying the definition of "student instructional hours"; and
- (3) Repealing the general requirement that all public schools except charter schools and multi-track public schools include 1,080 student instructional hours for the 2016-2018 school years.

The Department of Education and Hui for Excellence in Education supported this bill. IMUAlliance supported this measure with amendments. The Hawaii State Teachers Association, Hawaii Educational Policy Center, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring the Department of Education to devise multiple, rather than four, standard bell schedules; and
- (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. 2535, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2535, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Hanohano, Mizuno, Nishimoto and Wooley.
(Representative Takai voted no.)

SCRep. 1106-12 Education on S.B. No. 2969

The purpose of this measure is to support early learning programs in the state by establishing a state income tax designation of \$25 to be paid into the Early Learning Trust Fund when designated by individual taxpayers.

The Early Learning Council, Good Beginnings Alliance, Hawaii Association for the Education of Young Children, and a concerned individual supported this bill. The Department of Human Services supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Inserting the income designation created by this measure into the already-existing section of the Hawaii Revised Statutes authorizing various other income designations; and
- (2) Making additional technical, nonsubstantive amendments for consistency.

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. 2969, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2969, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1107-12 Energy & Environmental Protection on S.B. No. 3006

The purpose of this measure is to establish a task force to study ways to prevent or control the problem of abandoned tires littering the landscape.

The Department of Health, Hawaii Automobile Dealers Association, and one individual testified in support of this measure. The Department of Environmental Services of the City and County of Honolulu provided comments.

Your Committee has amended this measure by:

- (1) Re-inserting language from the measure as introduced to reestablish the motor vehicle tire surcharge on imported tires to the State;
- (2) Adding a representative of the Department of Environmental Services of the City and County of Honolulu to the task force;
- (3) Clarifying that a member of the task force is not to be considered a state employee solely because of the member's participation on the task force;
- (4) Changing the date of dissolution of the task force to December 31, 2013;
- (5) Changing the deadline for the task force's report to twenty days before the convening of the regular legislative session of 2014;

- (6) Changing the effective date of this measure to July 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3006, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3006, 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, Herkes and Ito.

SCRep. 1108-12 Energy & Environmental Protection on S.B. No. 2822

The purpose of this measure is to establish, within the Department of Health, the Hawaii Electric Device Recycling Task Force to make recommendations for a workable recycling program for electric devices.

The Department of Health, Reynolds Recycling, Retail Merchants of Hawaii, Hawaiian Hope, and a concerned individual testified in support of this measure. The Consumer Electronics Association supported this measure with amendments. The Sierra Club Hawaii Chapter, Technology Association of America, and TechNet offered comments.

Your Committee has amended this measure by:

- (1) Including household batteries as part of the focus of the task force in making recommendations for a recycling program;
- (2) Adding to the task force up to two representatives of consumer or industrial technology manufacturers that have experience with recycling programs for electric devices;
- (3) Clarifying that no member of the task force be an employee of the State, except for the Director of Health, or the Director's designee, and program manager of the Department of Health's Solid and Hazardous Waste Branch; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2822, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2822, 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, Herkes and Ito.

SCRep. 1109-12 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 3003

The purpose of this measure is to:

- (1) Allow geothermal resources exploration and geothermal resources development in all state land use districts and all zones of the conservation district; and
- (2) Repeal the geothermal resource subzone provisions in the state land use law.

The Department of Land and Natural Resources; the Department of Business, Economic Development, and Tourism; The Pacific Resource Partnership; Ormat Technologies, Inc; and Innovations Development Group supported the measure. The Office of Hawaiian Affairs and several individuals opposed this measure. The Office of Environmental Quality Control and the Sierra Club Hawaii Chapter commented on this measure.

Your Committees have amended this measure by:

- (1) Clarifying that non-invasive geophysical resources exploration activities include geochemical operations, remote sensing, and other similar techniques in addition to geophysical operations;
- (2) Specifying that geothermal resources exploration and geothermal resources development are permissible uses in all state land use districts and conservation district zones rather than permitted uses; 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 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. 3003, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, 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, Herkes and Ito.

SCRep. 1110-12 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 2745

The purpose of this measure is to add priority guidelines to the Hawaii State Planning Act to address the expected impacts of climate change.

The Office of Planning of the Department of Business, Economic Development, and Tourism; the City and County of Honolulu Department of Planning and Permitting; the Hawaii Chapter of the American Planning Association; and The Nature Conservancy of Hawai'i supported this measure. The Chamber of Commerce of Hawaii and the Building Industry Association of Hawaii supported the intent of this measure. Life of the Land supported this measure with amendments. An individual opposed this measure. Windward Ahupuaa Alliance commented on this measure.

Your Committees have amended this measure by:

- (1) Requiring that the governing body or planning commission or department of each county consider a predicted sea level rise of one foot by 2050 when reviewing applications for building, zoning, and other permits and in future development plans; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees note that this measure only provides guidance to the counties with respect to permitting and development and does not require any particular course of action other than consideration of the issues.

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. 2745, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2745, 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, Herkes and Ito.

SCRep. 1111-12 Water, Land, & Ocean Resources on S.B. No. 2184

The purpose of this measure is to make permanent the law prohibiting private transfer fees for the future transfer of real property.

The Hawaii Association of REALTORS supported 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. 2184 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 1112-12 Water, Land, & Ocean Resources on S.B. No. 2906

The purpose of this measure is to require the Department of Land and Natural Resources to adopt rules for the operation of thrill craft to conduct ocean cleanup activities.

The Department of Land and Natural Resources and an individual supported this measure. An individual commented on 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. 2906, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1113-12 Water, Land, & Ocean Resources/Housing on S.B. No. 2927

The purpose of this measure is to facilitate commercial and residential development of an exceptional level of quality on land adjacent to public transportation stations and centers by creating a process and reduced up-front costs that will encourage projects for neighborhood reinvestment.

The County of Kauai Planning Department; the Pacific Resource Partnership; the General Contractors Association of Hawaii; Hawaii Building and Construction Trades Council, AFL-CIO; the Hawaii Carpenters Union; Hawaii Laborers-Employers Cooperation and Education Trust; and the Land Use Research Foundation of Hawaii supported this measure. The Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism; the Department of Transportation; the Honolulu Authority for Rapid Transportation; the Building Industry Association of Hawaii; and the Chamber of Commerce of Hawaii supported the intent of this measure. The Sierra Club Hawaii Chapter, Hawaii's Thousand Friends, the Outdoor Circle, and several individuals opposed this measure. The Department of the Attorney General and an individual commented on the measure.

Your Committees have amended this measure by:

- (1) Deleting the reference to a "fast track" process;
- (2) Defining "transit-oriented development" and "transit-oriented redevelopment";
- (3) Clarifying that the transit-oriented or main-street redevelopment program shall include minimum mixed use design and site plan guidelines rather than minimum urban design and site guidelines;
- (4) Adding a requirement that any county or county agency participating in the transit-oriented or main-street redevelopment program shall consult with the Department of Transportation to address any potential impacts on airport and harbor facilities; and

- (5) 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 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. 2927, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2927, 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 and Pine.
(Representatives Riviere and Thielen voted no.)

SCRep. 1114-12 Labor & Public Employment on S.B. No. 2753

The purpose of this measure is to ensure that the Hawaii Employer-Union Health Benefits Trust Fund meets the requirements of the Government Accounting Standards Board regarding other post employment benefits trusts. Specifically, this measure authorizes the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to create a trust fund for the purpose of receiving employer contributions that will prefund post-employment health and other benefit costs for retirees and their beneficiaries.

The Department of Budget and Finance, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund, Chair of the Kauai County Council, Department of Budget and Fiscal Services of the City and County of Honolulu, and Department of Human Resources of the City and County of Honolulu testified in support of this measure.

A recent audit of the Hawaii Employer-Union Health Benefits Trust Fund found that the Trust Fund does not currently meet the requirements of the Government Accounting Standards Board regarding other post-employment benefits trusts. Other post employment benefits include various non-pension benefits, such as health care, which are provided to retirees. According to the Government Accounting Standards Board, other post-employment benefits trusts must have the specific criteria of irrevocability of contributions, dedication of plan assets to paying benefits in accordance with the plan, and legal protection of the plan assets from creditors. While the State has taken the position that there is no requirement or obligation to pre-fund retiree health and other post-employment benefits, pre-funding these benefit liabilities through a trust meeting the Government Accounting Standards Board requirements allows a public employer to use a higher discount rate when calculating its unfunded liability, which results in a reduction in the amount of other post-employment benefits liability in the employer's financial statements.

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. 2753, 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 Luke and Saiki.

SCRep. 1115-12 Labor & Public Employment on S.B. No. 2811

The purpose of this measure is to improve government efficiency by repealing the Department of Human Resources Development's responsibility to submit annual reports on the expenditures of qualified community rehabilitation programs to the Legislature.

The Department of Human Resources Development testified in support of this measure.

Act 213, Session Laws of Hawaii 2008, modified a statutory exemption from civil service that was made applicable to the counties of Maui, Hawaii, and Kauai and established a higher monetary threshold for certain contract services with qualified community rehabilitation programs. Act 213 also required the Department of Human Resources Development to submit annual reports to the Legislature regarding the expenditures of these programs and their related activities. However, the Department of Human Resources Development only administers the human resources program for the State. County personnel directors are the chief administrators of their respective county human resource programs. Thus, information about county expenditures for their qualified community rehabilitation programs is not available to the Department of Human Resources Development. As Hawaii law does not permit the Executive Branch of the State to contract with qualified community rehabilitation programs, and information from the counties is not available, the Department of Human Resources Development never has any information to report to the Legislature. This measure addresses this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811 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 Saiki.

SCRep. 1116-12 Labor & Public Employment on S.B. No. 2701

The purpose of this measure is to ensure that all qualifying public employees of the State and counties are provided health insurance by defining "credited service" and clarifying the definitions of "employee" and "part-time, temporary, and seasonal or casual employee" under the Hawaii Employer-Union Health Benefits Trust Fund law.

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

Your Committee finds that this measure appears to be a housekeeping measure to align statutory language with current practices of the Hawaii Employer-Union Health Benefits Trust 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 S.B. No. 2701, 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 Luke and Saiki.

SCRep. 1117-12 Labor & Public Employment on S.B. No. 2671

The purpose of this measure is to improve the efficiency and effectiveness of the Hawaii Labor Relations Board by:

- (1) Clarifying that the Hawaii Labor Relations Board can appoint attorneys, paralegals, and other personnel to provide necessary legal services; and
- (2) Authorizing an attorney employed by the Hawaii Labor Relations Board on a part-time or contract basis to represent the Board in litigation, draft legal documents, and perform other necessary legal services.

The Department of Labor and Industrial Relations, Hawaii Labor Relations Board, University of Hawaii Professional Assembly, Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, ILWU Local 142, and United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this measure.

The Hawaii Labor Relations Board conducts hearings to decide complaints filed by public and private sector employees, employee organizations or unions, and employers alleging prohibited or unfair labor practices. Typically, these cases involve an employer or union's failure to bargain in good faith, an employer or union's interference with an employee's right to participate in or refrain from bargaining activities, or a union's failure to fairly represent its members in the negotiation of agreements or the pursuit of grievances. As labor issues grow in complexity, the assistance of the Board has become an increasing necessity. Unfortunately, like many other agencies within State government, the Board has encountered severe budget restraints over the last few budget cycles leading to a significant backlog in the number of cases presently before the Board. Your Committee finds that this measure will allow the Board to hire attorneys and paralegals to perform legal services to address this existing backlog of cases, as well as provide other necessary legal services to 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 S.B. No. 2671, 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 Luke and Saiki.

SCRep. 1118-12 Labor & Public Employment on S.B. No. 2749

The purpose of this measure is to make various housekeeping amendments to the Employees' Retirement System. Among other things, this measure:

- (1) Deletes erroneous references to water safety officers as Contributory Plan members of the Employees' Retirement System;
- (2) Applies the same benefit multiplier for service retirement benefits and ordinary disability benefits for Hybrid Plan members who became members of the Employees' Retirement System after June 30, 2012; and
- (3) Makes the service requirement for payment of the Hybrid Plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal after the member has terminated service.

The Board of Trustees of the Employees Retirement System testified in support of this measure. The Department of Budget and Finance testified in support of the intent of this measure.

Act 163, Session Laws of Hawaii 2011, enacted more stringent age and service requirements for retirement by members of the Employees' Retirement System who become members of the system after June 30, 2012. However, upon further review and consideration of the newly established and prospective requirements by the Employees' Retirement System, several technical errors and inconsistencies were discovered in that Act. This measure corrects typographical errors, harmonizes service retirement, ordinary disability retirement, and ordinary death benefits for members of the Employees' Retirement System who become members after June 30, 2012.

Your Committee notes that both the original version of this measure, and the companion House Bill to this measure, contained language that would restore parity between judges and other contributory plan members with respect to age and service requirements for retirement. If this language is not reinstated, your Committee has been informed that members of the system who become judges after June 30, 2012, will be subject to more stringent age and service requirements than other contributory plan members who become members at the same time as the judges. As such, your Committee has amended this measure by inserting language that restores the age and service retirement requirements for current members of the Employees' Retirement System who become judges after June 30, 2012, to the same age and service retirement requirements as other Contributory Plan members who became Employees' Retirement System members before July 1, 2012.

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. 2749, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2749, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1119-12 Consumer Protection & Commerce on S.B. No. 2761

The purpose of this bill is to establish a more flexible fee structure to reflect changes in the regulatory environment and the ongoing monitoring of the financial-services industry.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Financial Services Association opposed this measure.

Your Committee has amended this bill by:

- (1) Eliminating the authority of the Commissioner of Financial Institutions (Commissioner) to establish, increase, decrease, or repeal various fees by rule;
- (2) Modifying the amounts and scopes of various fees to be charged by the Commissioner;
- (3) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (4) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2761, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2761, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Luke, McKelvey and Thielen.
(Representative Ching voted no.)

SCRep. 1120-12 Consumer Protection & Commerce on S.B. No. 3062

The purpose of this measure is to enact the Life Settlements Model Act, which establishes consumer protections in life settlement transactions in which the owner of a life insurance policy transfers the death benefit in return for compensation that is more than its cash surrender value but less than its expected death benefit.

The American Council of Life Insurers, National Association of Insurance and Financial Advisors – Hawaii, and Prudential Financial supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The Office of Information Practices submitted comments.

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

- (1) Modifying the definition of "life insurance producer";
- (2) Modifying the licensing requirements for life settlements providers or brokers to specify that licenses are issued in accordance with article 9A of Chapter 431, Hawaii Revised Statutes (HRS), upon payment of fees in the amounts required under section 431:7-101, HRS;
- (3) Specifying that a business entity licensed to provide or broker life settlements must designate a duly licensed individual to be responsible for the actions of the entity and its agents;
- (4) Specifying that the Insurance Commissioner may issue provider or broker licenses as long as certain conditions are met;
- (5) Requiring each licensed nonresident broker or provider to appoint the Insurance Commissioner as its agent to receive service of legal process issued against the broker or provider in Hawaii upon causes of action arising within Hawaii;
- (6) Specifying that an individual licensed as a broker or provider or authorized to act on behalf of a licensee must complete biennially 15 hours of training related to life settlements and life settlement transactions, as required by the Insurance Commissioner;
- (7) Increasing the fees collected by the Insurance Commissioner to:
 - (A) \$1,200 per year for all services, including extension of the license, for a regularly licensed life settlement provider; and
 - (B) \$1,200 per year for all services, including extension of the license, for a regularly licensed life settlement broker; and
- (8) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3062, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3062, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Luke and McKelvey.

SCRep. 1121-12 Human Services on S.B. No. 2179

The purpose of this measure is to require the Department of Taxation to coordinate an outreach initiative to raise awareness of the federal earned income tax credit among eligible taxpayers. This measure also makes an unspecified appropriation for this purpose.

The Department of Human Services, the Office of Hawaiian Affairs, the Hawaii Alliance for Community Based Economic Development, the Hawaii State Democratic Women's Caucus, and several individuals from the Sovereign Councils of the Hawaiian Homelands Assembly supported this measure. The Tax Foundation of Hawaii commented on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2179, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1122-12 Human Services on S.B. No. 2591

The purpose of this measure is to facilitate the recognition of Children and Youth Day and Month by provisionally designating:

- (1) The Capitol area, including the area on and around its grounds, as the location for the Children and Youth events;
- (2) The first Sunday in October as the date for public events celebrating Children and Youth Day; and
- (3) The month of October for other Children and Youth public events.

Hawaii Youth Services Network supported this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in order to facilitate 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. 2591, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2591, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1123-12 Human Services on S.B. No. 2703

The purpose of this measure is to ensure that state child support enforcement laws comply with recently enacted federal laws by clarifying:

- (1) The requirement for new hire reporting to include the date on which services for remuneration were first performed by the employee as part of the information furnished by employers to the Hawaii Child Support Enforcement Agency of the Department of the Attorney General; and
- (2) That employers receiving notice of medical support have 20 business days after the notice date to transfer the notice to the appropriate plan providing health care coverage and are required to notify the Hawaii Child Support Enforcement Agency when employment is terminated.

The Department of the Attorney General supported this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2703, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1124-12 Human Services on S.B. No. 2796

The purpose of this measure is to make permanent the decreased death benefit amount for medical and financial assistance recipients that was implemented by Act 205, part II, Session Laws of Hawaii 2010.

This measure also clarifies that the Department of Human Services is responsible for payment of mortuary and crematory services for unclaimed dead human bodies only after reviewing and approving the efforts made to determine that the body is unclaimed.

The Department of Human Services testified in strong support 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 is in accord with the intent and purpose of S.B. No. 2796, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1125-12 Human Services on S.B. No. 2589

The purpose of this measure is to help former foster youth in obtaining appropriate medical assistance after they "age out" of foster care at 18 years of age. Specifically, this measure requires the Department of Human Services with federal approval to offer and provide medical assistance to former foster youth who:

- (1) Are younger than 24 years of age on July 1, 2012, younger than 25 years of age on January 1, 2013, and younger than 26 years of age on January 1, 2014;
- (2) Were under the State's care when they reached 18 years of age or such higher age as the State may elect pursuant to section 1902(a)(10)(A)(i)(IX) regarding the federal state plans for medical assistance of the Social Security Act;
- (3) Were enrolled in the Medicaid Program while in foster care; and
- (4) Have a household income of up to 300 percent of the federal poverty level for Hawaii.

Also, upon enrollment, the Department of Human Services must provide the former foster youth with written instructions for accessing medical care.

The Office of Hawaiian Affairs; Hawaii Youth Services Network; Family Programs Hawaii; Papa Ola Lokahi; Hawaii Youth Opportunities Initiative, EPIC Ohana, Inc.; and two concerned individuals supported the measure. The Department of Human Services offered comments on the measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2589, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1126-12 Human Services on S.B. No. 2808

The purpose of this measure is to ensure the uninterrupted provision of medically necessary services to participants in health care programs and timely payments to contracted health plans by making an emergency appropriation to cover the budget shortfall for health care payments.

Specifically, this bill appropriates the sum of \$11,881,157 in general revenues for fiscal year 2011-2012.

The Department of Human Services, Hawaii Medical Association, Healthcare Association of Hawaii, 'Ohana Health Plan, Hawaii Primary Care Association, and Papa Ola Lokahi testified in support of this measure.

Pursuant to the requirements set forth in Article VII, section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 197 (2012) to the Legislature, requested immediate consideration and passage of this bill, to address the budget shortfall in the Health Care Payments program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808 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, Hanohano, Ching and Pine.

SCRep. 1127-12 Economic Revitalization & Business on S.B. No. 2236

The purpose of this measure, as received by your Committee, is to specify that the Information Technology Steering Committee shall consist of 13 members. Specifically, the membership shall include four members to be selected by the Senate President, four members to be selected by the Speaker of the House of Representatives, and four members to be selected by the Chief Information Officer.

For the purposes of a public hearing on this bill, your Committee circulated a Proposed S.B. No. 2236, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the proposal, which authorizes the issuance of special purpose revenue bonds to assist ClearCom, Inc., or a partnership headed by ClearCom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure throughout the State. The Proposed Draft includes an effective date of July 1, 2112.

The Department of Business, Economic Development, and Tourism; ClearCom, Inc.; High Technology Development Corporation; and Referentia Systems, Inc., supported the Proposed Draft. Hawaiian Telcom offered comments on the Proposed Draft.

Your Committee has adopted the Proposed Draft with a technical amendment allowing for the issuance of bonds for a single project, multiple projects, a single-project party, or multiple-project parties.

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. 2236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2236, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1128-12 Economic Revitalization & Business on S.B. No. 2739

The purpose of this measure as received by your Committee is to authorize the Department of Business, Economic Development, and Tourism to establish fees to be charged to each agency submitting rules to the Small Business Regulatory Review Board and to require agencies to notify the board annually regarding any rules that should be amended or repealed.

For the purposes of a public hearing on this bill, your Committee circulated a proposed draft (Proposed S.B. No. 2739, S.D. 2, H.D. 1) and notified the public that it would be accepting testimony on the proposal, which authorizes the Small Business Regulatory Review Board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with its earlier determination or does not address the public's concerns.

The Association of Public Accountants and at least one individual testified in support of the proposed draft. The Department of Human Services, Department of Labor and Industrial Relations, and Department of Agriculture opposed the proposed draft. The Hawaii Housing Finance and Development Corporation and Department of Business, Economic Development, and Tourism offered comments on the proposed draft.

Your Committee notes that the word "may" is used, rather than "shall," with regard to the directive that another hearing be held on the proposed rule, thereby indicating that it is discretionary and not mandatory.

Your Committee has adopted the proposed draft with the following amendments:

- (1) Changing the effective date to July 1, 2012, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2739, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2739, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1129-12 Health on S.B. No. 2958

The purpose of this measure is to appropriate moneys to the Department of Health to implement a new bone marrow transplantation program in the State.

Healthcare Association of Hawaii and Hawaii Pacific Health testified in support of this measure. The Department of Health testified in support of the intent of the measure.

Your Committee has amended this measure by:

- (1) Specifying \$500,000 as the appropriation amount;
- (2) Specifying that the appropriation is for a grant pursuant to Chapter 42F, Hawaii Revised Statutes, for Kapiolani Medical Center for Women and Children to implement a peripheral blood stem cell/apheresis program;
- (3) Changing its effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1130-12 Health on S.B. No. 1168

The purpose of this measure is to prohibit the use of tobacco products by minors and authorize law enforcement officers to confiscate tobacco products used by minors.

The Department of Health, Let's Roll Hawaii, Hawaii Smokers Alliance, and many concerned individuals testified in support of this measure. The Coalition for a Tobacco-Free Hawaii supported the intent of this measure. The Honolulu Police Department and several individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1168, 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 Jordan, Ching and Pine.

SCRep. 1131-12 Health on S.B. No. 2103

The purpose of this measure is to clarify that licensed practical nurses and registered nurses are required to use reasonable judgment in carrying out the orders of a licensed physician assistant practicing with physician supervision and acting as an agent of the supervising physician.

The Representative of the 38th Representative District, Board of Nursing, Hawaii Medical Association, The Queen's Medical Center, Hawaii State Center for Nursing, Hawaii Academy of Physician Assistants, and several concerned individuals testified in support of this measure. The Hawaii Association of Professional Nurses and a concerned individual opposed this measure.

Your Committee has amended this measure 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 S.B. No. 2103, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2103, 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 Jordan, Ching and Pine.

SCRep. 1132-12 Health on S.B. No. 2344

The purpose of this measure is to appropriate funds to the Office of the Governor for operational expenses relating to the Hawaii Health Authority.

The nine-member Hawaii Health Authority, statutorily established in 2009, is responsible for overall health planning for the State; determining future capacity needs for health providers, facilities, equipment, and support services providers; and developing a comprehensive health plan for all individuals in the State.

The Hawaii Health Authority Board and an individual 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 is in accord with the intent and purpose of S.B. No. 2344, 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, Ching and Pine.

SCRep. 1133-12 Health on S.B. No. 2383

The purpose of this measure is to support health care services by extending to June 30, 2018, the authorization to issue special purpose revenue bonds to assist The Queen's Health Systems with the renovation and expansion of its health care facilities.

The Queen's Health Systems; Healthcare Association of Hawaii; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this measure. The Department of Budget and Finance commented on this measure.

Your Committee has amended this measure by:

- (1) Removing a provision that specified that the authorization to issue special purpose revenue bonds is not subject to the five-year bond authorization limitation of section 39A-37(a), Hawaii Revised Statutes; and
- (2) Changing its effective date to July 1, 2050, 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 S.B. No. 2383, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2383, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1134-12 Health on S.B. No. 2422

The purpose of this measure is to increase the excise tax on tobacco products, other than large cigars, to decrease the prevalence of tobacco consumption.

The Department of Health, the American Cancer Society, the American Lung Association in Hawaii, the Hawaii Chronic Obstructive Pulmonary Disease Coalition, and the Coalition for a Tobacco-Free Hawaii supported this measure. The American Heart Association supported the intent of this measure. The Hawaii Bar Owners Association; Hawaii Cigar Association; Hawaii Smokers Alliance; the Cigar Association of America, Inc.; and several individuals opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii 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 is in accord with the intent and purpose of S.B. No. 2422, 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 Jordan, Ching and Pine.

SCRep. 1135-12 Health on S.B. No. 2778

The purpose of this measure is to prevent childhood obesity by:

- (1) Establishing a childhood obesity prevention task force to develop and recommend legislation relating to the prevention of childhood obesity; and
- (2) Appropriating funds for the prevention of childhood obesity and the promotion of early childhood health.

The Governor, Department of Health, Office of Hawaiian Affairs, and Child & Family Service testified in support of this measure. American Beverage Association and American Heart Association testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting the legislative findings section;
- (2) Changing the dissolution date of the childhood obesity prevention task force to December 31, 2012;
- (3) Changing the specified uses of the appropriation by:
 - (A) Including training and technical assistance to childcare providers to promote exercise and nutrition best practices and the advantages of breastfeeding; and
 - (B) Deleting the establishment of the childhood obesity task force;
- (4) Changing its 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2778, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2778, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1136-12 Health on S.B. No. 2813

The purpose of this measure is to require that all monies received by the Disability and Communication Access Board, including all monies collected as application fees or fees for continuing education units for credentialing of interpreters, be placed into the Disability and Communication Access Board Special Fund to be expended to defray costs of administering the Disability and Communication Access Board.

The Disability and Communication Access Board supported the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2813, 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 Jordan, Ching and Pine.

SCRep. 1137-12 Health on S.B. No. 2827

The purpose of this measure is to expand the uses of the Trauma System Special Fund in supporting the development and operation of a comprehensive state trauma system, to include the costs to staff and operate the State's Injury Prevention Program.

The Department of Health, Office of the Prosecuting Attorney of the County of Hawaii, The Queen's Health Systems, Healthcare Association of Hawaii, Fall Prevention Consortium, Keiki Injury Prevention Coalition, Injury Prevention Advisory Committee, and several individuals 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 is in accord with the intent and purpose of S.B. No. 2827, 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 Jordan, Ching and Pine.

SCRep. 1138-12 Health on S.B. No. 2935

The purpose of this measure is to improve health care delivery and coordination in the State by:

- (1) Establishing a public-private partnership in a county with a population between 100,000 and 170,000, to research, develop, and implement a model of health care delivery that addresses coordination of care across a spectrum of care in a cost-effective manner;
- (2) Authorizing Hale Makua Health Services to become a membership corporation with the Hawaii Health Systems Corporation as its sole member, subject to certain conditions; and
- (3) Appropriating funds relating to implementation of the public-private partnership.

Hawaii Health Systems Corporation; Hale Makua Health Services; Maui Memorial Medical Center; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; several members of the Maui County Council; and several individuals testified in support of this measure. The Department of the Attorney General commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying the delegation of rights and duties of Hawaii Health Systems Corporation to the Maui Regional System Board of Directors;
- (2) Clarifying that Hale Makua Health Services's sole membership, non-profit corporation shall be exempt from the Hawaii Public Procurement Code and additional procurement requirements for purchases of health and human services, and its employees shall be exempt from requirements of the Civil Service Law, the Hawaii Employer-Union Health Benefits Trust Fund, pension and retirement systems, and collective bargaining in public employment; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2935, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2935, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1139-12 Transportation on S.B. No. 2871

The purpose of this measure is to promote highway safety by prohibiting a person from operating a commercial motor vehicle without a commercial driver's license in the driver's possession or while texting.

The Department of Transportation and Hawaii Transportation Association testified in support of this measure.

Commercial motor vehicle operators are governed by a number of transportation requirements and regulations that are more stringent than those faced by drivers of regular motor vehicles. This is due in part to the nature of the profession of driving a commercial motor vehicle since these drivers often operate vehicles that are much larger and more complex than an ordinary personal motor vehicle. Recent changes to Federal Motor Carrier Safety Regulations have made driving without a commercial driver's license in the possession of the driver and texting while driving a commercial motor vehicle, serious traffic violations. The State's failure to amend its own commercial motor vehicle laws to comply with these new federal regulations prior to October 28, 2013, could be devastating to Hawaii and could result in the loss of approximately \$5,500,000 of federal-aid highway funds (based on fiscal year 2011 funding) for the first year of non-compliance and \$10,900,000 per year thereafter.

However, your Committee finds that mobile electronic devices in general, not just texting, provide distractions for drivers of commercial motor vehicles and compromise highway safety. Accordingly, your Committee has amended this measure by deleting its contents and replacing them with language contained in H.B. No. 2609, H.D. 2. As amended, this measure continues to promote highway safety by:

- (1) Prohibiting a person from operating a commercial motor vehicle without a commercial driver's license in the driver's possession;
- (2) Prohibiting a person from operating a commercial motor vehicle while using a mobile electronic device, including for texting, but making an exception for "911" emergency communication;
- (3) Providing exemptions from the mobile electronic device prohibition for certain drivers engaged in job-related or licensed two-way radio communications;
- (4) Specifying penalties for a person who operates a commercial motor vehicle while using a mobile electronic device; and
- (5) Adding texting while driving to the definition of "serious traffic violation" under the commercial driver licensing law.

In addition, your Committee has further amended this measure by:

- (1) Clarifying that drivers using two-way radios while in the performance and scope of their work-related duties and who are operating motor carrier vehicles rather than fleet vehicles are exempt from the prohibition against using electronic devices;
- (2) Deleting the definition of "fleet vehicles";
- (3) Changing its effective date to January 7, 2059, to facilitate further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2871, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2871, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1140-12 Water, Land, & Ocean Resources on S.B. No. 2933

The purpose of this measure is to:

- (1) Require the Department of Land and Natural Resources to adopt and enforce stricter rules and regulations that protect ocean users; and
- (2) Appropriate moneys for swim zone buoys at Kamaole Beach on Maui.

Two individual members of the County Council of the County of Maui supported this measure. The Ocean Tourism Coalition, Kaanapali Kai Charters, and the Kaanapali Beach Resort Association supported this measure with amendments. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Permitting vessels holding a valid ocean recreation management area commercial use permit to use a state small boat harbor or boat launching ramp when unsafe wind and sea conditions prevent safe access to the shoreline through a designated ingress or egress zone;
- (2) Changing the source of appropriations for the installation of eight swim buoys at Kamaole beach to the Ocean-Based Recreation Fund;
- (3) Directing the Department of Land and Natural Resources to relocate the buoys in the waters off Kaanapali beach between Mala Wharf and Black Rock to waters beyond the lanes or area used by canoe paddlers;
- (4) Creating the West Maui Ocean Recreation Management Area Advisory Committee to advise the Department of Land and Natural Resources on issues related to the uses and maintenance of state waters within the West Maui Ocean Recreation Management Area, particularly within the waters adjacent to Kaanapali;
- (5) Requiring that the Department of Land and Natural Resources submit a report to the legislature before the regular session of 2013, regarding the findings and recommendations of the West Maui Ocean Recreation Management Area Advisory Committee; and
- (6) 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2933, 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, Coffman and Herkes.

SCRep. 1141-12 Judiciary on S.B. No. 2158

The purpose of this measure is to require law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed, including nights, weekends, and holidays, to facilitate the prompt release of the defendant from custody or imprisonment.

The Office of Hawaiian Affairs, Office of the Public Defender, Exodus Bail Bond, Da Kine Bail Bonds, Professional Bail Agents, and Wiki Wiki Bail Bonds, LLC testified in support of this measure. The Department of Public Safety testified in support of the intent of this measure. Two concerned individuals provided 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 is in accord with the intent and purpose of S.B. No. 2158 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, Coffman and Thielen.

SCRep. 1142-12 Judiciary on S.B. No. 1187

The purpose of this measure is to propose an amendment to article V, section 6, of the Hawaii State Constitution to provide for the election of the Attorney General.

IMUAlliance testified in support of this measure. The League of Women Voters of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1187, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1143-12 Judiciary on S.B. No. 2497

The purpose of this measure is to enact the Uniform Interstate Depositions and Discovery Act, which sets forth a procedure for litigants to depose out of state individuals and for the production of discoverable materials that may be located out of state.

The Commission to Promote Uniform Legislation 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. 2497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2497, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1144-12 Judiciary on S.B. No. 2737

The purpose of this measure is to amend the State's Sunshine Law to allow board and commission meetings to be conducted by any form of interactive conference technology that permits interaction by audio, or audio and visual means, provided that:

- (1) All members of the board and the public are able to interact with each other at least by audio communications;
- (2) The public is given notice of all the locations at which board members will be participating in the meeting and that the public may join members to participate in the meeting at those locations; and
- (3) An agenda item shall not be considered if any meeting location is connected by audio-only technology and copies of visual aids brought or required to consider that item are not available at all meeting locations within 15 minutes after audio-only technology is used.

The Department of the Attorney General; Office of Information Practices; Department of Business, Economic Development, and Tourism; Disability and Communication Access Board; Department of Planning and Permitting of the City and County of Honolulu; Americans for Democratic Action/Hawaii; and one individual testified in support of this measure. The Chamber of Commerce of Hawaii testified in support of the intent of this measure. The High Technology Development Corporation testified in support with amendments to this measure.

Your Committee has amended this measure by:

- (1) Clarifying that only public locations shall be identified for notice and public participation purposes;
- (2) Changing the effective date to July 1, 2012; 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. 2737, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2737, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1145-12 Judiciary on S.B. No. 2052

The purpose of this measure is to permit the mailing of absentee ballots by the chief election officer or county clerk to all registered voters residing in areas of less than 500 voters in lieu of operating polling places for voters in those areas.

The Office of Elections, Office of the County Clerk of the County of Maui, Office of the County Clerk of the County of Kauai, Office of the County Clerk of the County of Hawaii, and League of Women Voters of Hawaii testified in support of this measure.

Your Committee has amended this bill by:

- (1) Making the bill effective upon its approval; and
- (2) Making a technical, nonsubstantive amendment 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. 2052, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2052, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1146-12 Judiciary on S.B. No. 2502

The purpose of this measure is to eliminate the use of certain lethal methods for the control of animals by:

- (1) Requiring dogs or cats that are captured or killed in a snare or trap to be reported to a county animal control officer;
- (2) Establishing an animal cruelty offense for the use of steel-jawed leg-hold traps or the use of snares, conibear, and foot- or leg-hold traps in residential or other prohibited areas; and
- (3) Providing exemptions for activities carried out by state or federal agencies.

The Department of Land and Natural Resources, Humane Society of the United States, Hawaiian Humane Society, Hawaii Island Humane Society, The Nature Conservancy, Born Free USA, CatFriends, and numerous individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2502, 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, Coffman and Thielen.

SCRep. 1147-12 Judiciary on S.B. No. 2648

The purpose of this measure is to provide additional scholarship opportunities for students seeking higher education by authorizing campaign funds to be used to award scholarships to full-time students attending an institution of higher education or a vocational education school in a program leading to a degree, certificate, or other recognized educational credential.

The League of Women Voters of Hawaii, Americans for Democratic Action Hawaii, and Common Cause Hawaii testified in opposition to this measure. The Campaign Spending Commission and Office of Hawaiian Affairs provided 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2648, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1148-12 Economic Revitalization & Business on S.B. No. 2582

The purpose of this measure is to help stimulate economic growth in the State by:

- (1) Authorizing the chief procurement officer to establish the goal of awarding at least three percent of the State's annual purchasing expenditures to veteran-owned businesses;
- (2) Establishing graduated price preferences for bids and proposals submitted to procuring agencies by Hawaii small businesses, veteran-owned businesses, and service-disabled veteran-owned businesses; and
- (3) Adding three new definitions to the Hawaii Public Procurement Code relating to assistance for small businesses regarding veterans, service-disabled veterans, and small businesses.

The National Association of Veteran-Owned Business Association testified in support of this measure. The Hawaii Procurement Institute testified in support of the intent of this measure. The State Procurement Office and Department of Accounting and General Services testified in opposition to this measure. The General Contractors Association provided 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 is in accord with the intent and purpose of S.B. No. 2582, 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 Awana, Brower, Nishimoto, Marumoto and Pine.

SCRep. 1149-12 Economic Revitalization & Business on S.B. No. 2780

The purpose of this measure is to appropriate moneys for the business and technology transformation initiative, including by authorizing the issuance of general obligation bonds to develop and implement an integrated financial and human resource management system for the State.

The Office of the Governor, Office of Information Management and Technology, and Hawai'i Innovation Alliance testified in support of this measure.

Your Committee has amended this measure by:

- (1) Requiring that the Office of Information Management and Technology submit a report regarding the use of appropriated funds to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013;
- (2) Inserting the contents of H.B. No. 2712, Regular Session of 2012, to require state departments to attempt to sell or donate used office technology and equipment to schools, school districts, nonprofit organizations, or salvage businesses before disposal;
- (3) Changing the effective date to July 1, 2012, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2780, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1150-12 Agriculture on S.B. No. 2354

The purpose of this measure is to deter theft of agricultural commodities by:

- (1) Specifying ownership verification requirements for sales of agricultural commodities; and
- (2) Strengthening criminal penalties for the failure to maintain a certification of ownership or other written proof of ownership of agricultural commodities.

Hawaii Farm Bureau Federation; Hawaii Aquaculture and Aquaponics Association; Haliimaile Pineapple Company; Hawaii Cattlemen's Council; W.H. Shipman, Limited; and an individual testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. An individual testified in opposition to this measure.

Your Committee has amended this measure by:

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

Your Committee respectfully requests that the Committee on Judiciary, in its deliberations on this measure, further consider:

- (1) The perspectives and forthcoming input of various law enforcement agencies;
- (2) The advisability of requiring a seller to pay by check only; and
- (3) The advisability of allowing farmers to sell their own products without an ownership and movement certificate.

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. 2354, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2354, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1151-12 Judiciary on S.B. No. 2859

The purpose of this measure is to improve government efficiency by providing additional tools for state board and commission members and the public to receive and access information. Specifically, this measure:

- (1) Allows board and commission members to hear public testimony and presentations on items listed on an agenda during a scheduled meeting even if that meeting must be cancelled due to lack of quorum or terminated for technical malfunction, with certain limitations, including deferral of deliberation and decision making to a subsequent and properly-noticed meeting;
- (2) Allows less than a quorum of board and commission members to attend informational meetings or presentations on matters related to official board business, with certain limitations;
- (3) Allows less than a quorum of board and commission members to discuss official board business via social media; provided that the discussion is continuously accessible for public viewing and participation and meets other requirements; and
- (4) Clarifies that written public notice in addition to that already required by existing statutes shall not be required for emergency meetings.

The Department of Human Resources Development; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Office of Information Practices; Department of Planning and Permitting of the City and County of Honolulu; seven individual members of the County Council of the County of Maui; Hawaii Strategic Development Corporation; and High Technology Development Corporation supported this measure. The Office of Hawaiian Affairs and Americans of Democratic Action- Hawaii supported this measure with amendments. The Office of the County Attorney of the County of Kauai, Common Cause Hawaii, and the League of Women Voters of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the board give written public notice of any emergency meeting when anticipated in advance; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2859, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Coffman, Herkes, Ito, Luke and McKelvey.

SCRep. 1152-12 Water, Land, & Ocean Resources on S.B. No. 2742

The purpose of this measure is to change the composition of the Hawaii Community Development Authority Board to nine voting members for each community development district and allow for certain members to designate a voting representative if they are unable to attend a meeting.

The Department of Planning and Permitting of the City and County of Honolulu and an individual supported this measure. The Hawaii Community Development Authority supported the intent of this measure.

Your Committee has amended this measure by requiring that:

- (1) Of the members appointed to the Hawaii Community Development Authority Board representing the Kalaeloa Community Development District, two members be residents of the Kalaeloa Community Development District, the Ewa zone, or the Waianae zone; and
- (2) One member appointed pursuant to the requirement in (1) be appointed from a list of not less than three prospective appointees submitted by the Mayor of the City and County of Honolulu.

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. 2742, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2742, 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 and Nakashima.

SCRep. 1153-12 Labor & Public Employment/Economic Revitalization & Business on S.B. No. 2220

The purpose of this measure is to improve public safety by, among other things:

- (1) Establishing fee schedules for inspections, permits, and examinations of boilers, pressure systems, elevators, and kindred equipment, and amusement rides to provide operating funds for the Department of Labor and Industrial Relations Boiler and Elevator Inspection Branch;
- (2) Establishing the Boiler and Elevator Special Fund for the deposit of fees charged and collected under paragraph (1);
- (3) Appropriating an unspecified amount of monies out of the general fund to be deposited into the Boiler and Elevator Special Fund as start up funds to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained; and
- (4) Appropriating an unspecified amount of monies out of the Boiler and Elevator Special Fund to fully staff the Boiler and Elevator Inspection Branch and maintain timely inspections and safety tests.

The Department of Labor and Industrial Relations; Department of Human Resources Development; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; ILWU Local 142; Hawaii Laborers' Union; International Union of Elevator Constructors, Local 126; National Elevator Industry, Inc; Pacific Resource Partnership; Mitsubishi Electric & Electronics USA, Inc., Elevator/Escalator Division; Hawai'i Chapter of the International Facility Management Association; General Contractors Association of Hawaii; Building Owners and Managers Association of Hawaii; Schindler Elevator Company; Facilities and Building Management Manager of Queens Medical Hospital; and two concerned individuals testified in support of this measure.

The Boiler and Elevator Inspection Branch has the responsibility and duty to periodically inspect, and issue permits and certificates for, boilers, pressure systems, amusement rides, and elevators and kindred equipment. Unfortunately, due to the recent economic downturn that resulted in budget and staffing cuts, a backlog of inspections has occurred. According to the Department of Labor and Industrial Relations, approximately 75 percent of elevators and 50 percent of boilers in Hawaii are operating without a current operating permit because of this backlog. Your Committees find that the resulting backlog has also caused delays in issuing elevator permits for new construction projects which can result in project delays and hinder Hawaii's economic recovery.

Establishing fee schedules and a Boiler and Elevator Special Fund provides a mechanism for the self-sufficiency of the Boiler and Elevator Inspection Branch and is a long term approach to reducing the inspections backlog and will allow for more timely inspections in the future. However, your Committees note that according to the Department of Labor and Industrial Relations, the language contained in House Bill No. 2575, H.D. 1, passed by the Committee on Labor & Public Employment during the Regular Session of 2012, accomplishes this task in a slightly more efficient manner. Accordingly, your Committees have amended this measure by deleting its contents and replacing it with language contained in House Bill No. 2575 H.D. 1, which is substantially similar in nature. As amended, this measure continues to improve public safety by establishing the Boiler and Elevator Special Fund and the fees for permits, inspections, and examinations of various types of equipment.

Additionally, the amended measure:

- (1) Removes amusement rides from the fee schedule applicable to elevators and kindred equipment and makes a separate fee schedule for amusement rides;
- (2) Authorizes the establishment of ten additional permanent positions in the Department of Labor and Industrial Relations Boiler and Elevator Inspection Branch;
- (3) Requires the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the status of the elevator and boiler inspection backlog no later than 20 days prior to the convening of each regular session, commencing with the Regular Session of 2013;
- (4) Appropriates \$1,000,000 out of the general fund to be deposited into the Boiler and Elevator Special Fund as start up funds to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained and requires the Department of Labor and Industrial Relations to pay back the \$1,000,000 within five years of the effective date of this measure; and
- (5) Appropriates \$2,900,000 out of the Boiler and Elevator Special Fund to fully staff the Boiler and Elevator Inspection Branch and maintain timely inspections and safety tests.

Your Committees have further amended this measure by:

- (1) Changing its effective date to upon approval but providing that the fee schedule and appropriation amounts sections take effect on July 1, 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 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. 2220, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1154-12 Economic Revitalization & Business/Tourism on S.B. No. 3050

The purpose of this measure is to further the development of the State's film, television, digital, and new media development industries by partnering these industries with the State's tourism industry. Specifically, this measure:

- (1) Assigns to the Hawaii Tourism Authority the responsibilities for film, television, digital, and new media development;
- (2) Repeals the film industry activities of the Department of Business, Economic Development, and Tourism; and
- (3) Requires the Hawaii Tourism Authority to restructure the debt service for state obligations related to the Hawaii Convention Center and fund the implementation of the film, television, digital, and new media development activities for fiscal year 2012-2013 and fiscal year 2013-2014 from the savings from any debt restructuring.

The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Hawaii Film and Entertainment Board, Screen Actors Guild, International Alliance of Theatrical Stage Employees Mixed Local 665, American Federation of Musicians Local 677, and Hawaii Teamsters Local 996 opposed this measure. The Department of Budget and Finance, Department of Human Resources Development, and Tax Foundation of Hawaii offered comments.

Your Committees have amended this measure by replacing its contents with the substance of H.B. No. 2338, H.D. 2, which authorizes the Department of Land and Natural Resources to lease public land for purposes of developing creative media production and post-production facilities by negotiation and without recourse to public auction. Your Committees have further amended this measure by changing its effective date to July 1, 2112, to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3050, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3050, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Tokioka and Ching.

SCRep. 1155-12 Education/Labor & Public Employment on S.B. No. 2789

The purpose of this measure is to improve the public education system by requiring the Department of Education to, among other things:

- (1) Include additional specified performance indicators in the annual statewide assessment program required under Act 51, Session Laws of Hawaii 2004;
- (2) Include an evaluation of effectiveness for teachers in the accountability system required under Act 51, Session Laws of Hawaii 2004; and
- (3) Establish annual performance ratings, using at least four performance levels, based on an evaluation of individual educator effectiveness.

This measure also requires collective bargaining contracts negotiated beginning with the contract period beginning July 1, 2013, to allow the vesting of tenure for teachers only upon the completion of three years of service with the Department of Education.

The Governor, Department of Education, University of Hawaii System, Harold K. L. Castle Foundation, Hui for Excellence in Education, Hawaii Business Roundtable, Kaneohe Ranch, and a concerned individual supported this bill. The Chamber of Commerce of Hawaii and Hawai'i Educational Policy Center supported the intent of this measure. IMUAlliance supported this bill with amendments. The Hawaii State Teachers Association and several concerned individuals opposed this measure. The Office of Hawaiian Affairs and National Governors Association provided comments.

Your Committees have amended this measure by:

- (1) Amending the purpose section and adding additional purpose language to more accurately reflect the purpose and changes made in the bill;
- (2) Deleting language placed in Chapter 89, Hawaii Revised Statutes, requiring that teachers be employed by the Department of Education for three years before being eligible for tenure;
- (3) Repealing the requirement that an evaluation of student safety and well-being, civic responsibility, and stakeholder satisfaction be included in the Department of Education's system of educational accountability;
- (4) Repealing the requirement that the Department of Education include an evaluation of principal effectiveness in supporting student academic achievement, safety and well-being, and civic responsibility; the satisfaction of stakeholders; and fiscal accountability in its system of educational accountability;
- (5) Repealing the requirement that complex area superintendents be evaluated;
- (6) Deleting the requirement that the annual rating differentiate at least four performance levels as determined by the Department of Education;
- (7) Requiring the Department of Education to include a consistent performance management program, including an evaluation component for teachers and educational officers in its system of educational accountability;
- (8) Requiring the Department of Education to define evaluation criteria for its performance management program and assign responsibility for the application of the criteria, including training for the evaluators;
- (9) Requiring the Department of Education to identify uses for evaluation results;
- (10) Requiring that the evaluation result in an annual rating of each employee's performance, be conducted at least once in each school year, and be on the basis of professional practice and contribution to student learning and growth;
- (11) Requiring that contribution to student learning and growth be determined through the use of multiple measures, not be based on a single standardized test score, and be included as a significant factor toward the annual rating;
- (12) Requiring the Board of Education to determine evaluation categories, ratings, and labels for the performance management program;
- (13) Permitting the Board of Education to establish evaluation rating categories equivalent to those used in Chapter 302A, Hawaii Revised Statutes, including "exemplary" and "satisfactory";
- (14) Removing the requirement that the Department of Education report to the Legislature prior to the 2012 regular Legislative session;
- (15) Requiring the evaluation of principals to be implemented no later than December 31, 2012;
- (16) Inserting language in Chapter 302A, Hawaii Revised Statutes, requiring that all teachers entering the service of the Department of Education for the first time serve a probationary period of three years, with an extension to a total of five years, with specified conditions; and
- (17) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2789, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2789, 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, Cullen, Souki and Wooley.

SCRep. 1156-12 Transportation/Energy & Environmental Protection on S.B. No. 3010

The purpose of this measure is to ensure public safety and to expedite the rehabilitation and replacement of state-owned bridges by providing the Department of Transportation, and any of the Department's contractors, with temporary exemptions from certain state requirements.

The General Contractors Association of Hawaii testified in support of this measure. The Department of Transportation testified in support of the intent of this measure. The Office of Planning of the Department of Business, Economic Development, and Tourism, Department of Health, Office of Environmental Quality Control, Maui County Planning Department, Historic Hawaii Foundation, Sierra Club-Hawaii Chapter, The Rama Exhibition, Chair of the Legislative Committee of the Society for Hawaiian Archaeology, Office of Hawaiian Affairs, and numerous individuals testified in opposition to this measure. The Department of Land and Natural Resources provided comments.

The Department of Transportation is charged with the implementation of the bridge rehabilitation and replacement program. According to the Department, there are currently 756 state-owned bridges, of which 256 are functionally obsolete and 39 are structurally deficient. The Department also noted that at the current rate of rehabilitation and replacement of one to three bridges per year, it will take well over 50 years to address all the deficient bridges statewide. Meanwhile, other bridges that are not currently deficient will gradually deteriorate. According to the Department, some of the delay in bridge rehabilitation and replacement is caused by duplicative reviews conducted under both federal and state requirements, including environmental requirements, and this delay can be minimized by exempting certain projects from these requirements.

While your Committees understand the concerns raised by the environmental community that providing a blanket exemption to the Department of Transportation from certain state requirements may have unintended consequences, your Committees find that restricting the exemptions to the ten bridges contained in this measure that are either functionally obsolete or structurally deficient and are currently in the design phase for rehabilitation or replacement is a sufficient safeguard. Moreover, your Committees note that the Department of Transportation has stated that it will still need to meet federal environmental requirements for these projects.

Lastly, your Committees find that the process for rehabilitation and replacement of many of these bridges needs to be expedited to ensure public safety.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3010, 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, Herkes, Ito, Luke and Takumi.
(Representatives Fontaine, Riviere and Thielen voted no.)

SCRep. 1157-12 Transportation on S.B. No. 2872

The purpose of this measure is to allow any utility owner whose facility occupies a state highway right-of-way to provide its share of costs up front to the affected state agency for encumbrance of funds in related contracts by way of an agreement to pay.

The Department of Transportation testified in support of this measure.

Your Committee finds that when construction of a state or county highway results in the removal, relocation, replacement, or reconstruction of private utility facilities at an expense exceeding \$10,000, section 264-33, Hawaii Revised Statutes (HRS), requires the excess cost to be shared, half by the government, and half by the utility.

However, according to the Department of Transportation, under Chapter 103D-309, HRS, this cost sharing is only applicable to contracts entered into under section 264-33, HRS, which does not allow for cost sharing for certain types of utility work. In order to provide for cost sharing to also apply to utility work such as undergrounding and installation of new utility facilities, which does not fall under section 264-33, HRS, section 103D-309(c), HRS, must be amended to delete this limitation.

Your Committee finds that this measure is intended to address a long-standing challenge for the Department of Transportation to complete projects involving all types of utility work, including undergrounding and new facilities.

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. 2872 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cullen, M. Lee and Luke.

SCRep. 1158-12 Transportation on S.B. No. 2946

The purpose of this measure is to aid the State in addressing its current fiscal situation while assisting the Department of Transportation with addressing state highway transportation infrastructure and state airport infrastructure needs by:

- (1) Extending the increase in the rental motor vehicle surcharge tax made by Act 104, Session Laws of Hawaii 2011, for an additional three years;
- (2) Extending the deposit of \$4.50 per day of rental motor vehicle tax revenue into the general fund for an additional three years;

- (3) Extending the suspension of the \$4.50 per day rental motor vehicle customer facility charge for an additional three years; and
- (4) Authorizing the issuance of \$500,000,000 in airport revenue bonds for airport capital improvement program projects.

The Department of Transportation and Department of Budget and Finance testified in support of the intent of this measure. EAN Holdings, LLC, operating Enterprise Rental Car, Alamo Rent-A-Car, and National Car Rental in Hawaii, Avis Budget Group, and The Hertz Corporation testified in opposition to this measure. The Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii provided comments.

In 2011, with the State facing some of the most difficult economic conditions it has ever experienced, the Legislature was forced to search for additional sources of revenue. Temporarily increasing the motor vehicle rental surcharge tax to \$7.50 per day and depositing \$4.50 of that increase into the general fund was expected to generate approximately \$60,000,000 in general fund revenues and was deemed necessary in assisting the State in addressing its fiscal needs. In an attempt to reduce the impact this increase would have on the rental car industry, the \$4.50 rental motor vehicle customer facility charge authorized by the Legislature in 2008, which was to be used for much needed improvements to the many facilities located at Hawaii's airports that serve rental car customers, was suspended for one year.

While Hawaii's economic outlook appears brighter, the recovery is occurring at a slower than anticipated pace and according to the Department of Budget and Finance, Hawaii's projected revenue deficit could reach \$313,000,000 by fiscal year 2016. Extending the increase of the rental motor vehicle surcharge tax and depositing a portion of these funds into the general fund will provide the State with an option in balancing its general fund financial plan.

Hawaii's public airports also require much needed repairs and maintenance as well as modernization upgrades to improve the overall airport experience. The issuance of \$500,000,000 in airport revenue bonds for various airport capital improvement program projects would go a long way to accomplishing this goal. However, your Committee was notified by both the Attorney General and the Department of Transportation that the bill, as currently written, uses airport revenues that are subject to certain prohibitive restrictions and that, after discussions were held with Federal Aviation Administration officials, it was determined that uses of these airport revenues would be prohibited.

Your Committee has amended this measure by:

- (1) Extending for an additional year, the increase in the rental motor vehicle surcharge tax and the suspension of the \$4.50 per day rental motor vehicle customer facility charge, i.e., until June 30, 2016;
- (2) Requiring the Department of Transportation to allocate and transmit the rental motor vehicle surcharge taxes assessed and collected pursuant to section 251-2(a), Hawaii Revised Statutes, to the Director of Finance for deposit into the state treasury as follows:
 - (A) In each of fiscal years 2012-2013 and 2013-2014:
 - (i) An amount equal to \$3 per day per rental transaction shall be deposited into the State Highway Fund;
 - (ii) \$10,000,000 shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund established pursuant to section 261-5.6;
 - (iii) \$50,000,000 shall be deposited into the general fund; and
 - (iv) The remainder shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
 - (B) In each of fiscal years 2014-2015 and 2015-2016:
 - (i) An amount equal to \$3 per day per rental transaction shall be deposited into the State Highway Fund;
 - (ii) \$30,000,000 shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund;
 - (iii) \$30,000,000 shall be deposited into the general fund; and
 - (iv) The remainder shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund;
- (3) Authorizing the issuance of \$500,000,000 in rental motor vehicle customer facility revenue bonds for the enhancement and renovation of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities, rather than authorizing the issuance of airport revenue bonds for airport capital improvement program 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2946, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cullen, M. Lee and Luke.

SCRep. 1159-12 Water, Land, & Ocean Resources on S.B. No. 2378

The purpose of this measure is to focus conservation efforts under the legacy lands program. Specifically, this measure:

- (1) Requires nonprofit land conservation organizations to provide a conservation easement, deed restriction, or covenant as a condition of public funding;

- (2) Requires, as a condition of public funding, that the Board of Land and Natural Resources be made a full or partial owner of any conservation land provided by a state or county agency or nonprofit land conservation organization;
- (3) Allows the Board of Land and Natural Resources to grant exemptions from the easement requirements; and
- (4) Requires applicants to demonstrate the project's public benefit and to consult with the staff of the Department of Land and Natural Resources, Department of Agriculture, the Agribusiness Development Corporation, and the Public Land Development Corporation.

The Department of Land and Natural Resources supported this measure. The Agribusiness Development Corporation supported the intent of this measure. The Office of Hawaiian Affairs, The Trust for Public Land, and The Nature Conservancy of Hawaii commented on 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. 2378, 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, Herkes and Nakashima.

SCRep. 1160-12 Water, Land, & Ocean Resources on S.B. No. 3001

The purpose of this measure is to prohibit the interisland transportation of wild or feral mammals.

The Department of Land and Natural Resources and Coordinating Group on Alien Pest Species testified in support of this measure. Lani's Cattle Company and Goats offered comments.

Your Committee has amended this measure by:

- (1) Limiting the prohibition of interisland transportation only to wild or feral deer;
- (2) Specifying that for purposes of this measure, a deer that has been captured shall no longer be considered feral; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3001, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3001, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1161-12 Water, Land, & Ocean Resources on S.B. No. 2857

The purpose of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners in bringing their facilities up to current safety standards.

The Department of Land and Natural Resources; Department of Budget and Finance; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; Land Use Research Foundation of Hawaii; and Monsanto Hawaii supported the measure.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 2595, H.D. 2 (2012), a similar measure, with the following amendments:

- (1) Amending the definition of "CUSIP identification numbers" to mean the numbering system adopted by the Committee on Uniform Security Identification Procedures owned by the American Bankers Association and operated by Standard and Poor's; and
- (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. 2857, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2857, 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, Coffman and Herkes.

SCRep. 1162-12 Water, Land, & Ocean Resources on S.B. No. 2850

The purpose of this measure is to shorten the length of time within which a vessel owner can immediately remove a vessel that is grounded on a coral reef or is in imminent danger of breaking up, or the Department of Land and Natural Resources will be able to assume control of and remove the vessel.

The Department of Land and Natural Resources, Ocean Tourism Coalition, and an individual testified in support of this measure.

Your Committee has amended this measure by permitting the Department of Land and Natural Resources to assume control of any vessel that is grounded on coral reef or in imminent danger of breaking up, which the owner cannot immediately remove within 24 hours provided that the Department shows that it assumed control no less than 24 hours upon providing notice to the vessel owner or the owner's representative.

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. 2850, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2850, 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 and Nakashima.

SCRep. 1163-12 Human Services on S.B. No. 2221

The purpose of this measure is to amend the offense of promoting child pornography in the second degree to include possession of 30 or more images of child pornography, where the content of at least one image contains a minor younger than the age of 12, sadomasochistic abuse of a minor, or bestiality involving a minor.

An individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2221, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1164-12 Human Services on S.B. No. 2222

The purpose of this measure is to address the problem of "sexting", which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cell phone or other form of electronic communication, by prohibiting:

- (1) Adults from soliciting minors to electronically transmit nude images of minors;
- (2) Minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so; and
- (3) A person from possessing a nude image transmitted by a minor, but making it an affirmative defense that the recipient made reasonable efforts to destroy the transmitted nude image.

The Department of the Attorney General testified in support of this measure. The American Civil Liberties Union testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1165-12 Human Services on S.B. No. 2592

The purpose of this measure is to establish a Universal Children's Savings Account Program within the Department of Budget and Finance to:

- (1) Encourage children who were born in Hawaii or reside in Hawaii to save money; and
- (2) Promote and educate eligible children and their families on the importance of developing a savings account.

This measure also establishes the Universal Children's Savings Account Trust Fund and appropriates funds for deposit into the trust fund.

A concerned individual testified in support of this measure. The Department of Budget and Finance supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 2, 2050, to facilitate further discussion; and
- (2) Making a technical, nonsubstantive amendment 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. 2592, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2592, 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. 1166-12 Human Services on S.B. No. 2178

The purpose of this measure is to require the Department of Human Services to:

- (1) Conduct a study to evaluate the current asset limits for public assistance programs, such as the supplemental nutritional assistance program, temporary assistance for needy families program, temporary assistance for other needy families program, and the Med-QUEST program, and assess the effects of changing the asset limits on those programs; and
- (2) Report its findings and recommendations, including any proposed legislation, to the Legislature before the 2013 regular session.

The Department of Human Services, Office of Hawaiian Affairs, Hawaii Alliance for Community Based Economic Development, and a concerned individual supported the measure.

Your Committee has amended this measure by:

- (1) Adding a new part that makes appropriations to the Department of Human Services to maintain levels of programs determined to be essential to public welfare;

Specifically, those appropriations are for:

- (A) Blueprint for Change for neighborhood place walk-in centers;
 - (B) Hawaii Primary Care Association for the Hawaii Immigrant Health Initiative Program provided at federally qualified health centers;
 - (C) Youth Service Centers;
 - (D) Hale Mahaolu for personal care services;
 - (E) Shelter Plus Care Program;
 - (F) Hawaii Primary Care Association for adult dental care provided at federally qualified health centers;
 - (G) Maui Community College, University of Hawaii, for the adult dental care program;
 - (H) Outstationed eligibility worker services provided at federally qualified health centers;
 - (I) Hawaii Primary Care Association for outreach services provided at federally qualified health centers;
 - (J) Hawaii Primary Care Association for outreach services to locate uninsured children for services at federally qualified health centers;
 - (K) Adult Friends for Youth for youth gang prevention and intervention programs;
 - (L) Child care subsidies;
 - (M) Hawaii Centers for Independent Living for statewide independent living services;
 - (N) Office of Youth Services for a youth gang response system;
 - (O) United Peer Learning Integrated New Knowledge Program for statewide non-school hour programs;
 - (P) Partners in Development Foundation;
 - (Q) People Attentive to Children for the Preschool Open Doors Program; and
 - (R) The Children's Alliance of Hawaii, Inc., to provide child sex assault 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2178, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2178, 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. 1167-12 Human Services on S.B. No. 2060

The purpose of this measure is to allow the family courts, under certain conditions, to require the accused in a criminal matter to transport to any court proceeding, any material witness if the witness is a minor, elderly person, or incapacitated person who resides with or is under the custody of the accused.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support 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 is in accord with the intent and purpose of S.B. No. 2060, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1168-12 Human Services/Health on S.B. No. 2092

The purpose of this measure is to ensure that qualified patients waitlisted for long-term care are granted presumptive medicaid eligibility so they may receive appropriate medical care. Specifically, this measure:

- (1) Requires the Department of Human Services to provide medicaid presumptive eligibility to patients who have been waitlisted for long-term care provided that the patients meet certain financial and medical criteria consistent with medicaid requirements;
- (2) Allows the Department of Human Services, if the waitlisted patient is later determined to be ineligible for medicaid after receiving services during the period of presumptive eligibility, to disenroll the patient and reimburse the provider or the plan for services provided during the time that the waitlisted patient was enrolled; and
- (3) Appropriates funds for reimbursements for services provided during the period of presumptive eligibility if a patient is later disenrolled due to a determination of ineligibility.

The Hawaii Disability Rights Center, Hawaii Health Systems Corporation, Kaiser Permanente Hawaii, The Queen's Health Systems, Healthcare Association of Hawaii, The Chamber of Commerce of Hawaii, and a concerned individual supported the measure. The Department of Human Services opposed the measure.

Your Committees have amended this measure by changing its effective date to July 2, 2050, to promote 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2092, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2092, 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 Ching.

SCRep. 1169-12 Human Services/Health on S.B. No. 2093

The purpose of this measure is to equalize medicaid and its contracted health plans reimbursement rates to:

- (1) Acute care hospitals for patients occupying acute care licensed beds who are on a waitlist for long-term care; and
- (2) Long-term care facilities with beds for patients with medically complex conditions who, prior to admission to the facility, were receiving acute care services at an acute care hospital.

This measure also makes an unspecified appropriation for increased medicaid reimbursements.

The Hawaii Disability Rights Center, Kaiser Permanente Hawaii, The Queen's Health Systems, Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii supported the measure. The Department of Human Services opposed the measure.

Your Committees have amended this measure by changing its effective date to July 2, 2050, to promote 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 S.B. No. 2093, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2093, 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 Ching.

SCRep. 1170-12 Human Services/Health on S.B. No. 2120

The purpose of this measure is to increase payments for physician services for medicaid-eligible persons, including fee-for-service and QUEST physician services, and the QUEST expanded care program.

Specifically, this measure:

- (1) Appropriates an unspecified amount of funds for the 2012-2013 fiscal year to the Department of Human Services to increase payments for physician services to medicaid-eligible persons, including fee-for-service and QUEST-eligible individuals, and the QUEST expanded care program; and
- (2) Requires the Department of Human Services to include in its budget request for each year of the 2013-2015 fiscal biennium a sum at least equal to the sum appropriated for fiscal year 2012-2013, in addition to its baseline medicaid request.

The Hawaii Medical Association supported the measure with amendments. The Department of Human Services opposed the measure.

Your Committees have amended this measure by:

- (1) Adding preamble language that explains the background and impact of the Affordable Care Act and also revises the purpose of the bill, which is to increase the payment for primary care physician services provided to children and pregnant women covered under the Children's Health Insurance Program to be equal to such reimbursement provided to Medicaid recipients;
- (2) Appropriating an unspecified amount of funds for the 2012-2013 fiscal year to the Department of Human Services to increase payments for primary care services provided by primary care physicians for the care of children and pregnant women who are enrolled in the Children's Health Insurance Program;
- (3) Specifying that the funds must be equitably distributed among the fee-for-service, QUEST and QUEST Expanded Access health plans based on enrollment of Children's Health Insurance Program recipients, so that payment for these physician services can be increased;
- (4) Requiring the Department of Human Services to include in its budget request for each year of the 2013-2015 fiscal biennium an additional baseline request that allows for increased moneys to be paid out for the primary care services provided by primary care physicians to Children's Health Insurance Program recipients; and
- (5) Changing its effective date to July 2, 2050, to promote 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 S.B. No. 2120, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2120, 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. 1171-12 Human Services/Health on S.B. No. 2435

The purpose of this measure is to appropriate funds to the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to contract for a telephone-based audible information access service.

The Department of Human Services and a concerned individual testified in support of this measure.

Your Committees note that a testifier advocating for the Vocational Rehabilitation and Services for the Blind Division stated that the contract for a telephone-based audible information access service would cost approximately \$80,000. The testifier added that the Vocational Rehabilitation and Services for the Blind Division has helped many people with disabilities achieve gainful employment and economic self-sufficiency with assisted individuals earning wages that average \$24 per hour, which ranks among the highest in the nation.

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. 2435, 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 Belatti and Wooley.

SCRep. 1172-12 Human Services/Health on S.B. No. 2779

The purpose of this measure is to establish and appropriate funds for the Aging and Disability Resource Centers Program for purposes of streamlining and increasing access to long-term support and services.

The Governor, the Executive Office on Aging, the Office of Aging of the County of Hawaii, the Policy Advisory Board for Elder Affairs, AARP, Lanakila Pacific, Child & Family Service, the International Longshore and Warehouse Union Local 142, and numerous individuals supported this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2779, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1173-12 Human Services/Health on S.B. No. 2797

The purpose of this measure is to continue to provide access to psychotropic medications to patients who receive medical assistance coverage. Specifically, this measure continues the requirement that an individual must try generic medications twice unsuccessfully before the individual's medical assistance health plan provides coverage for a brand-name psychotropic prescription medication.

The Department of Human Services, Department of Health, Hawaii Disability Rights Center, Aloha Care, Hawaii Medical Service Association, United Self Help, Hawaii Association of Health Plans, and Ohana Health Plan supported this measure.

Your Committees have noted that the testifiers agreed to meet to discuss the merits and impact of this measure as it moves through the legislative process.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2797, 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 Belatti and Wooley.

SCRep. 1174-12 Human Services/Health on S.B. No. 2166

The purpose of this measure is to prevent waste, fraud, and abuse in the State's medicaid and children's health insurance programs. Specifically, this measure:

- (1) Establishes the Health Insurance Waste, Fraud, and Abuse Task Force within the Department of Human Services to develop strategies and coordinate efforts to reduce medicaid fraud and abuse, including detecting fraud before payments are made;
- (2) Specifies that the Director of Human Services shall appoint the members of the task force without regard to the selection and terms of members of boards and commissions, pursuant to section 26-34, Hawaii Revised Statutes; and
- (3) Requires the Health Insurance Waste, Fraud, and Abuse Task Force to submit a report to the 2013 Legislature.

The Department of Human Services opposed the measure.

Your Committees note that the Department of Human Services testified that a Health Insurance Waste, Fraud, and Abuse Task Force is not needed, and that the task force would consume valuable resources in a time of staffing shortages and budget constraints. The Department of Human Services reported that implementing a task force would cost upwards of \$250,000.

Your Committees have amended this measure by:

- (1) Removing the provision that establishes the Health Insurance Waste, Fraud, and Abuse Task Force;
- (2) Requiring the Department of Human Services to submit to the Legislature before the Regular Session of 2013 a report of its strategies, efforts, and progress on detecting and preventing waste, fraud, and abuse in the State's medicaid and children's insurance programs; 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. 2166, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2166, 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. 1175-12 Consumer Protection & Commerce on S.B. No. 2762

The purpose of this measure is to enhance regulation of money transmitters, including their involvement with home mortgages, in order to protect Hawaii consumers by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to become involved with the Nationwide Mortgage Licensing System and Registry;
- (2) Increasing the nonrefundable application fee that a money transmitter must pay;
- (3) Raising the license-renewal fees that money transmitters must pay, based on the number of annualized money transmissions;
- (4) Increasing the nonrefundable application fee that a money transmitter must pay to the Commissioner to change its name, fictitious name, or trade name;
- (5) Raising the nonrefundable application fee that a money transmitter must pay to the Commissioner to request approval of a proposed change of control of the money transmitter;
- (6) Increasing the amount of the fine that the Commissioner may assess against a person who violates Chapter 489D, Hawaii Revised Statutes (HRS), (pertaining to money transmitters);
- (7) Clarifying that the Commissioner may adopt rules pursuant to Chapter 91, HRS, as the Commissioner deems necessary for administration and enforcement purposes; and
- (8) Authorizing the Commissioner to raise or lower any fee by rule and to establish new fees by rule.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee has amended this bill by replacing its contents with that of H.B. No. 2500, H.D. 1, which is substantially the same except that it:

- (1) Removes the Commissioner's authority to raise by rule the nonrefundable application fee that a money transmitter must pay to the Commissioner to change its name, fictitious name, or trade name;
- (2) Prohibits the Commissioner from raising or lowering any fee by rule or from establishing new fees by rule;
- (3) Changes the effective date to July 1, 3000, to encourage further discussion; and
- (4) Makes technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee has further amended this bill by leaving proposed fee amounts blank.

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. 2762, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2762, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Luke, McKelvey and Thielen.

SCRep. 1176-12 Consumer Protection & Commerce on S.B. No. 2763

The purpose of this measure is to protect Hawaii homeowners by amending the Secure and Fair Enforcement for Mortgage Licensing Act, Chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and to adjust fees in light of new regulatory requirements.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Association of Mortgage Brokers testified in opposition to this measure.

Your Committee has amended this measure by deleting its contents and replacing it with the language contained in House Bill No. 2501, H.D. 1, Regular Session of 2012, which was passed by the House of Representatives. The language contained in House Bill No. 2501, H.D. 1, is substantially similar to the contents of this measure but further amends this measure by:

- (1) Correcting references to the "Nationwide Mortgage Licensing System" to reflect the proper name of the system as the "Nationwide Mortgage Licensing System and Registry"; and
- (2) With respect to the fees that a mortgage loan originator must pay to obtain and maintain a valid mortgage loan originator license:
 - (A) Increasing the initial application fee to \$600;
 - (B) Increasing the annual license renewal fee to \$350; and
 - (C) Establishing fees for mortgage loan originators that are sole proprietorships and exempting these individuals from annual license renewal fees.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Luke, McKelvey and Thielen.

SCRep. 1177-12 Consumer Protection & Commerce on S.B. No. 2787

The purpose of this measure is to support the stability and reliability of the Hawaii electric system by authorizing the Public Utilities Commission to:

- (1) Develop, adopt, and enforce electric reliability standards and interconnection requirements;
- (2) Contract for the services of a Hawaii Electricity Reliability Administrator to monitor and enforce standards, and perform other technical interconnection-related support functions; and
- (3) Establish the Hawaii Electricity Reliability Surcharge to ensure the reliable operation of the Hawaii electric system and oversee grid access on the Hawaii electric system.

The Governor; Department of Business, Economic Development, and Tourism; Public Utilities Commission; Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; Sierra Club, Hawaii Chapter; ILWU Local 142; Blue Planet Foundation; Hawaii Renewable Energy Alliance; and several individuals testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 3000, 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. 2787, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2787, S.D. 2, H.D. 1.

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

SCRep. 1178-12 Consumer Protection & Commerce on S.B. No. 2398

The purpose of this measure is to enhance the licensing and regulation of tattoo artists by, among other things:

- (1) Restricting the sale of tattoo supplies;
- (2) Requiring every tattoo artist license applicant to pass a blood borne pathogen test as a prerequisite for licensure and requiring a person holding a tattoo artist license to pass a blood borne pathogen test every two years;
- (3) Prohibiting body modification or piercing at product or educational demonstrations;
- (4) Prohibiting tattoo trade shows in the State until implementing rules are adopted by the Department of Health; and
- (5) Establishing a tattoo artist task force to enhance the regulation of tattoo artists and report its findings and recommendations to the Legislature prior to the convening of the 2013 Regular Legislative Session.

The Chow Project and numerous individuals testified in support of this measure. Several individuals testified in support of this measure with amendments. The Department of Health testified in opposition to this measure. Four individuals 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. 2398, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1179-12 Consumer Protection & Commerce on S.B. No. 2758

The purpose of this measure is to facilitate compliance with, and the efficient administration of, Hawaii's business registration laws by clarifying or correcting errors, ambiguities, and inconsistencies in Hawaii's business registration laws.

The Department of Commerce and Consumer Affairs, Hawaii Association of Independent Schools, and University of Hawaii Professional Assembly 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 S.B. No. 2758, 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 Herkes, Carroll and Ching.

SCRep. 1180-12 Consumer Protection & Commerce on S.B. No. 2752

The purpose of this measure is to allow electric utility companies operating within the State to recover all power purchase costs that arise out of power purchase agreements that have been approved by the Public Utilities Commission.

The Public Utilities Commission; Hawaiian Electric Company, Inc., and its subsidiaries Maui Electric Company, Limited and Hawaii Electric Light Company, Inc.; Hawaii Renewable Energy Alliance; and Blue Planet Foundation testified in support of this measure. One individual testified in opposition to 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. 2752, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1181-12 Consumer Protection & Commerce on S.B. No. 2785

The purpose of this measure is to establish the regulatory framework for the development, financing, and use of a high-voltage undersea electric transmission cable system that will permit the transmission of power generated on one or more islands to an electric utility system located on another island of the State.

The Public Utilities Commission, Hawaii Carpenters' Union, Pacific Resource Partnership, Building Industry Association of Hawaii, Windward Ahupua'a Alliance, NextEra Energy Transmission LLC, The Chamber of Commerce of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, First Wind, Hawaii Interisland Cable LLC, ILWU Local 142, Blue Planet Foundation, General Contractors Association of Hawaii, Hawaii Farm Bureau Federation, and several concerned individuals testified in support of this measure. The City and County of Honolulu supported the intent of this measure.

The Kuli'ou'ou/Kalani Iki Neighborhood Board #2, Friends of Lana'i, and numerous concerned individuals opposed this measure. The Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2785, 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 Herkes, Carroll and Ching.
(Representative Thielen voted no.)

SCRep. 1182-12 Energy & Environmental Protection on S.B. No. 2239

The purpose of this measure is to establish a Venture Accelerator Funding Program within the Hawaii Strategic Development Corporation to support organizations that closely integrate entrepreneurial support and capital investment to develop technology-based entrepreneurial commercialization outcomes in Hawaii and to appropriate funds for the program.

The Chamber of Commerce of Hawaii and a concerned individual testified in support of this measure. The Hawaii Strategic Development Corporation offered comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2239, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1183-12 Energy & Environmental Protection on S.B. No. 2747

The purpose of this measure is to assist Hawaii in addressing its energy needs and promote the increased use of electric vehicles by simplifying and clarifying current requirements for electric vehicle parking. Among other things, this measure:

- (1) Requires at least one parking space to be equipped with an electric vehicle charging system and designated for the exclusive use of electric vehicles in places of public accommodation with at least 100 parking spaces;
- (2) Allows the space for the electric vehicle to be located anywhere in the parking structure or lot;
- (3) Allows owners of multiple parking facilities within the State to designate and electrify fewer parking spaces than required in one or more of their owned properties; provided that the scheduled requirement is met for the total number of aggregate spaces on all of their owned properties;
- (4) Repeals mandatory designated space increases that would have taken effect once registered electric vehicles in the State numbered at least 5,000;
- (5) Specifies that an electric vehicle means a "neighborhood electric vehicle" as defined in the Hawaii Highway Safety Act or a vehicle that has at least four wheels and draws propulsion energy from a rechargeable battery with at least four kilowatt hours of energy storage capacity;
- (6) Defines "electric vehicle charging system" and "place of public accommodation"; and
- (7) Delays, for one year, the implementation of warnings given to non-electric vehicles parked in stalls reserved for electric vehicles.

The City and County of Honolulu, Department of Business, Economic Development, and Tourism, Department of Design and Construction of the City and County of Honolulu, Outrigger Hotels Hawaii, Retail Merchants of Hawaii, and several concerned individuals testified in support of this measure. The Sierra Club-Hawaii Chapter and numerous concerned individuals testified in opposition to this measure. The Disability and Communication Access Board and Alliance of Automobile Manufacturers provided comments.

Your Committee has amended this measure by:

- (1) Specifying that that no parking space designated for electric vehicles shall displace or reduce accessible stalls required by the Americans with Disabilities Act Accessibility Guidelines; and
- (2) Changing its effective date to upon its approval.

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. 2747, 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. 2747, S.D. 1, H.D. 2.

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

SCRep. 1184-12 Agriculture on S.B. No. 2350

The purpose of this measure is to allow the building of ohana dwellings on lands within an agricultural district in a county with a population of 500,000 or less, as permitted under a special permit.

Hawaii Farmers Union United, Hawaii Association of REALTORS, and Hawaii Sustainable Community Alliance testified in support of this measure. The Office of Planning of the Department of Business, Economic Development, and Tourism and a member of the County Council of the County

of Maui testified in opposition to this measure. The Department of Agriculture, Department of the Attorney General, and a member of the Hawaii County Council provided comments on this measure.

Your Committee respectfully requests that the Committees on Water, Land, & Ocean Resources and Housing, upon referral and hearing of this measure, further examine the issue of whether or not ohana dwellings are currently permissible in the various counties.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 20, 2020, to facilitate 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2350, S.D. 1, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Housing.

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

SCRep. 1185-12 Agriculture on S.B. No. 2646

The purpose of this measure is to encourage and support diversified agriculture and agricultural self-sufficiency in the State by providing an agricultural building exemption for structures erected on commercial farms and ranches located outside of urban districts.

The Hawaii Farm Bureau Federation; Hawaii Farmers Union United; Ka'u Farm Bureau; Mikilua Farm Bureau Center; Oceanic Institute; East Oahu County Farm Bureau; Hawaii Livestock Farmers Coalition; Molokai Sea Farms; Hawaii Aquaculture & Aquaponics Association; Hawaii Sustainable Community Alliance; W.H. Shipman, Ltd.; Primavera Aquaponics, LLC; Aquaculture Planning & Advocacy, LLC; McCandless Ranch; Tropical Biofuels; and an individual testified in support of this measure. The Department of Planning and Permitting of the City and County of Honolulu testified in opposition to this measure. The Department of Agriculture, Department of Land and Natural Resources, and Office of Hawaiian Affairs provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that a building or structure constructed pursuant to this measure shall comply with the state building code electrical standard if it will be serviced with electricity;
- (2) Clarifying that the exemptions created by this measure shall not be construed to supersede public or private lease conditions;
- (3) Changing the effective date to January 20, 2020, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that, upon referral and hearing of this measure, the Committee on Water, Land, & Ocean Resources further examine:

- (1) Inserting the phrase "notwithstanding any law to the contrary" at the beginning of the new statutory language creating the building code exemption contained in section 2; and
- (2) The forthcoming amendments that the Hawaii Farm Bureau Federation will provide regarding their discussions with the county building departments, specifically concerning:
 - (A) A signed statement of owner compliance with this measure, including the prohibition on the use of buildings and structures as dwelling units, that must be provided to the applicable county building department;
 - (B) A statement of compliance from a private building inspector that certifies that those structures that are required by this measure to comply with all or portions of the applicable building code do so; and
 - (C) A requirement that a site plan sketch of the relevant agricultural building and its surroundings be provided to the applicable county building departments.

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. 2646, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2646, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1186-12 Health on S.B. No. 1500

The purpose of this measure is to save lives and improve the quality of life of Hawaii's people who need organ transplantation, and to improve the quality of medical education in Hawaii by ensuring that the proper individuals and entities fulfill their obligation to effectuate anatomical gifts. Specifically, this measure requires a recipient to accept or reject an anatomical gift if that gift is:

- (1) Medically suitable for transplantation, therapy, research, or education; and
- (2) Made pursuant to Hawaii's Revised Uniform Anatomical Gift Act, as amended by this measure, regardless of whether another person, including family members of the donor, has made an anatomical gift.

The Department of Health supported the measure. The Commission to Promote Uniform Legislation offered comments on the measure.

Your Committee has amended this measure 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 S.B. No. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1500, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1187-12 Health on S.B. No. 2208

The purpose of this measure is to reduce animal overpopulation and encourage pet owners to spay and neuter their pets by establishing:

- (1) The Spay and Neuter Special Fund to be used for spaying and neutering feral animals, education outreach, and preventing homeless animal overpopulation;
- (2) An advisory committee to establish the eligibility criteria and procedures for disbursements from the Special Fund; and
- (3) An income tax check-off from which proceeds are to be deposited into the Special Fund.

The Hawaiian Humane Society, Humane Society of the United States, West Hawaii Humane Society, and many concerned individuals testified in support of this measure. The Department of Budget and Finance and Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by leaving blank the dollar amounts related to the income tax check-off.

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. 2208, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2208, 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. 1188-12 Health on S.B. No. 2229

The purpose of this measure is to allow pharmacists to administer the influenza vaccine to persons between the ages of 14 and 17 under certain conditions.

The Department of Health, Board of Pharmacy, Hawaii Medical Service Association, 'Ohana Health Plan, Safeway, Times Supermarkets, Walgreen Co., and Hawaii Association of Health Plans testified in support of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that pharmacists who administer the influenza vaccine to persons between the ages of 14 and 17 complete a training program approved by the Board of Pharmacy within every other biennial renewal period; and
- (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. 2229, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2229, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1189-12 Health on S.B. No. 2820

The purpose of this measure is to amend the duties of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances to allow the Commission to focus on addressing the issue of substance abuse as a public health issue.

The Department of Health and Department of Public Safety 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2820, 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. 1190-12 Health on S.B. No. 2939

The purpose of this measure is to provide for the public health, safety, and general welfare of the community by authorizing the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

St. Francis Healthcare System of Hawaii, Healthcare Association of Hawaii, and Hawaii Catholic Conference testified in support of this measure.

Your Committee has amended this measure by deleting the provision allowing the special purpose revenue bonds to be used for refinancing debt related to financing the construction, improvement, and equipment of St. Francis Healthcare System of Hawaii healthcare facilities.

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. 2939, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2939, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1191-12 Health/Human Services on S.B. No. 2083

The purpose of this measure is to appropriate moneys to be expended in fiscal year 2012-2013 by the Department of Human Services to match the federal medicaid disproportionate share hospital allowance.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Kaiser Permanente Hawaii; Healthcare Association of Hawaii; The Chamber of Commerce of Hawaii; and The Queen's Health Systems supported the measure. The Department of Human Services offered comments on the measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2083, 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 Belatti, C. Lee and Ching.

SCRep. 1192-12 Hawaiian Affairs on S.B. No. 2793

The purpose of this measure is to authorize the chairperson of the Hawaiian Homes Commission, with unanimous consent from the commission, to suspend administrative rules and award a homestead lease to any native Hawaiian who has been on the Hawaiian Home Lands waitlist for at least 20 years.

The Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, Sovereign Mokupuni Council O Maui, Sovereign Mokupuni Council O Kauai, Sovereign Mokupuni Council O Molokai, Sovereign Mokupuni Council O Oahu, and the Waianae Kai Homestead Community Association supported the measure. The Department of Hawaiian Home Lands and Office of Hawaiian Affairs supported the measure with amendments.

Your Committee has amended this measure by:

- (1) Adding a preamble that explains the importance of allowing the chairperson of the Hawaiian Homes Commission to suspend certain provisions of Title 10 of the Hawaii Administrative Rules to meet the needs of the longest-waiting applicants on the Hawaiian Home Lands waitlist, and clarifies that there are applicants who have been on the waitlist for at least 20 years, who have received multiple offers of lease awards, but who have not been able to accept the awards; and
- (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. 2793, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2793, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1193-12 Labor & Public Employment on S.B. No. 2751

The purpose of this measure is to protect the future sustainability of the Employees' Retirement System, especially during a period of economic decline or stabilization, by modifying the experience requirements of the members of the Employees' Retirement System Board of Trustees. Specifically, this measure changes the requirement that one member of the three members of the Board of Trustees of the Employees' Retirement System representing the

citizens of the State of Hawaii who are not employees be a responsible bank officer to a requirement that this member have substantial experience providing financial services, including investments, to public, corporate, or private clients.

The Board of Trustees of the Employees' Retirement System and Department of Budget and Finance testified in support of this measure.

The Employees' Retirement System of the State of Hawaii was established in 1926 to provide retirement allowances and other benefits to State and county government employees. While contributions from employers and employees are two sources of money received to help fund the System, investments made by the Board of Trustees of the Employees' Retirement System play a large role in funding the System.

Currently, the Employees' Retirement System has over \$11 billion in domestic and international investments. However, the System also has an unfunded actuarial liability of approximately \$8.2 billion. Since investment decisions made by the Board of Trustees of the Employees Retirement System concerning the \$11 billion of investments are critical to the current and future funding of the System, it appears logical that one of the members of the Board of Trustees of the Employees' Retirement System have investment experience.

Your Committee finds that while it is imperative that one of the members of the Board of Trustees of the Employees' Retirement System have investment experience as investments are critical to the funding of the Employees' Retirement System and have a great impact on the future sustainability of the System, especially during a period of economic decline or stabilization, it would be more prudent if two members of the Board had at least three years of investment experience. As such, your Committee has amended this measure by requiring that two of the three members of the Board representing the citizens of the State of Hawaii who are not employees have at least three years of experience providing financial services, including investments, to public, corporate, or private institutional clients.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2751, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1194-12 Judiciary on S.B. No. 2503

The purpose of this measure is to add equine animals to those animals that may be subject to impoundment or forfeiture in the course of an animal cruelty case.

The Department of the Prosecuting Attorney of the City and County of Honolulu, The Humane Society of the United States, Hawaiian Humane Society, Hawaii Island Humane Society, CatFriends, and a plethora of concerned individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying the language on the award of attorney's fees and court costs;
- (2) Changing the effective date to July 1, 2012; 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. 2503, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2503, 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, Coffman and Thielen.

SCRep. 1195-12 Higher Education on S.B. No. 2182

The purpose of this measure is to support workforce development for the nursing profession by making permanent the assessment of Center for Nursing fees on nurse licenses and the disbursement of those fees into the Center for Nursing Special Fund.

The Workforce Development Council, Hawaii Health Systems Corporation, Board of Nursing, Hawaii Medical Service Association, American Organization of Nurse Executives-Hawaii Chapter, and three concerned individuals supported this measure. The Hawaii Government Employees Association supported the intent of this measure. The University of Hawaii System, Hawaii State Center for Nursing, and two concerned individuals supported this measure with amendments.

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. 2182, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Belatti, Chang, Mizuno, Takumi and Ching.

SCRep. 1196-12 Higher Education on S.B. No. 2584

The purpose of this measure is to increase access to the State's tuition assistance program for Hawaii National Guard members who are resident students working toward a degree within the University of Hawaii system by expanding eligibility to all commissioned officers of the Hawaii National Guard and members working toward a graduate degree. This measure also appropriates general revenues to support the tuition assistance program.

The University of Hawaii System, State Department of Defense, and Hawaii National Guard Enlisted Association 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 is in accord with the intent and purpose of S.B. No. 2584, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Belatti, Chang, Mizuno, Takumi and Ching.

SCRep. 1197-12 Higher Education on S.B. No. 3071

The purpose of this measure is to help ensure improved outcomes for Native Hawaiian children in the public school system by appropriating general revenues to fund three permanent faculty positions and provide for operating expenses for Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwī, within the College of Education at the University of Hawaii at Manoa.

The Department of Education, Office of Hawaiian Affairs, University of Hawaii College of Education, and many concerned individuals supported this measure.

Your Committee has amended this measure by replacing its contents with the contents of House Bill No. 2706, H.D. 1, which is substantially similar, thereby amending the current measure by:

- (1) Requiring a dollar-for-dollar match of general funds by the Office of Hawaiian Affairs prior to the expenditure of any funds;
- (2) Specifying an appropriation figure of \$400,000;
- (3) Clarifying that Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwī is to be placed within the University of Hawaii at Manoa, rather than the College of Education of the Manoa campus; and
- (4) Clarifying language in the purpose section and making additional 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. 3071, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 3071, S.D. 2, H.D. 1.

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

SCRep. 1198-12 Transportation on S.B. No. 2506

The purpose of this measure is to consolidate the State non-driver's identification program with the driver's license program under the Department of Transportation.

Specifically, this measure, among other things:

- (1) Transfers the responsibility of the program for the issuance of non-driver's identification cards for the State of Hawaii from the Department of the Attorney General to the Director of Transportation; and
- (2) Requires that the non-drivers' identification cards be issued by the examiner of drivers in each county.

The Department of Transportation and Department of the Attorney General testified in support of this measure. The Department of Customer Services of the City and County of Honolulu testified in support of this measure with amendments.

In 2005, the United States Congress passed the REAL ID Act of 2005 which set forth the documentation required and procedures to be followed in issuing drivers' licenses and non-drivers' identification cards. The provisions of the REAL ID Act must be implemented by January 15, 2013. At that time, each state will only be allowed to issue one compliant card, either a driver's license or a non-driver's identification card, to a citizen. Drivers' licenses and non-drivers' identification cards that do not comply with the REAL ID Act on or after January 15, 2013, will not be recognized by federal agencies, such as the Transportation Security Administration and may not be recognized by other states. The requirements of the REAL ID Act must be implemented on a timely basis so that Hawaii's citizens are able to travel and to do business with the federal government and other states.

Hawaii is unique among the 50 states in that the counties, under the general supervision of the Director of the Department of Transportation, have been delegated the function of implementing the state driver's license program. Non-driver license identification cards are issued under the Department of the Attorney General. The consolidation of the driver's license and non-driver's identification card programs for the State of Hawaii under the Director of Transportation would be in the best interest of the people of Hawaii both from a local and national perspective. Allowing non-drivers' identification cards to be issued by the examiner of drivers of each county in the same manner that licenses are issued would provide the public with more locations to obtain a non-driver's identification card and will result in a more coordinated effort in implementing the provisions of the REAL ID Act.

However, your Committee has been informed that current language in the measure needs to be amended to be in compliance with the federal requirement that only one REAL ID compliant credential be issued to an individual. Accordingly, your Committee has amended this measure by clarifying certain cancellation requirements of the REAL ID compliant identification card by the examiner of drivers. 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. 2506, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2506, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cullen, M. Lee and Luke.

SCRep. 1199-12 Transportation/Public Safety & Military Affairs on S.B. No. 2877

The purpose of this measure is to improve the efficiency of the State Department of Transportation's Harbors Division by repealing the statutory requirement that the Department of Transportation reimburse the City and County of Honolulu for the operation and maintenance of the State fire boat to allow for more economical management and more comprehensive marine incident response and operational capabilities.

The Department of Transportation testified in support of this measure. The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO provided comments.

In 1951, harbor fire boat operations and maintenance were turned over to the City and County of Honolulu with the Department of Transportation paying for the operational and maintenance costs of the fire boat with moneys from the Harbor Special Fund. While the fire boat is an important component in responding to a landside fire in the harbor vicinity as well as participating in any marine incident response, the United States Coast Guard recently updated its marine firefighting and salvage regulations with which commercial vessel owners and operators must comply. As marine firefighting requires different training and techniques than landside structure firefighting, the Department of Transportation needs the flexibility to establish a more comprehensive response program and achieve cost savings through economies of scale and expertise of the marine response community.

Your Committees note that this measure does not cease operations of the fire boat but merely allows the Harbors Division to pursue fire boat management alternatives ranging from contracting out for management services to entering into an agreement with an existing marine casualty response organization.

However, your Committees have some concerns regarding the planning and implementation of any new fire suppression standards and operations for the harbor area and urge the Department of Transportation and Honolulu Fire Department to involve more of the interested stakeholders in the planning and implementation process and discussions. Your Committees also have concerns as to whether this measure provides sufficient time for these discussions to take place. Accordingly, your Committees have amended this measure by changing its effective date to January 1, 2013.

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. 2877, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2877, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1200-12 Labor & Public Employment on S.B. No. 2810

The purpose of this measure is to provide clarity and consistency to Hawaii's workers' compensation and temporary disability insurance laws and Prepaid Health Care Act with regard to aged recipients and disabled recipients of home- and community-based services and recipients of Department of Human Services' state-funded home- and community-based services. Specifically, this measure amends the definition of "employment" under the workers' compensation law, temporary disability insurance law, and the Prepaid Health Care Act, by excluding from the definition, certain domestic services and day care services authorized by the Department of Human Services when performed by an individual in the employ of a recipient of social service payments.

The Department of Labor and Industrial Relations, Department of Human Services, and Department of Health testified in support of this measure.

Currently, only those domestic services performed for persons with developmental and intellectual disabilities under the Medicaid Home- and Community-Based Services Program are excluded from the definition of employment under the workers' compensation law, temporary disability insurance law, and the Prepaid Health Care Act. As such, other domestic services authorized by the Department of Human Services under the Social Security Act or when provided through state funded medical assistance to individuals ineligible for Medicaid that are performed by an individual in the employ of a recipient of social service payments must provide workers' compensation insurance, temporary disability insurance, and prepaid health care. Your Committee notes that, according to the Department of Human Services, without the exemption provided for in this measure, the Department and its contracted health plans will be out of compliance with State labor laws and will require the Department to allocate approximately \$6,000,000 to pay for these insurance and health care costs. This measure attempts to address this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2810, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1201-12 Labor & Public Employment on S.B. No. 2833

The purpose of this measure is to increase access to home- and community-based services by extending the exemption from laws relating to unemployment insurance, workers' compensation, temporary disability insurance, and the Prepaid Health Care Act to domestic in-home and community-

based services for persons with developmental and intellectual disabilities when the services are provided through state-funded medical assistance to individuals who are ineligible for Medicaid.

The Department of Labor and Industrial Relations, Department of Health, Department of Human Services, and State Council on Developmental Disabilities testified in support of this measure.

Currently, recipients of federally funded social service payments with developmental and intellectual disabilities are exempt from providing unemployment insurance, workers' compensation insurance, temporary disability insurance, and pre-paid health care when contracting or hiring an individual to perform domestic services for them. However, confusion exists as to whether individuals who are not Medicaid eligible but receive State funded home- and community-based services need to provide these benefits. This measure clarifies this matter by exempting recipients of Department of Human Services' state-funded home- and community-based services from having to provide unemployment insurance, workers' compensation, temporary disability insurance, and pre-paid health care benefits to individuals they hire or contract to perform services for them. Your Committee finds that this exemption will allow greater access to home- and community-based services to needy individuals.

Your Committee has amended this bill by:

- (1) Amending its title to correct a typographical error; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, 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. 2833, S.D. 1, H.D. 1.

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

SCRep. 1202-12 Labor & Public Employment on S.B. No. 2750

The purpose of this measure is to address the Employees' Retirement System's unfunded liability by amending the law regarding the calculation of a member's average final compensation, to prevent pension spiking. Specifically, among other things, this measure:

- (1) Requires a public employee's or former public employee's last state or county employer to pay to the Employees' Retirement System the present value of additional benefits resulting from pension spiking; and
- (2) Limits the amount of compensation to be considered in an Employees' Retirement System member's average final compensation benefit calculation, by excluding from the calculation formula, late career compensation spikes that are attributable to non-base pay compensation, including overtime.

The Office of the Governor, Department of Budget and Finance, and Employees' Retirement System Board of Trustees testified in support of this measure. The Department of Budget and Fiscal Services of the City and County of Honolulu and Department of Human Resources of the City and County of Honolulu testified in support of the intent of this measure. The Honolulu Police Department; State of Hawaii Organization of Police Officers; United Public Workers, AFSCME, Local 646, AFL-CIO; University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and a concerned individual testified in opposition to this measure. The Honolulu Fire Department and Emergency Services Department of the City and County of Honolulu provided comments.

Currently, the Employees' Retirement System has an unfunded liability of approximately \$8,164,000,000 that is continuing to grow. A number of factors have contributed to the System's unfunded liability, including the action of pension spiking, which is a process whereby a public sector employee significantly increases the employee's retirement compensation, through overtime or other similar opportunities, in the years immediately preceding retirement so that the resultant pension is abnormally inflated in comparison to the pension that the employee would otherwise receive without the late career overtime compensation. According to the Employees' Retirement System, if an employee's pay increases in an abnormal manner in the final years of employment, the employee's retirement benefits, which are based on the employee's three or five highest paid years, can be increased dramatically without providing the System with sufficient investment time or moneys to fund the increased pension. In turn, this spike in compensation increases the unfunded actuarial accrued liability of the Employees' Retirement System.

Your Committee understands the issues facing the Employees' Retirement System in addressing its actuarial accrued unfunded liability but notes that this is a difficult issue with many moving parts and numerous factors affecting the bottom line. While your Committee understands the concerns raised that this measure may inadvertently affect those public employees who are required to work overtime due to their employment status and notes that management of various departments or agencies must play a larger role in addressing the factors that lead to overtime costs within their departments or agencies, your Committee finds that it is important to take appropriate measures now to protect the Employees' Retirement System and its members and that this is a first step in addressing the unfunded liability facing the System.

Your Committee has amended this measure by:

- (1) Changing the threshold in the calculation of dividing the employee's or former employee's average final compensation non-base pay ratio by the comparison period non-base pay ratio to determine if pension spiking has occurred from 120 to 135 percent;
- (2) Adding a severability clause;
- (3) Changing its effective date to July 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2750, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2750, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.
(Representative Luke voted no.)

SCRep. 1203-12 Human Services on S.B. No. 2310

The purpose of this measure is to appropriate matching funds to the Department of Human Services for Medicaid adult vision services.

The Department of Human Services commented on this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2050, for the purpose of facilitating 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. 2310, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2310, 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. 1204-12 Human Services on S.B. No. 223

The purpose of this measure is to require a police officer to order a person whom the officer has reasonable grounds to believe has physically abused or harmed a family or household member, to have no contact with the family or household member for a 24-hour period, or longer if the incident occurs on the weekend, when the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm to the family or household member.

The Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, the Hawaii Women's Coalition, the Domestic Violence Action Center, the Department of the Prosecuting Attorney of the City and County of Honolulu, and AAUW Windward supported this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 223, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1205-12 Human Services on S.B. No. 2803

The purpose of this measure is to allow the Department of Human Services to accept contract proposals from organizations that are not yet licensed to operate a child care program at specific locations.

The Department of Human Services supported the measure. The Hawaii Association for the Education of Young Children opposed the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2803, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1206-12 Consumer Protection & Commerce on S.B. No. 2760

The purpose of this measure is to:

- (1) Amend the net-capital and bond requirements for escrow depositories;
- (2) Adjust the fee schedule for services provided to escrow depositories by the Division of Financial Institutions of the Department of Commerce and Consumer Affairs (DCCA); and
- (3) Increase administrative fines for violations of escrow depository regulations.

DCCA supported this bill. The Hawaii Escrow Association and First American Title Company submitted comments.

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

- (1) Removing the authority of the Commissioner of Financial Institutions (Commissioner) to raise or lower any fee by rule or to establish new fees by rule;
- (2) Changing the net-capital or bond requirements of any corporation engaging in the escrow-depository business to \$100,000;

- (3) Eliminating the graduated bond amounts that must be maintained by escrow depositories;
- (4) Changing the amount of the fidelity bond that must be executed by a surety insurer to \$200,000;
- (5) Changing to over \$25,000 the amount of the per-occurrence deductible under the fidelity bond in paragraph (4), for which prior approval of the Commissioner is needed;
- (6) Changing to over \$100,000 the amount of the per-occurrence deductible under the errors and omissions insurance policy that must be maintained by an escrow depository, for which prior approval of the Commissioner is needed;
- (7) Changing to \$100 the fees that must be paid by every escrow depository to the Commissioner for an application for approval to:
 - (A) Establish a branch office; and
 - (B) Relocate an existing office or branch;
- (8) Specifying that the \$250 per-day fee that every escrow depository must pay to the Commissioner for a lapsed license must be paid until the renewal application is received;
- (9) Eliminating the graduated renewal fees that must be paid by every escrow depository to the Commissioner and instead establishing a fee of:
 - (A) \$2,000 for the annual renewal of an escrow depository license; and
 - (B) \$100 for the annual renewal of each branch office;
- (10) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (11) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2760, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2760, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1207-12 Consumer Protection & Commerce on S.B. No. 2655

The purpose of this measure is to protect consumers of portable electronics in Hawaii by making portable-electronics insurance available for purchase.

Asurion supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

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

- (1) Requiring that in the event an insurer terminates or otherwise changes the terms and conditions of a policy of portable-electronics insurance:
 - (A) A vendor and enrolled customers must be provided at least 60 days' notice before the change takes effect; and
 - (B) The insurer must pay to the enrolled customer at least ten percent of the monthly insurance policy premium paid by the enrolled customer;
- (2) Changing the effective date to January 1, 3000, to encourage further discussion; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2655, 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. 2655, S.D. 2, H.D. 2.

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

SCRep. 1208-12 Consumer Protection & Commerce on S.B. No. 2168

The purpose of this measure is to direct the Insurance Commissioner to join the Surplus Lines Insurance Multi-state Compliance Compact (SLIMPACT) and to enact SLIMPACT.

The Property Casualty Insurers Association of America supported this bill. The Department of Commerce and Consumer Affairs and National Conference of Insurance Legislators submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon its approval; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2168, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2168, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Coffman, Ito, Luke and McKelvey.

SCRep. 1209-12 Consumer Protection & Commerce on S.B. No. 2981

The purpose of this measure is to allow the Public Utilities Commission to direct electric utilities to include specific scenarios in each utility's integrated resource planning action plan to help the State achieve its clean energy goals by:

- (1) Developing a framework to replace oil-based power generation facilities; and
- (2) Examining certain policies related to the distribution of renewable energy, including the transmission of excess firm or intermittent renewable resources via an undersea cable.

The Hawaii Renewable Energy Alliance and Blue Planet Foundation testified in support of this measure. The Public Utilities Commission; Sierra Club, Hawaii Chapter; and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, testified in support of the intent of this measure. One individual testified in opposition to this measure.

Your Committee has amended this measure by changing the effective date to July 1, 3000, 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. 2981, 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. 2981, S.D. 2, H.D. 2.

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

SCRep. 1210-12 Consumer Protection & Commerce on S.B. No. 2765

The purpose of this measure is to maintain Hawaii's position as a major captive insurance domicile by updating and streamlining the state's captive insurance company law and ensuring that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

The Department of Commerce and Consumer Affairs supported this bill with amendments. Strategic Risk Solutions supported the intent of this measure.

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

- (1) Clarifying the definition of "class 1 company" to mean a pure captive insurance company that is designated and licensed in Hawaii to write business only as a reinsurer;
- (2) Clarifying that a domestic captive insurance company may transfer its domicile to any type of jurisdiction, not only a state or country; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2765, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1211-12 Consumer Protection & Commerce on S.B. No. 2436

The purpose of this measure is to streamline the process to obtain authorization for certain prescription drugs by requiring:

- (1) The Director of Human Services to develop a uniform prior authorization form for prescription drugs prescribed to treat diabetes or cancer no later than July 1, 2013; and
- (2) Health care insurance providers that provide prescription drug benefits and prescribers to use the uniform prior authorization form beginning January 1, 2014.

The University of Hawaii at Manoa School of Nursing and Dental Hygiene, American Cancer Society, Hawaii Medical Association, and Hawaii State Center for Nursing testified in support of this measure. 'Ohana Health Plan supported the intent of this measure. The Department of Human Services, AlohaCare, and CVS Caremark opposed this measure. The Hawaii Medical Service Association offered comments.

Your Committee has amended this measure by replacing its contents with the substance of H.B. No. 1741, H.D. 2, which contains substantively similar provisions except that, among other things:

- (1) The Insurance Commissioner, instead of the Director of Human Services, is responsible for developing the uniform prior authorization form;
- (2) With regard to the list of organizations to be consulted in developing the form, the Hawaii Pharmacists Association is not included, and advanced practice registered nurses, physician assistants, and the pharmacy association are included;
- (3) There is no specified limitation with regard to the length of the form;
- (4) With regard to definitions, "dispenser" includes reference to section 329-1, Hawaii Revised Statutes, and the definition of "health care insurance provider" is not included; and
- (5) The measure specifies that the prescription drug prior authorization form for diabetes and cancer drugs also applies to mutual benefit societies and health maintenance organizations.

The effective date of the measure was also changed to July 1, 3000, to facilitate continued 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. 2436, 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. 2436, S.D. 1, H.D. 2.

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

SCRep. 1212-12 Consumer Protection & Commerce on S.B. No. 2106

The purpose of this measure is to make outpatient prescription drugs more affordable and accessible to the residents of Hawaii by requiring health insurers to provide outpatient prescription drug coverage.

The Hawaii Medical Service Association and Hawaii COPD Coalition supported this bill. Benefit Plan Solutions, Inc., opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring health insurers to provide outpatient prescription drug coverage, unless the policyholder can provide evidence of prescription drug coverage through another policy or self-insured program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2106, 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. 2106, S.D. 2, H.D. 2.

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

SCRep. 1213-12 Consumer Protection & Commerce on S.B. No. 2084

The purpose of this measure is to prohibit an insurer from requiring a doctor's referral for annual covered screening mammograms for insureds over the age of 40.

Kaiser Permanente Hawaii, American Cancer Society, Hawaii Medical Service Association, and the Hawaii Association of Health Plans supported the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2084, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1214-12 Consumer Protection & Commerce on S.B. No. 2766

The purpose of this measure is to update the Insurance Code provisions relating to the regulation and administrative oversight of mutual benefit societies, fraternal benefit societies, and health maintenance organizations by the Insurance Division of the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs testified in support of this measure. The American Council of Life Insurers 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. 2766, 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 Herkes, Carroll and Ching.

SCRep. 1215-12 Judiciary on S.B. No. 2748

The purpose of this measure is to:

- (1) Require holders of unclaimed property to remit all unclaimed property under their control with their November 1 report to the Director of Finance;
- (2) Specify the maximum fee professional locators may charge; and
- (3) Correct references to the Unclaimed Property Trust Fund.

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

Your Committee has amended this bill by replacing its contents with those of H.B. No. 2486, H.D. 1, which is substantially similar except that it includes:

- (1) Provisions allowing the court to award reasonable attorney's fees to an owner who prevails in an action to contest the fees charged by a professional locator;
- (2) Further clarification in references to the Unclaimed Property Trust Fund; and
- (3) Other technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee further amended this measure by changing its effective date to January 9, 2059, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2748, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1216-12 Judiciary on S.B. No. 2858

The purpose of this measure is to allow a state agency to seek judicial review by a circuit court of a decision rendered by the Office of Information Practices, and clarifies the standard of review the circuit court is required to apply.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Department of Human Resources Development, the Office of Information Practices, the League of Women Voters of Hawaii, and one private individual. Your Committee received testimony in opposition to this measure from the City and County of Honolulu, the County Attorney of Kauai, three members of the Maui County Council, and three concerned citizens.

Your Committee has amended this measure by:

- (1) Adding a provision to the Uniform Information Practices Act, establishing that if an action to compel disclosure is brought because an agency has not made a record available as required by the Act after the Office of Information Practices has made a decision that the agency must disclose the record and the agency has not appealed that decision within the time period provided by this measure, the decision of the Office of Information Practices shall not be subject to challenge by the agency in any subsequent action to compel disclosure;
- (2) Changing the effective date to 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2858, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Coffman, Herkes, Ito, Luke and McKelvey.

SCRep. 1217-12 Judiciary on S.B. No. 2950

The purpose of this measure is to appropriate an unspecified amount of funds for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Honolulu Family Justice Center, including the hiring of necessary staff.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Mayor of the City and County of Honolulu, and a concerned individual supported the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2950, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1218-12 Judiciary on S.B. No. 2493

The purpose of this measure as received by your Committee is to amend the state campaign spending law by, among other things:

- (1) Defining the term "matching payment period";
- (2) Amending the filing dates for candidate committee reports for the preliminary primary and supplemental reports;
- (3) Requiring noncandidate committee reports to show total contributions received and made by noncandidate committees; and
- (4) Increasing the campaign expenditure limit of the prosecuting attorney.

Prior to the hearing your Committee provided a Proposed Draft for review and comment, and accepted testimony on the Proposed Draft. As amended the purpose of this measure is identical to the measure as received by your Committee except that the Proposed Draft:

- (1) Removes the requirement that noncandidate committee reports include the name of the candidate who is supported or opposed by the expenditure and whether the expenditure supports or opposes the candidate;
- (2) Adjusts the criteria for the base amount of public funding available for qualifying candidates for the comprehensive public funding program for the County of Hawaii Council primary and general elections; and
- (3) Changes the effective date to delay the implementation of the adjusted criteria for the base amount of public funding for the Comprehensive Public Funding Program for the County of Hawaii Council primary elections until January 1, 2013.

Common Cause testified in support of this measure. The Campaign Spending Commission provided comments.

After further consideration, your Committee has adopted the Proposed Draft.

As affirmed by the record of votes of 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. 2493, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2493, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1219-12 Judiciary on S.B. No. 2304

The purpose of this measure is to improve the accuracy and reliability of eyewitness identifications in law enforcement investigations by, among other things, requiring the establishment of new eyewitness identification procedures by each county police department and all state investigative agencies identified by the Attorney General.

The Office of Hawaiian Affairs, Office of the Public Defender, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Innocence Project, Hawai'i Innocence Project, Ka Lei Maile Alii Hawaiian Civic Club, and two concerned individuals testified in support of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Hawaii, Honolulu Police Department, and Hawaii Police Department testified in opposition to this measure. The Department of the Attorney General provided comments.

Your Committee has amended this measure by extending for a year, the date by which each county police department and all state investigative agencies identified by the attorney general are required to adopt procedures for conducting live lineups and photo lineups.

As affirmed by the record of votes of 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. 2304, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1220-12 Judiciary on S.B. No. 2842

The purpose of this measure is to make the law relating to the filing of civil actions in housing discrimination cases consistent with the federal law under the Fair Housing Act. Specifically, this measure:

- (1) Allows an aggrieved person to file a civil action in an appropriate court no later than two years after the occurrence or termination of an alleged discriminatory housing practice;

- (2) Directs the Hawaii Civil Rights Commission to issue a right to sue on a complaint filed with the Commission if it determines that a civil action alleging similar facts has also been filed; and
- (3) Specifies available remedies in a civil action for housing discrimination.

The Department of Labor and Industrial Relations and Hawaii Civil Rights Commission testified in support of this measure.

Your Committee has amended this measure 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. 2842, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1221-12 Education/Human Services on S.B. No. 2545

The purpose of this measure is to ensure that all children in the State have access to high quality early learning programs by, among other things:

- (1) Establishing the Executive Office on Early Learning;
- (2) Establishing the Early Learning Advisory Board and repealing the Early Learning Council;
- (3) Establishing the Pre-plus Program within the Executive Office on Early Learning;
- (4) Requiring the Executive Office on Early Learning to report to the Legislature prior to the 2013 Legislative session on the status of an implementation plan for the development of the Keiki First Steps program; and
- (5) Appropriating an unspecified amount of general revenues to establish the Executive Office on Early Learning.

This measure also repeals junior kindergarten programs at the end of the 2013-2014 school year.

The Office of the Governor, Department of Education, Department of Human Services, Department of Health, University of Hawaii System, Early Learning Council, 17 Community Children's Councils of Hawaii, Aloha United Way, Child and Family Service, ImuAlliance, Partners In Development Foundation, Childcare Business Coalition of Hawaii, Good Beginnings Alliance, Read Aloud America, Special Education Advisory Council, and a concerned individual supported this bill. The Hui for Excellence in Education, United Friends and Parents for Education, and BeMyVoice! Hawaii supported the intent of this measure. The Office of Hawaiian Affairs, 'Aha Pūnana Leo, and three concerned individuals supported this bill with amendments. The Office of Information Practices, Hawaii Association of Independent Schools, and League of Women Voters-Hawaii provided comments.

Your Committees have amended this measure by:

- (1) Adding a representative of Hawaiian medium early learning providers to the Early Learning Advisory Board;
- (2) Specifying that the heads of state departments included on the Early Learning Advisory Board will be ex officio voting members;
- (3) Permitting the Early Learning Advisory Board to testify before the Legislature on its own behalf;
- (4) Inserting an appropriation amount of \$500,000 for the Executive Office on Early Learning; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2545, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morikawa, Wooley and Yamane.

SCRep. 1222-12 Education on S.B. No. 2800

The purpose of this measure is to increase efficiency in child care licensing by exempting from licensing by the Department of Human Services any kindergarten, school, or child care program already licensed by the Charter School Review Panel, Hawaii Council of Private Schools, or any federal agency.

The Hawaii Association of Independent Schools supported 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. 2800, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1223-12 Education on S.B. No. 2828

The purpose of this measure is to ensure compliance with Part C of the Individuals with Disabilities Education Improvement Act of 2004 requirements regarding the Hawaii Early Intervention Coordinating Council by changing its membership composition and functions.

The Department of Health supported this measure.

Your Committee has amended this measure by:

- (1) Increasing the membership of the Council to 25 to maintain the proper proportion of parents and early intervention providers on the Council; and
- (2) Increasing the number of members required for quorum to 13 to conform with the increased membership.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2828, H.D. 2.

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

SCRep. 1224-12 Education on S.B. No. 2540

The purpose of this measure is to assist the Department of Education to more efficiently and effectively use its resources by amending or repealing various sections of Chapter 302A, Hawaii Revised Statutes.

Specifically, this measure amends or repeals sections that are outdated, impede the Department of Education in meeting its core mission, fall under the purview of the Board of Education, are mandated by federal law and do not require codification in state law, or are covered by another section of the Hawaii Revised Statutes, administrative rules, or Board of Education Policy.

The Office of the Governor and Department of Education supported this bill. The Hawaii Government Employees Association provided comments.

Your Committee has amended this measure by:

- (1) Reinstating section 302A-1103, Hawaii Revised Statutes, which delineates principals' authority and responsibility;
- (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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2540, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2540, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1225-12 Culture & the Arts on S.B. No. 2399

The purpose of this measure is to combat illegal graffiti by creating a pilot program for the creation of urban art under the direction of the State Foundation on Culture and the Arts.

The Department of Transportation, The Estria Foundation, and one individual testified in support of this measure. The Historic Hawaii Foundation testified in support of the intent of this measure. The Outdoor Circle testified in opposition to this measure. The State Foundation on Culture and the Arts provided comments.

Your Committee notes concerns raised about the maintenance of urban art after its creation on state-owned buildings and the problems that could arise from not maintaining the integrity of this urban artwork.

Your Committee has amended this measure by:

- (1) Giving the State Foundation on Culture and the Arts the sole discretion to establish procedures for the pilot program to more narrowly regulate urban art on state-owned property;
- (2) Requiring the State Foundation on Culture and the Arts to establish procedures that designate specific areas for urban art on state-owned property;
- (3) Adding the Historic Hawaii Foundation, in addition to the Historic Preservation Division of the Department of Land and Natural Resources, for consultation to ensure that urban art does not cause an adverse effect to historic property;
- (4) Specifically excluding graffiti from being considered urban art;

- (5) Requiring the State Foundation on Culture and the Arts' report to the Legislature on the status of the pilot program to include necessary proposed legislation and recommendations to reduce illicit graffiti;
- (6) Changing the effective date 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 Culture & the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2399, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

SCRep. 1226-12 Economic Revitalization & Business on S.B. No. 2030

The purpose of this measure is to allow the chief procurement officer or the head of a purchasing agency to allow the scope of work in a bid for a listed subcontractor to be expanded within five working days of bid opening, with certain conditions, and to permit the reinstatement of certain subcontractors' licenses before an award is granted.

The Department of Budget and Fiscal Services of the City and County of Honolulu; General Contractors Association; Ralph. S. Inouye Co., Ltd.; Building Industry Association of Hawaii; LYZ, Inc.; Hawaii LECET; Pacific Resource Partnership; Royal Contracting Co., Ltd.; Healy Tibbitts Builders, Inc.; Electrical Contractors Association of Hawaii; and Genba Hawaii, Inc. testified in support of this measure. Subcontractors Association of Hawaii testified in support of this measure with amendments. Sheet Metal Contractors Association testified in opposition to this measure. The State Procurement Office and Plumbing and Mechanical Contractors Association of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Adding a definition for "ministerial act" to the Hawaii Public Procurement Code;
- (2) Clarifying that a procuring officer may cure bid-listing discrepancies under limited circumstances to avoid having to reject a low bid for certain unintentional matters;
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2030, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2030, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Nishimoto, Marumoto and Pine.

SCRep. 1227-12 Economic Revitalization & Business on S.B. No. 2226

The purpose of this measure as received by your Committee is to:

- (1) Amend Hawaii's tax laws in conformity with the 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) Establish a committee to oversee the Department of Taxation's implementation and administration of, and compliance with the Streamlined Sales and Use Tax Agreement.

For the purposes of a public hearing on this bill, your Committee circulated Proposed S.B. No. 2226, S.D. 2, H.D. 1, and notified the public that it would be accepting testimony on that proposal, which, among other things:

- (1) Requires the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller;
- (2) Specifying that the definition of "engaged in business in the State" is presumed to include sellers, including affiliates of sellers within the meaning of section 1504 of the Internal Revenue Code; and
- (3) Exempts certain sellers engaged in business in the State from the collection of use taxes if they did not actually engage in referrals or other activities to maintain the seller's market within the State.

Your Committee received testimony from the following organizations and individuals on S.B. No. 2226, S.D. 2, as received by your Committee, and on the Proposed Draft:

The Hawaii Government Employees Association, Hawaii Association of REALTORS, and Retail Merchants of Hawaii testified in support of the measure as received by your Committee. Walgreen Co. testified in support of the intent of the measure as received by your Committee. The Tax Foundation of Hawaii provided comments on the measure as received by your Committee.

Retail Merchants of Hawaii and Walgreen Co. testified in support of the Proposed Draft. The Hawai'i Association of REALTORS and The Chamber of Commerce of Hawaii testified in support of the intent of the Proposed Draft. The Hawaii Innovation Alliance testified in opposition to the Proposed Draft. The Hawaii Government Employees Association and the Tax Foundation of Hawaii provided comments on the Proposed Draft.

Your Committee considered the merits of both S.B. No. 2226, S.D. 2, as received by your Committee, and the Proposed Draft. Upon careful consideration, your Committee adopted the Proposed Draft with the following amendments:

- (1) Inserting the language of H.B. No. 1695, which prohibits penalties for substantial understatements or misstatements and for erroneous claims for refund or credit from being added to tax underpayments on which certain other penalties have already been imposed;
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2226, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1228-12 Economic Revitalization & Business on S.B. No. 2238

The purpose of this measure is to repeal Act 155, Session Laws of Hawaii 2010.

The Chamber of Commerce of Hawaii; Chun, Kerr, Dodd, Beaman & Wong; American Council of Life Insurers; Hawaii Alliance of Nonprofit Organizations; National Federation of Independent Business; and several individuals testified in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by deleting its contents and replacing them as follows:

- (1) Inserting the contents of H.B. No. 1672, H.D. 1, Regular Session of 2012, which establishes monetary awards for whistleblowers providing information that is the basis for a Department of Taxation administrative or judicial action for violations of tax laws;
- (2) Inserting the contents of H.B. No. 1695, Regular Session of 2012, which prohibits penalties for substantial understatements or misstatements and for erroneous claims for refund or credit from being added to tax underpayments on which certain other penalties are already imposed;
- (3) Amending the statutes enacted under Act 155, Session Laws of Hawaii 2010, in order to mandate that nonprofit organizations receive 90 days notice before the denial of general excise tax benefits and to exempt from personal liability persons having control of certain amounts held in trust for nonprofit organizations;
- (4) Changing the effective date to July 1, 2112, 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2238, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2238, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1229-12 Economic Revitalization & Business on S.B. No. 2457

The purpose of this measure as received by your Committee is to make various amendments to the procurement review process by, among other things:

- (1) Imposing time limits on rendering administrative and judicial review decisions;
- (2) Limiting protests to those that are a minimum percentage of the contract value; and
- (3) Requiring the posting of a protest bond, to be forfeited if the protesting party does not prevail.

For the purposes of a public hearing on this measure, your Committee circulated Proposed S.B. No. 2457, S.D. 2, H.D. 1, and notified the public that it would be accepting testimony on the proposed draft, which, among other things:

- (1) Imposes time limits on rendering administrative and judicial review decisions;
- (2) Limits protests to those that are a minimum percentage of the contract value;
- (3) Requires the posting of a protest bond, to be forfeited if the protesting party does not prevail;

- (4) Temporarily authorizes the governor or a county mayor to exempt a procurement from protest; and
- (5) Requires, as a condition of the exemption, that bids and proposals, but not trade secrets or other proprietary data, be released for public inspection.

Your Committee received testimony from the following organizations and individuals on S.B. 2457 S.D. 2, as received by your Committee, and on the proposed draft:

The General Contractors Association; LYZ, Inc.; Ralph S. Inouye Co., Ltd.; Royal Contracting Co., Ltd.; and Healy Tibbits Builders, Inc. testified in support of the measure as received by your Committee. The Department of Budget and Fiscal Services of the City and County of Honolulu testified in support with amendments of the measure as received by your Committee.

Hawaii LECET testified in support of the proposed draft. General Contractors Association testified in support with amendments of the proposed draft. The State Procurement Office testified in opposition to the proposed draft. The Office of Administrative Hearings of the Department of Commerce and Consumer Affairs provided comments on the proposed draft.

Your Committee considered the merits of both S.B. 2457, S.D. 2, as received by your Committee, and the proposed draft, and upon careful consideration, adopted the proposed draft with the following amendments:

- (1) Inserting the contents of H.B. 2265 H.D. 2, which makes permanent the amendments to section 103D-305, Hawaii Revised Statutes, that increase the limits on procurements qualifying for certain small purchase procedures;
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2457, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2457, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1230-12 Economic Revitalization & Business on S.B. No. 2845

The purpose of this measure is to authorize the Director of Labor and Industrial Relations to render a decision on disputes regarding treatment plans and continued medical services without a hearing within 30 days of the filing of a dispute.

The Department of Labor and Industrial Relations, ILWU Local 142, Plumbers and Fitters Union, and a concerned individual testified in support of this measure. The United Public Workers, AFSCME, Local 646, AFL-CIO, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, supported the intent of this measure. The Chamber of Commerce of Hawaii, Society for Human Resource Management – Hawaii Chapter, and Property Casualty Insurers Association of America opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2845, 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. 2845, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Awana, Brower, Nishimoto, Marumoto and Pine.

SCRep. 1231-12 Housing on S.B. No. 2804

The purpose of this measure is to permanently establish and appropriate funds to the Hawaii Interagency Council on Homelessness within the Department of Human Services.

The Department of Human Services, Department of Health, Department of Labor and Industrial Relations, Office of Hawaiian Affairs, Hawaii Youth Services Network, and several individuals testified in support of this measure. Catholic Charities Hawaii and Partners In Care commented on this measure.

Your Committee has amended this measure by deleting its contents and inserting substantially similar provisions contained in H.B. No. 1735, H.D. 1 (2012), which also establishes the Hawaii Interagency Council on Homelessness but on a temporary basis, rather than on a permanent basis, and without an appropriation for the council's administrative expenses. This measure is further amended by requiring the Department of Human Services to:

- (1) Conduct a study on the feasibility of establishing safe havens for persons who are homeless in the State; and
- (2) Submit its findings and recommendations to the Legislature prior to the convening of the 2013 Regular Session.

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. 2804, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2804, 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, Herkes and Pine.

SCRep. 1232-12 Housing on S.B. No. 2740

The purpose of this measure is to assist residents in obtaining affordable housing by increasing the Hula Mae multifamily revenue bond authorization ceiling from \$500,000,000 to \$750,000,000.

The Department of Business, Economic Development, and Tourism; the Hawaii Housing Finance and Development Corporation; the Office of Hawaiian Affairs; The Pacific Resource Partnership; Stanford Carr Development, LLC; the Hawaii Association of REALTORS; and Castle & Cooke Homes Hawaii, Inc. supported 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 S.B. No. 2740, 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, Herkes and Pine.

SCRep. 1233-12 Housing on S.B. No. 2009

The purpose of this measure is to regulate the use of claims history information for homeowners insurance and provide certain consumer protections with respect to the use of this information.

The Department of Commerce and Consumer Affairs testified in support of the intent of this measure.

Your Committee has amended this measure by changing references to the word "contract" to the word "policy" for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2009, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, 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 Carroll, Herkes and Pine.

SCRep. 1234-12 Housing on S.B. No. 2568

The purpose of this measure, as received by your Committee, is to require the counties to partner with nonprofit organizations to provide information on, and access to, temporary emergency shelters to homeless individuals and families in instances when they are relocated from public property by the counties.

Several individuals testified in support of this measure. The City and County of Honolulu opposed this measure. The Department of Human Services commented on the measure.

Upon consideration, your Committee has amended this measure by deleting its substance and inserting the provisions contained in H.B. No. 70, H.D. 2, S.D. 1, which was introduced in the 2011 Regular Session, the purpose of which is to:

- (1) Establish a return-to-home program to provide eligible homeless individuals with assistance in being reunited with family and relatives in the individual's home state;
- (2) Require the Department of Human Services to adopt rules to develop the program and adopt standards for its implementation; and
- (3) Appropriate funds for the 2012-2013 fiscal year to implement the program.

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. 2568, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2568, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1235-12 Education on S.B. No. 2116

The purpose of this measure is to facilitate the implementation of the recommendations of the Charter School Governance, Accountability, and Authority Task Force by:

- (1) Requiring the Board of Education to contract for an Implementation and Transition Coordinator to assist with the implementation of S.B. No. 2115, Regular Session 2012, which reorganizes the charter school governance structure; and
- (2) Making an unspecified appropriation to support the Coordinator position.

The Governor, Office of Hawaiian Affairs, and Hawaii Business Roundtable Incorporated supported this bill. The Hawaii Public Charter Schools Network supported the intent of this measure. The State Procurement Office, Hawaii Technology Academy, Ho'okāko'o Corporation, and Kanu O Ka 'Āina 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. 2116, 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 Mizuno and Wooley.

SCRep. 1236-12 Education on S.B. No. 2534

The purpose of this measure is to ensure that students in Hawaii have adequate facilities in which to learn by establishing the School Facilities Special Fund to accept revenue generated from the non-permanent disposition of public school lands and facilities to fund the new construction and upgrade of twenty-first century school facilities and the retrofit and upgrade of existing school facilities.

The Department of Education, Public Land Development Corporation, The Chamber of Commerce of Hawaii, General Contractors Association of Hawaii, Hawaii Carpenters Union, Hawaii Laborers-Employers Cooperation and Education Trust Fund, Building Industry Association-Hawaii, The Pacific Resource Partnership, and Hawaii Institute for Public Affairs supported this measure. The Department of Budget and Finance and the Office of Hawaiian Affairs provided comments.

Your Committee has amended this measure by:

- (1) Requiring the Public Land Development Corporation to provide a report prior to the 2013 Legislature on the progress of the Fund, including potential sites being considered for non-permanent disposition and the process the Corporation is employing to select where the construction of new facilities and retrofitting of existing facilities for the twenty-first century will be done; and
- (2) Making technical, nonsubstantive amendments for consistency.

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. 2534, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2534, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno and Wooley.
(Representatives Hanohano and Saiki voted no.)

SCRep. 1237-12 Education on S.B. No. 2528

The purpose of this measure is to more efficiently administer the Hawaii 3Ts school technology laboratories in order to strengthen science, technology, and math education in the State by placing the Hawaii 3Ts School Technology Laboratories Fund under the Department of Business, Economic Development, and Tourism, rather than the Department of Education.

This measure also requires the University of Hawaii to extend the current land lease agreement with the High Technology Development Corporation on the same terms and for no less than twenty-five years from the expiration date of the existing lease.

Enterprise Honolulu and a concerned individual supported this measure. The Department of Business, Economic Development, and Tourism; University of Hawaii System; High Technology Development Corporation; and three concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the University of Hawaii extend the current land lease agreement with the High Technology Development Corporation on the same terms and for no less than 25 years from the expiration date of the existing lease; and
- (2) Making technical, nonsubstantive amendments for 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. 2528, 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. 2528, S.D. 2, H.D. 2.

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

SCRep. 1238-12 Education on S.B. No. 2994

The purpose of this measure is to amend provisions relating to the use public library facilities, property, and income by, among other things:

- (1) Making public library facilities available for use by tax-exempt organizations formed for the purpose of supporting libraries;
- (2) Clarifying that the Board of Education may enter into an agreement with any tax-exempt nonprofit corporation to obtain the use of the books, property, and income of the nonprofit corporation;
- (3) Requiring the head librarian of each library branch and the State Librarian to consult with the Board of Education when permitting use of library facilities and grounds;

- (4) Requiring the Board of Education to determine the amount of net income or proceeds received from the operation of any concession, vending machine, or other for-profit business enterprise within or on state library facilities to be deposited into the Libraries Special Fund instead of the Hawaii State Library Foundation Trust Fund and the Friends of the Library of Hawaii Trust Fund; and
- (5) Clarifying that a public library is not required to permit the use of its facilities and grounds in order for any entity to establish a tax-exempt nonprofit corporation.

This measure also removes all references to the Friends of the Library of Hawaii and the Hawaii State Library Foundation and repeals the Hawaii State Library Foundation Trust Fund.

Numerous concerned individuals supported this measure. Friends of the Library of Hawaii; Friends of the Library, Kahuka, Oahu, Hawaii; the Representative from the 38th Representative District; and many concerned individuals opposed this measure. The Hawaii State Public Library System and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Reinstating references to the Friends of the Library of Hawaii;
- (2) Deleting the requirement that the head librarian of each library branch and the State Librarian consult with the Board of Education when permitting use of library facilities and grounds;
- (3) Allowing public library system facilities and grounds to be used only by nonprofit corporations whose sole, rather than primary, purpose is to support and benefit a specific library branch;
- (4) Deleting the requirement that the Board of Education determine the amount of net income or proceeds received from the operation of any concession, vending machine, or other for-profit business enterprise within or at state library facilities to be deposited into the Libraries Special Fund;
- (5) Deleting the requirement that the Board of Education adopt rules for the use of state library system facilities and grounds; and
- (6) Making technical, nonsubstantive amendments for clarity and consistency.

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. 2994, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2994, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Mizuno and Wooley.
(Representative Saiki voted no.)

SCRep. 1239-12 Education/Labor & Public Employment on S.B. No. 2115

The purpose of this measure is to strengthen Hawaii's charter school system by adopting the recommendations of the Charter School Governance, Accountability, and Authority Task Force and establishing new provisions governing charter schools and charter school governance and administration.

The Governor, Kamehameha Schools, Hawaii Business Roundtable Incorporated, AAUW Windward Branch, and three concerned individuals supported this bill. The Department of Education, Charter School Administrative Office, Hawaii Technology Academy, and Hawaii Public Charter Schools Network supported the intent of this measure. The Office of Hawaiian Affairs supported this bill with amendments. Several concerned individuals opposed this measure. The State Procurement Office, Department of the Attorney General, Hawaii State Ethics Commission, Charter School Review Panel, Hawaii State Teachers Association, Kanu O Ka 'Aina, Ho'okāko'o Corporation, and Hawai'i Educational Policy Center provided comments.

Your Committees have amended this measure by:

- (1) Clarifying that charter school governing boards are the employer for the purposes of civil service and collective bargaining;
- (2) Including academic knowledge to the list of considerations to be used in selecting members of charter school governing boards;
- (3) Requiring charter school governing boards to ensure that their schools comply with the terms of their charter contract;
- (4) Making charter schools, charter school governing boards, the State Public Charter School Commission, and authorizers exempt from the state ethics code, but requiring them to develop internal policies and procedures for gifts, confidential information, fair treatment, conflicts of interest, and contracts that are consistent with the goals of the state ethics code;
- (5) Requiring authorizers to develop a schedule to approve or deny a charter application by start up and conversion charter schools by the end of the calendar year for the purposes of meeting any deadlines to request funding from the Legislature;
- (6) Limiting the role of the Board of Education as the final arbitrator of disputes to specified appeals;
- (7) Removing the November 15 deadline for the Director of Finance to transfer general funds for a per-pupil allocation between the Department of Education and charter schools;
- (8) Removing the November 30 deadline for the Director of Finance's annual report on calculations and transfers to be submitted to the Legislature, Governor, Department of Education, and charter schools;

- (9) Changing the contracted term of the executive director hired by the State Public Charter School Commission to one year from four years;
- (10) Providing that the executive director's contract will automatically terminate once the section providing for the executive director's hire is repealed; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2115, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2115, 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, Luke, Mizuno and Souki.

SCRep. 1240-12 Health on S.B. No. 417

The purpose of this measure is to change the composition of the Hawaii Health Systems Corporation board and regional boards by:

- (1) Removing the five regional chief executive officers and the at-large member appointed by the Governor from the corporation board;
- (2) Adding one member representing each region to the corporation board;
- (3) Adding one member to alternately represent the eastern and western sections of the County of Hawaii; and
- (4) Changing the term of the newly-appointed regional system board members from three years to a term between two and five years, as determined at the time of appointment by a two-thirds affirmative vote of the existing regional system board members.

Hawaii Health Systems Corporation testified in support of this measure. Maui Memorial Medical Center opposed this measure.

Your Committee has amended this measure by:

- (1) Removing the purpose and findings section;
- (2) Retaining existing statutory provisions regarding the composition of the Hawaii Health Systems Corporation Board;
- (3) Changing the effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 417, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1241-12 Health on S.B. No. 2013

The purpose of this measure is to require a copy of a dental hygienist's certificate of licensure to be prominently displayed at all times in the office where the dental hygienist is employed or practices and to require a dental hygienist to have a pocket identification card available for viewing upon request if the dental hygienist is employed or practices in more than one office.

The Board of Dental Examiners, Hawaii Dental Hygienists' Association, and numerous individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Specifying that the original or a copy of a dental hygienist's certificate of licensure shall be prominently displayed at all times in the workplace;
- (2) Clarifying that a dental hygienist's pocket identification card shall be readily available for viewing upon request; and
- (3) Changing the effective date to July 1, 2050, 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 S.B. No. 2013, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2013, 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, C. Lee and Ching.

SCRep. 1242-12 Health on S.B. No. 2332

The purpose of this measure is to encourage beekeeping operations in the State by exempting home-based agricultural producers of honey from having to process the product in a certified honey house or food-processing establishment, or having to obtain a permit from the Department of Health, provided certain requirements are met.

The Department of Agriculture; Department of Health; Maui Natural Bee, LLC; and several individuals testified in support of this measure. Island Princess and several individuals opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement that a home-based agricultural producer of honey:
 - (A) Attend a Department of Health-approved food safety workshop and pass the food safety certification examination; and
 - (B) Maintain records of honey production volume and honey product distribution for at least two years and make the records available to the Department of Health upon request;
- (2) Exempting qualifying agricultural producers of honey in areas without access to municipal water supplies or infrastructure, from the requirements relating to certified food-processing establishments and Department of Health permits;
- (3) Changing its effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2332, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2332, 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. 1243-12 Health on S.B. No. 3039

The purpose of this measure, as received by your Committee, is to:

- (1) Prohibit a health care facility or health care provider from discriminating against a person who has human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), or AIDS-related complex (ARC) and who is in need of an organ transplantation by refusing to perform the organ transplantation; and
- (2) Specify that persons with HIV, AIDS, or ARC shall not be prohibited from receiving an anatomical gift.

American Civil Liberties Union of Hawaii, West Oahu Hope For A Cure Foundation, Inc., and several individuals testified in support of this measure. The Department of Health, The Queen's Health Systems, and an individual commented on this measure.

Upon consideration, your Committee has amended this measure by deleting its substance and inserting new provisions, the purpose of which is to require the Department of Health to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013 on the total number of individuals and the number of persons with HIV, AIDS, and ARC, who have received organ transplants from a medical facility or center in the State since 2009, including kidney and liver transplants.

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. 3039, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3039, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1244-12 Health/Human Services on S.B. No. 2126

The purpose of this measure is to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and Department of Health as they relate to various health care services by transferring to the Office of Health Care Assurance of the Department of Health, on July 1, 2014, the programs of the Department of Human Services relating to:

- (1) Home and community-based case management and community care foster family homes; and
- (2) Adult day care.

The Department of Human Services, the Policy Advisory Board for Elder Affairs, AARP, Hawaii Alliance for Retired Americans, the Filipino American Citizens League, the Case Management Council, and several individuals supported this measure. The Department of Health supported the intent of this measure.

Your Committees have amended this measure by:

- (1) Deleting the definition of the term "expanded adult residential care home";
- (2) Clarifying that the adult abuse perpetrator checks conducted determine whether an adult abuse perpetrator is known to the Department of Human Services;
- (3) Requiring criminal history record checks for personnel and adult volunteers at adult day care centers;
- (4) Restoring the use or disclosure of information concerning applicants and recipients to include purposes connected with any investigation, prosecution, or criminal proceeding conducted in connection with the licensing or operation of an adult day care center;
- (5) Deleting the appropriation for the Department of Health to fund the costs of performing the services and duties required by this measure that are not sufficiently funded by the funds transferred from the Department of Human Services;
- (6) Changing the effective date to July 1, 2050, to promote continued discussion; and
- (7) 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2126, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2126, 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. 1245-12 Health/Human Services on S.B. No. 2227

The purpose of this measure is to appropriate an unspecified amount of funds to community health centers for the provision of direct health care for the uninsured.

The Healthcare Association of Hawaii testified in support of this measure. The Department of Human Services and Department of Health offered comments.

Your Committees have amended this bill by adding the following general fund appropriations for the 2012-2013 fiscal year:

- (1) \$114,467 for direct respite services;
- (2) \$3,000,000 to supplement the cost of direct services of the Healthy Start Program;
- (3) \$285,000 to provide funding for grants to the following organizations to provide direct services:
 - (A) \$175,000 to Catholic Charities Hawaii for the Lanakila Multi-Purpose Senior Center;
 - (B) \$50,000 to the Moiliili Community Center for the Moiliili Senior Center Program; and
 - (C) \$60,000 to the Waikiki Community Center;
- (4) \$4,800,000 for the cost of direct services of the Kupuna Care Program and meals for the elderly receiving kupuna care;
- (5) \$1,400,000 for direct services provided by the Aging and Disability Resource Center;
- (6) \$1,500,000 for direct services provided by the Developmental Disabilities Medicaid Waiver Program;
- (7) \$1,500,000 for direct adult mental health services;
- (8) \$150,000 for direct services provided by the Partnerships in Community Living Program;
- (9) \$1,400,000 for direct substance abuse treatment and prevention services for adults and adolescents;
- (10) \$426,722 for direct services provided by the Healthy Aging Partnership Program;
- (11) \$332,000 to provide funding for grants to the Waianae District Comprehensive Health and Hospital Board, Inc., to support its direct emergency room services;
- (12) \$810,000 to provide funding for grants to the following organizations for direct HIV/AIDS related services:
 - (A) \$270,000 to the Life Foundation;
 - (B) \$270,000 to Gregory House Programs; and
 - (C) \$270,000 to Community Health Outreach Work to Prevent AIDS;
- (13) \$10,500,000 for direct health care services for individuals who are uninsured and underinsured;

- (14) An unspecified amount for various oral health services, education, and data tracking;
- (15) \$500,000 to provide funding for grants to Kookaa Kalihi Valley (Comprehensive Family Services) to provide direct services;
- (16) \$180,000 for direct services to pregnant women struggling with addiction;
- (17) \$699,557 for direct services provided by the Baby S.A.F.E. (substance abuse free environment) Program;
- (18) \$110,000 for direct services related to fetal alcohol spectrum disorders;
- (19) \$546,021 for direct family planning services;
- (20) \$94,229 for direct services provided by perinatal health programs;
- (21) \$436,596 for direct services provided by the Preschool Developmental Screening Program;
- (22) \$75,000 to provide funding for grants to Planned Parenthood of Hawaii for statewide sexual health education; and
- (23) \$35,000 to provide training for trainers and others to prevent and address cyberbullying and promote peaceful relations among students and others who are part of a public or private school community.

Technical, nonsubstantive amendments were also made for purposes of 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. 2227, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2227, 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. 1246-12 Health/Human Services on S.B. No. 2536

The purpose of this measure is to establish a Clean and Sober Home and Halfway House Task Force to, among other things:

- (1) Develop a plan of accountability for clean and sober homes and halfway houses to ensure compliance with occupancy and other requirements;
- (2) Conduct an inventory of clean and sober homes statewide, identifying current occupancy levels, and determining compliance with county zoning laws and tax requirements;
- (3) Balance community concerns with the needs of individuals requiring clean and sober homes and halfway houses; and
- (4) Report to the 2013 Legislature on the scope and nature of the accountability plan for clean and sober homes and halfway houses, the process by which the houses will be monitored, the way in which concerns of the community members are balanced with the concerns of those requiring the support of the homes, and how the homes will be regulated short of direct governmental oversight.

The Hawaii Substance Abuse Coalition and several concerned individuals supported the measure. The Department of Health opposed the measure.

Your Committees have amended this measure by:

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2536, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2536, 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. 1247-12 Health/Human Services on S.B. No. 2466

The purpose of this measure is to ensure access to health care for medicaid recipients by establishing a nursing facility sustainability fee and a special fund to receive moneys from the nursing facility sustainability fee in order to receive federal medicaid matching funds under the QUEST expanded medicaid section 1115 demonstration waiver.

The Healthcare Association of Hawaii, Hale Makua Health Services, and Hawaii Long Term Care Association testified in support of this measure. The Department of Human Services testified in support of this measure with amendments. The Hawaii Health Systems Corporation testified in support of the intent of this measure. The Department of Budget and Finance and one individual provided comments.

Your Committees have amended this measure by replacing language referencing the "Healthcare Association of Hawaii" and "Hawaii Long Term Care Association" with "nursing facility trade associations located in Hawaii".

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. 2466, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2466, 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. 1248-12 Health/Human Services on S.B. No. 2320

The purpose of this measure is to build a statewide system of support for Hawaii's older adults and their caregivers by:

- (1) Establishing the Kupuna Care Program to provide affordable and quality home- and community-based services for adults who are sixty years of age and older, and family caregivers; and
- (2) Appropriating funds for various programs and services for Hawaii's aging population.

The Department of Community Services of the City and County of Honolulu; Healthcare Association of Hawaii; Hawaii County Office of Aging; Lanakila Pacific; Hale Mahaolu; AARP; ILWU Local 142; Hawaii Alliance for Retired Americans; Catholic Charities Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and numerous individuals testified in support of this measure. The Executive Office on Aging and Waikiki Community Center commented on this measure.

Your Committees have amended this measure by:

- (1) Deleting the findings sections;
- (2) Changing the statutory reference of the "Kupuna Care Program" to the "Home- and Community-Based Services Program", and making corresponding amendments to conform to the name change;
- (3) Deleting reference to any age or age range of individuals to which the Home- and Community-Based Services Program serves; 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2320, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2320, 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. 1249-12 Public Safety & Military Affairs on S.B. No. 2397

The purpose of this measure is to prohibit the counties from requiring the installation or retrofitting of automatic fire sprinklers or an automatic fire sprinkler system in any new or existing detached one- or two-family dwelling unit used for residential purposes, but allows counties to require sprinklers for:

- (1) Any new home that requires a variance from access road or fire fighting water supply requirements; and
- (2) Any non-residential agricultural or aquacultural building or structure located outside the urban area.

The Building Industry Association of Hawaii; Gentry Homes, Ltd.; The Pacific Resource Partnership; the General Contractors Association of Hawaii; and an individual supported this measure. The Hawaii Farm Bureau Federation supported the intent of this measure. The State Fire Council; the Honolulu Fire Department; the Hawaii County Fire Department; the Kauai County Fire Department; the Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; the Plumbers and Fitters Union, Local 675; and the National Fire Protection Association opposed this measure. The Hawaii Aquaculture and Aquaponics Association and the International Code Council commented on this measure.

Your Committee has amended this measure by:

- (1) Including any non-residential agricultural or aquacultural building or structure located outside the urban area among the structures for which the counties may not require sprinklers;
- (2) Changing the effective date to January 1, 2050, for the purpose of facilitating further discussion;
- (3) Repealing the measure five years after its effective date; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that there are concerns regarding individual and community safety as well as with the rising costs of homes. These amendments seek to balance the concerns of all stakeholders.

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. 2397, 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. 2397, S.D. 1, H.D. 2.

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

SCRep. 1250-12 Public Safety & Military Affairs on S.B. No. 2866

The purpose of this measure is to ensure public safety and reduce recidivism of incarcerated individuals by preparing these individuals for reentry into the community through programs and services that reflect best practices and evidenced-based results and provide these individuals with greater opportunities to be rehabilitated. Specifically, this measure, among other things:

- (1) Creates the Offender Reentry Office to oversee the Comprehensive Offender Reentry System and restore the purpose of the intake service centers to screen, evaluate, and classify the admission of persons to community correctional centers; and
- (2) Reconstitutes the Reentry Commission, expands its duties, and extends its repeal date.

The Department of Public Safety, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and Hawaii Substance Abuse Coalition testified in support of this measure.

While your Committee has concerns that the creation of an Offender Reentry Office within the Department of Public Safety to oversee a Comprehensive Offender Reentry System will have fiscal implications for the Department, your Committee notes that, according to the Department, the creation of this office and program can be accomplished under the current fiscal constraints facing the Department. As such, your Committee finds that this matter deserves further consideration and the fiscal implications of this measure can be discussed further as it proceeds to the Committee on Finance.

Your Committee has amended this measure by:

- (1) Changing its 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1251-12 Public Safety & Military Affairs on S.B. No. 2101

The purpose of this measure is to make permanent the general excise tax exemption on funds received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third-party health care providers pursuant to a contract with the United States.

The Department of Taxation; TriWest Healthcare Alliance, Inc.; the Hawaii Medical Service Association; and the Chamber of Commerce of Hawaii supported this measure. The Tax Foundation of Hawaii commented on 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 S.B. No. 2101, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1252-12 Public Safety & Military Affairs on S.B. No. 2865

The purpose of this measure is to expand the allowed uses of funds deposited into the Federal Reimbursement Maximization Special Fund to include those uses identified and approved by the United States Department of Justice.

The Department of Public Safety 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 is in accord with the intent and purpose of S.B. No. 2865 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1253-12 Public Safety & Military Affairs/Transportation on S.B. No. 2518

The purpose of this measure is to extend the validity of the driver's license of an accompanying dependent of an active duty member of the United States Armed Forces in instances when the driver's license expires while the member is deployed overseas.

The Department of Customer Services of the City & County of Honolulu and an individual testified in support of the measure.

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. 2518, 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 Luke, Saiki, Takai and Takumi.

SCRep. 1254-12 Hawaiian Affairs on S.B. No. 2268

The purpose of this measure is to modify the inscription on the memorial statue of Queen Liliuokalani on the grounds of the State Capitol to reflect the dates of her coronation on January 29, 1891, to the date of her death on November 11, 1917.

Currently, the inscription, "Queen of Hawaii 1891-1893", reflects the dates of her coronation and the overthrow of the Government of Hawaii.

The Office of Hawaiian Affairs and Association of Hawaiian Civic Clubs supported the measure. A concerned individual opposed the 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 S.B. No. 2268 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, Mizuno, Yamane and Pine.

SCRep. 1255-12 Hawaiian Affairs on S.B. No. 2305

The purpose of this measure is to prohibit the taking of any amount of sand or other marine deposits seaward from the shoreline, but to allow for exemptions for inadvertent, de minimis takings; the taking of driftwood, shells, beach glass, glass floats, or seaweed; and taking for public emergencies and traditional cultural practices.

Several concerned individuals supported the measure. The Office of Hawaiian Affairs supported the measure with amendments. A concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption for materials inadvertently taken, such as those carried away on the body, clothes, toys, recreational equipment, and bags, shall be limited to amounts not to exceed one gallon per person per day;
- (2) Adding the contents of H.B. No. 2820, H.D. 3, which helps to preserve Hawaiian fishponds by, among other things:
 - (A) Requiring the Board of Land and Natural Resources to give preference to the retention of the traditional name of a kanaka maoli fishpond when issuing certain leases for public land;
 - (B) Requiring the Board of Land and Natural Resources to provide preferences for the reconstruction, restoration, repair, or use of Hawaiian fishponds when issuing leases for state land;
 - (C) Prohibiting the granting of a lease for public land containing an existing Hawaiian fishpond or the site of an identifiable historic Hawaiian fishpond if the terms of the lease preclude or foreclose the reconstruction, restoration, repair, or use of the fishpond or site; and
 - (D) Requiring the Department of Land and Natural Resources to establish the East Honolulu Fishpond Heritage Area to preserve existing Hawaiian fishponds and traditional fishpond structures, fish and plant habitats, and the customary and traditional uses of fishponds in the fishpond heritage area;
- (3) Adding a severability 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2305, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2305, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1256-12 Hawaiian Affairs on S.B. No. 2001

The purpose of this measure is to amend the Hawaii State Planning Act to:

- (1) Include promoting the development of indigenous renewable energy resources located on public trust land as a source of firm power; and

- (2) Ensure that the development of indigenous renewable energy resources on public trust land directly benefits native Hawaiians and public beneficiaries of the trust.

The Department of Land and Natural Resources; Innovations Development Group; Indigenous Consultants, LLC; and the Association of Hawaiian Civic Clubs supported the measure.

Your Committee has amended this measure by:

- (1) Adding a provision that requires all public land trust lands to be held in trust for a Native Hawaiian government upon the establishment of such a government;
- (2) Adding a provision that requires consultation and public input from the Native Hawaiian community and the general public when developing projects with public land trust lands;
- (3) Adding the contents of H.B. No. 2156 (2012), which repeals Chapter 171C, Hawaii Revised Statutes, relating to the Public Land Development Corporation; 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 is in accord with the intent and purpose of S.B. No. 2001, 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. 2001, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1257-12 Hawaiian Affairs on S.B. No. 3016

The purpose of this measure is to assist incarcerated individuals with reintegration into society and work to reduce recidivism among incarcerated individuals, particularly those of Native Hawaiian ancestry, as well as benefit the community without jeopardizing public safety by:

- (1) Directing the Department of Public Safety, in cooperation with ‘Ohana Ho‘opakele and other restorative justice groups to:
 - (A) Plan for the creation of a pu‘uhonua, or culturally sensitive wellness center employing native Hawaiian cultural practices, to serve as an intervention program for at-risk populations to restore the overall well-being of individuals, families, and the native Hawaiian community; and
 - (B) Determine an appropriate site for the pu‘uhonua, giving preferential consideration to the site of the former Kulani Correctional Facility on the island of Hawaii;
- (2) Requiring the Department of Public Safety to submit a report to the Legislature on its plan, findings, and recommendations, including the factors used in determining site selection for the wellness center, and any budget requests, no later than 20 days prior to the convening of the 2013 Regular Session; and
- (3) Creating within the Department of Public Safety a work release pilot program for low-risk incarcerated individuals to work on community projects, identified by the Department of Public Safety in collaboration with the Department of Land and Natural Resources.

The American Civil Liberties Union of Hawaii, Association of Hawaiian Civic Clubs, Community Alliance on Prisons, Ohana Ho‘opakele, Malu ‘Aina, Blueprint for Change, Hawaii Prison News, and many concerned individuals supported the measure. The Office of Hawaiian Affairs supported the measure with amendments. The Department of Public Safety and Department of Land and Natural Resources offered comments on the measure.

Your Committee has amended this measure by removing a directive to the Public Lands Development Corporation to provide assistance in determining an appropriate site for the pu‘uhonua.

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. 3016, 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. 3016, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1258-12 Agriculture/Economic Revitalization & Business on S.B. No. 2341

The purpose of this measure is to permit agricultural tourism activities, including overnight accommodations of twenty-one days or less, in an agricultural district for any one stay within a county; provided that the activities are permitted under an ordinance of the county regulating agricultural tourism under section 205-5, Hawaii Revised Statutes.

A member of the County Council of Maui, Hawaii Association of REALTORS, Nanakuli Neighborhood Board, Hana Business Council, and numerous individuals testified in support of this measure. The Hawaii Farm Bureau Federation and REALTORS Association of Maui, Inc., testified in support of the intent of this measure. The Department of Agriculture; Office of Planning of the Department of Business, Economic Development, and Tourism; Department of Planning and Permitting of the City and County of Honolulu; Sierra Club; Hawaii's Thousand Friends; TransitionOahu.org; and several individuals testified in opposition to this measure.

Your Committees have amended this measure by:

- (1) Limiting agricultural tourism activities in an agricultural district to a county with a population greater than 250,000 people, but less than 500,000 people;
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion; 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 Agriculture and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2341, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2341, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee.

SCRep. 1259-12 Agriculture/Economic Revitalization & Business on S.B. No. 2375

The purpose of this measure is to:

- (1) Permit producer-operated, agricultural-based commercial operations in agricultural districts;
- (2) Include as permissible agricultural-based commercial operations:
 - (A) The preparation and sale of certain food by a producer-operated retail food establishment; and
 - (B) The sale of logo items related to a producer's agricultural operation; and
- (3) Include agricultural-based commercial operations under the definition of "farming operation" in the Hawaii Right to Farm Act, codified in chapter 165, Hawaii Revised Statutes.

Kahuku Farms, Matsuda-Fukuyama Farms, Kahuku Farmers, Kamehameha Schools, Environmental Caucus of the Democratic Party of Hawaii, Hawaii Aquaculture and Aquaponics Association, and two individuals supported this measure. The Department of Agriculture supported the intent of this measure. The Hawaii Farm Bureau Federation supported this measure with amendments. The Department of Planning and Permitting of the City and County of Honolulu and three individuals opposed this measure.

Your Committees have amended this measure by:

- (1) Specifying that the allowed agricultural-based commercial operations be producer- owned and operated;
- (2) Specifying that the products permitted to be sold with respect to agricultural-based commercial operations be grown on the premises or in the State;
- (3) Changing the effective date to January 20, 2020, for the purpose of facilitating further discussion; and
- (4) 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 Agriculture and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2375, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2375, S.D. 3, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee.

SCRep. 1260-12 Agriculture on S.B. No. 2695

The purpose of this measure is to improve the State's food security and assist local agriculture by creating a livestock feed feasibility pilot project to explore the viability of growing and processing livestock feed within the State and, to the extent feasible, on land held by the Department of Agriculture.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Palani Ranch Company, Maui Cattlemens Association, and two concerned individuals testified in support of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that aquacultural products are included in the State's local production goals;
- (2) Requiring the Department of Agriculture to implement the livestock feed feasibility pilot project in collaboration with other research institutions;
- (3) Clarifying that the pilot project shall explore the viability of producing and processing livestock feed within the State through scientific research;

- (4) Requiring the pilot project, to the extent feasible, to produce and process livestock feed on land as determined by the Chairperson of the Board of Agriculture rather than on land held by the Department of Agriculture;
- (5) Authorizing the issuance of \$1,000,000 in general obligation bonds for fiscal year 2012-2013 for the pilot project;
- (6) Requiring the \$1,000,000 in general obligation bonds issued for the pilot project be matched by an equal appropriation from the Agricultural Development and Food Security Special Fund for fiscal year 2012-2013;
- (7) Stipulating that a portion of the funds appropriated shall serve as matching funds for a federal construction grant awarded to build a pilot-scale feed mill to assess the operational feasibility of a feed mill in the state; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2695, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2695, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1261-12 Agriculture on S.B. No. 3011

The purpose of this measure is to require the Department of Agriculture to transfer three parcels of land located in Kunia, Oahu, to the Agribusiness Development Corporation.

The Hawaii Farm Bureau Federation testified in support of this measure. The Agribusiness Development Corporation testified in support of the intent of this measure. The Department of Agriculture and Office of Hawaiian Affairs testified in opposition to this measure. The Department of Land and Natural Resources provided comments on this measure.

Your Committee respectfully requests that the Committee on Finance further examine:

- (1) Having the Department of Agriculture, Hawaii Farm Bureau Federation, Office of Hawaiian Affairs, and Department of Land and Natural Resources further examine the issue of leasing the land;
- (2) That there is an administrative ruling to have the Agribusiness Development Corporation be a feasible avenue; and
- (3) The Office of Hawaiian Affairs concerns that the Agribusiness Development Corporation can sell the lands without legislative approval.

Your Committee has amended the measure by changing the effective date to January 20, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, 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. 3011, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1262-12 Economic Revitalization & Business/Higher Education on S.B. No. 3037

The purpose of this measure is to provide a strategic approach to facilitate the growth of the aerospace industry in the State.

Specifically, the measure:

- (1) Transfers the Pacific International Space Center for Exploration Systems from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and
- (2) Authorizes the issuance of an unspecified amount of general obligation bonds and makes an unspecified appropriation out of general funds to finance construction of the Pacific International Space Center for Exploration Systems' aerospace research technology park project.

The Chamber of Commerce of Hawaii and an individual testified in support of this measure. The Department of Business, Economic Development, and Tourism and Chancellor of the University of Hawaii at Hilo testified in support of the intent of this measure. The Department of Human Resources Development provided comments on this measure.

Your Committees have amended this measure by:

- (1) Replacing the contents of the measure with the contents of the substantially similar H.B. No. 2873, H.D. 2;
- (2) Amending H.B. No. 2873, H.D. 2, to have the board of directors consist of ten members, including the Executive Director of the Space Center, Director of Business, Economic Development, and Tourism or the Director's representative, the President of the University of Hawaii or the President's representative, six members from various backgrounds, and a member from the National Aeronautics and Space Administration;

- (3) Amending H.B. No. 2873, H.D. 2, to change the method of appointment to the board of directors and the length of the terms of appointment;
- (4) Amending H.B. No. 2873, H.D. 2, to change the Executive Director into an Interim Executive Director; and
- (5) 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 Economic Revitalization & Business and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3037, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3037, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1263-12 Economic Revitalization & Business on S.B. No. 3031

The purpose of this measure is to clarify that a liquor licensee who timely prevents or suppresses any violent, quarrelsome, disorderly, lewd, immoral, or unlawful conduct of any person on the premises is not in violation of the law.

Centerplate and a concerned individual supported the measure. The Liquor Commission of the City and County of Honolulu offered comments 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. 3031, 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 Brower and Pine.

SCRep. 1264-12 Economic Revitalization & Business on S.B. No. 2419

The purpose of this measure is to protect personal information in certain circumstances by allowing the scanning and retention of personal information contained in a state identification card or driver's license for limited purposes.

The Department of Customer Services of the City and County of Honolulu, American Civil Liberties Union of Hawaii, Retail Merchants of Hawaii, and Retail Equation testified in support of this measure. The Office of Consumer Protection testified in support of the intent of this measure. Verizon testified in opposition to this measure. The Consumer Data Industry Association provided comments on this measure.

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

- (1) Specifying that a business may scan the machine-readable zone of an individual's Hawaii identification card or driver's license for the purposes of:
 - (A) Verifying the authenticity of the identification card;
 - (B) Verifying the identity of an individual, if the individual requests an exchange;
 - (C) Verifying the individual's age when providing age-restricted goods or services to the individual if there is any reasonable doubt of the individual having reached eighteen years of age or older;
 - (D) Transmitting information to a consumer reporting agency, financial institution, or debt collector as permitted by the federal Fair Credit Reporting Act, Gramm-Leach-Bliley Act, or Fair Debt Collection Practices Act; and
 - (E) Recording, retaining, or transmitting information by certain entities governed by the medical privacy and security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of the Code of Federal Regulations;
- (2) Limiting the information collected by scanning an individual's Hawaii identification card or driver's license if the individual returns or requests a refund or an exchange and the business uses a fraud prevention service company or system;
- (3) Removing the requirement that any information obtained by certain businesses from scanning the machine-readable zone of an individual's certificate of identification or driver's license shall be purged or deleted no later than five days after it is obtained;
- (4) Adding a definition for "covered entity", to conform to the security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of the Code of Federal Regulations, established pursuant to the Health Insurance Portability and Availability Act of 1996; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2419, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 2419, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana, Brower and Pine.

SCRep. 1265-12 Economic Revitalization & Business on S.B. No. 2111

The purpose of this measure, as received by your Committee, is to capitalize on the convergence of Hawaii's film, television, entertainment, digital media, and music industries by pursuing long-term growth through a comprehensive strategy to grow high-quality local jobs in these industries by, among other things:

- (1) Establishing the Hawaii film and digital media special fund;
- (2) Amending the motion picture, digital media, and film production income tax credit percentages and the total tax credit cap; and
- (3) Establishing a motion picture, digital media, and film production infrastructure tax credit.

For the purposes of a public hearing on this bill, your Committee circulated Proposed S.B. No. 2111, S.D. 2, H.D. 1, and notified the public that it would be accepting testimony on the proposal, which:

- (1) Establishes the qualified media infrastructure projects special fund, which will consist of proceeds from revenue bonds issued to assist individuals with qualified media infrastructure projects;
- (2) Extends the motion picture, digital media, and film production tax credit to January 1, 2025;
- (3) Raises the qualified production tax credit ceiling to an unspecified amount from \$8,000,000;
- (4) Separates the calculation of the credit amount based on wages and salaries from the credit amount based on other qualified production costs; and
- (5) Provides different credit amounts based on residence within the counties for the wages and salaries paid to all cast, crew, and musicians of the qualified production, plus an additional unspecified percentage credit amount on wages and salaries of cast, crew, and musicians who are state residents.

Hyperspective Studios, Inc.; ILWU Local 142; Screen Actors Guild; International Alliance of Theatrical Stage Employees Mixed Local 665; American Federation of Musicians Local 677; Hawaii Teamsters Local 996; and several individuals testified in support of the proposed draft. The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, and an individual testified in support of the intent of proposed draft. The Department of the Attorney General and Tax Foundation of Hawaii provided comments on the proposed draft.

Your Committee has amended the Proposed Draft by:

- (1) Deleting the qualified media infrastructure projects special fund;
- (2) Increasing the credit ceiling per qualified production to \$16,000,000 from \$8,000,000;
- (3) Specifying that the credit amount be left as 15 percent of the qualified production costs in any county of the State with a population of over 700,000 and increased to 25 percent in any county of the State with a population of 700,000 or less;
- (4) Including an additional five percent for the wages and salaries of cast, crew, and musicians included in the qualified production costs incurred by a qualified production in the State who are residents of the State and to Hawaii vendors and suppliers;
- (5) Specifying that legal residency is demonstrated by evidence that an individual has filed a Hawaii income tax return for the previous taxable year and has a valid Hawaii driver's license or other state-issued identification;
- (6) Deleting the definition of "resident of the State";
- (7) Changing the effective date to January 1, 2112, to promote further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2111, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Nishimoto, Marumoto and Pine.

SCRep. 1266-12 Economic Revitalization & Business on S.B. No. 2412

The purpose of this measure is to implement measures that encourage timely payments to subcontractors for work performed on construction projects and to provide interest penalties for late payments.

The Plumbers and Fitters Union, Local 675; Ironworkers Stabilization Fund; and the Hawaii Building and Construction Trades Council, AFL-CIO supported the measure. The Department of Budget and Fiscal Services of the City and County of Honolulu, Department of Design and Construction of the City and County of Honolulu, Contractors License Board, Hawaii Laborers' Union, Pacific Resource Partnership, Hawaii Laborers-Employers Cooperation and Education Trust, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Ralph S. Inouye Co., Ltd., opposed the measure.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to promote 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. 2412, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2412, 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. 1267-12 Economic Revitalization & Business on S.B. No. 2511

The purpose of this measure is to reduce the adverse impact of single-use checkout bag waste in Hawaii by establishing a fee for the distribution of single-use checkout bags and directing that the fee revenues be used to fund programs to mitigate the damaging effects of single-use checkout bags.

The Department of Land and Natural Resources, Department of Health, Board of Water Supply, Maui County Department of Water Supply, Retail Merchants of Hawaii, Times Supermarket, Safeway, Hawaii Food Industry Association, The Pacific Resource Partnership, The Nature Conservancy, Trust for Public Land, Conservation Council for Hawaii, Hawaii Green Growth Initiative, Three Mountain Alliance Watershed Partnership, Outdoor Circle, Coordinating Group on Alien Pest Species, Maui Invasive Species Committee, West Maui Mountains Watershed Partnership, For the Fishes, Kauai Watershed Alliance, Surfriider Foundation, Sierra Club, Office of Mauna Kea Management, Ocean Devotion Hawaii, and numerous individuals testified in support of this measure. Two individuals testified in opposition to this measure. The Tax Foundation of Hawaii and Hawaii Foodbank provided comments on this measure.

Your Committee has amended this measure by:

- (1) Replacing the contents of this measure with H.B. No. 2260, H.D. 2, Regular Session of 2012, which reflects the House of Representatives' position on the same issue;
- (2) Specifying that food donation organizations are not a business that is subject to the single-use checkout bag fee;
- (3) Specifying that the first \$3,500,000 of the fees collected shall be deposited into the general fund and the amount of fees collected thereafter shall be deposited into the natural area reserve fund;
- (4) Exempting small businesses from the annual reporting requirement to the Department of Health on the number of single-use checkout bags provided; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2511, 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. 2511, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana, Brower, Nishimoto, Marumoto and Pine.

SCRep. 1268-12 Judiciary on S.B. No. 650

The purpose of this measure is to propose an amendment to the Hawaii State Constitution to authorize the Chief Justice of the Hawaii Supreme Court to appoint judges who have retired upon attaining the age of seventy years to serve as per diem judges or judicial mentors for terms not to exceed three months.

The Judiciary supported this measure. The Office of the Public Defender commented on this measure.

Your Committee has amended this measure by:

- (1) Replacing the term "per diem judges or judicial mentors" with the term "temporary judges";
- (2) Clarifying that each three-month term is per appointment; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee has added the phrase "per each appointment" to demonstrate that this measure anticipates that multiple temporary judges may be appointed for more than one term. Additionally, your Committee notes that "judges" as used in this measure is contemplated to include "justices" as may be applicable.

As affirmed by the record of votes of 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. 650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 650, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1269-12 Judiciary on S.B. No. 2261

The purpose of this measure is to:

- (1) Reduce violent crime, drug abuse, and gang activity;
- (2) Improve the quality of life in Hawaii's neighborhoods; and
- (3) Encourage community revitalization across the State,

by permanently establishing the Weed and Seed Program within the Department of Labor and Industrial Relations and appropriating an unspecified amount of general fund revenues to maintain current Weed and Seed Programs and expand the Program into other areas of the State.

The Department of Public Safety; the Honolulu Police Department; Empower Oahu; Kalihi Baptist Church; Hawaii's Most Wanted Magazine; Cedar Assembly of God; Our Lady of Perpetual Help Church; Pacific Gateway Center; Haseko Development, Inc.; the Gentry Companies; Boys & Girls Club of Hawaii; Hale Pono Clubhouse; Meridian Pacific, Ltd.; and numerous individuals testified in support of this measure. The Department of Labor and Industrial Relations, Office of Community Services of the Department of Labor and Industrial Relations, and Department of Human Services 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 is in accord with the intent and purpose of S.B. No. 2261 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1270-12 Judiciary on S.B. No. 2277

The purpose of this measure is to make permanent the Board of Land and Natural Resources' power to:

- (1) Issue incidental take licenses; and
- (2) Enter into safe harbor agreements and habitat conservation plans.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Land and Natural Resources; the County of Kauai, Office of the County Attorney; Hawaii Cattlemen's Council, Inc.; Pahio Resorts; Land Use Research Foundation of Hawaii; First Wind; GCA of Hawaii; Hawaii Laborers' Union; The Pacific Resource Partnership; and one individual. The Hawaii Farm Bureau Federation supported the measure with amendments. Testimony in opposition was submitted by Sierra Club, Conservation Council for Hawaii, Life of the Land, EarthJustice, and eight individuals. The Nature Conservancy, BIA-Hawaii, and one individual submitted comments on the measure.

Your Committee finds that safe harbor agreements, habitat conservation plans, and incidental take licenses are valuable tools for the State's ongoing efforts to protect Hawaii's endangered and threatened species. Allowing the State to continue to work together with landowners to preserve Hawaii's native plants and animals will benefit Hawaii's endangered and threatened species and all parties concerned.

As affirmed by the record of votes of 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. 2277, 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 Representative Herkes.
(Representative Thielen voted no.)

SCRep. 1271-12 Judiciary on S.B. No. 2709

The purpose of this measure is to allow the Department of Health to disclose upon request, the dates of vital events to government agencies in the State that seek to verify information contained in vital statistics records for the purpose of updating official lists.

The Department of Human Services, Department of Health, and Department of the Attorney General 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 S.B. No. 2709, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1272-12 Judiciary on S.B. No. 2783

The purpose of this measure is to effectively and responsibly meet the State's constitutional obligation to give effect to the right of native Hawaiians to benefit from the ceded lands trust by conveying certain public lands in Kakaako, Oahu, to the Office of Hawaiian Affairs, with respect to their share of the income and proceeds from the public land trust lands from November 7, 1978, to June 30, 2012.

The Governor; Office of Hawaiian Affairs; Department of Hawaiian Home Lands; Attorney General; Native Hawaiian Chamber of Commerce; PBR HAWAII & ASSOCIATES, INC.; Association of Hawaiian Civic Clubs; General Contractors Association of Hawaii; Kakaako Makai Community Planning Advisory Council; Sovereign Councils of the Hawaiian Homelands Assembly; Sovereign Mokupuni Council O Kauai; Sovereign Mokupuni Council O Maui; Sovereign Council O Oahu; Sovereign Mokupuni Council O Molokai; Waianae Kai Homestead Community Association; Waiehu Kou IV

Homestead Association; Kewalo Hawaiian Homestead Community Association; and several concerned individuals supported the measure. The Center for Hawaiian Sovereignty Studies opposed the measure.

Your Committee finds that the State is constitutionally obligated to provide a pro rata portion of public land trust revenues to the activities of the Office of Hawaiian Affairs. However, at least a portion of this obligation has been disputed since 1978. In an attempt to resolve this dispute, the Governor's Administration began discussions with the Office of Hawaiian Affairs last year. This measure embodies the historic agreement that resulted from those discussions.

Your Committee notes, however, that the resolution of this important issue is ultimately under the Legislature's jurisdiction. As such, your Committee concurs with the solution put forth by the Administration to transfer approximately \$200 million worth of land in Kaka'ako Makai to the Office of Hawaiian Affairs to right this decades-old wrong.

As affirmed by the record of votes of 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. 2783 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1273-12 Judiciary on S.B. No. 2248

The purpose of this measure is to ensure that seriously ill or disabled prisoners who pose a low risk to public safety are no longer punished through imprisonment by improving procedures for the medical release program.

The Office of Hawaiian Affairs, American Civil Liberties Union, Community Alliance on Prisons, and numerous individuals testified in support of this measure. The Hawaii Paroling Authority and one individual testified in support with amendments. The Department of Public Safety testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Specifying that the medical release hearing is administrative;
- (2) Increasing to 30 days the period of time between the receipt of the medical release report and the hearing; and
- (3) Changing the effective date to July 1, 2012.

As affirmed by the record of votes of 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. 2248, 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. 2248, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1274-12 Judiciary on S.B. No. 2318

The purpose of this measure is to adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act to:

- (1) Ensure that only one state has jurisdiction at any one time in adult guardianship cases and protective proceedings;
- (2) Specify whether a court has jurisdiction to appoint a guardian or conservator for an incapacitated adult; and
- (3) Prioritize which state may proceed with a petition in an adult guardianship or protective proceeding in the case of simultaneous proceedings in more than one state.

The Executive Office on Aging; Alzheimer's Association, Aloha Chapter; and Commission to Promote Uniform Legislation supported the measure. The Judiciary offered comments on the measure.

Your Committee has amended this measure by:

- (1) Replacing its contents with H.B. No. 2193 H.D. 1, which contains virtually identical substance content; and
- (2) Making further 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 S.B. No. 2318, 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. 2318, S.D. 1, H.D. 1.

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

SCRep. 1275-12 Judiciary on S.B. No. 2712

The purpose of this measure is to improve efficiency in administration of the State's Medicaid program by:

- (1) Defining the term "medical institution" as it relates to medical liens;
- (2) Requiring the Department of Human Services, in collaboration with relevant stakeholders, to revise the methodology for determining the level of acuity of nursing facility residents who are Medicaid recipients, and to develop a referral system for discharging hospital patients to nursing homes and long-term care facilities;
- (3) Requiring the Department of Transportation and the Department of Transportation Services of the City and County of Honolulu to study non-emergency transportation; and
- (4) Prohibiting the modification of Medicaid reimbursement policies without advance notice to affected health care providers.

The Department of the Attorney General and the Department of Human Services supported parts of the measure and offered comments.

Your Committee has amended the measure by:

- (1) Removing the transportation study because it did not fit within the title of the bill;
- (2) Removing the provision relating to the regulation of contractor reimbursement to avoid constitutional problems; 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. 2712, 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. 2712, H.D. 2.

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

SCRep. 1276-12 Judiciary on S.B. No. 2776

The purpose of this measure is to implement the recommendations of the Justice Reinvestment Working Group regarding three areas of improvement to Hawaii's criminal justice and corrections system - pretrial process, parole, and payment of restitution — by focusing on incarceration, supervision, and treatment as follows:

- (1) Requiring that an objective assessment be conducted within the first three working days of a person's commitment to a community correctional center;
- (2) Increasing the number of Hawaii Paroling Authority members;
- (3) Requiring the Hawaii Paroling Authority to use a validated risk assessment to determine the person's risk of re-offense and suitability for community supervision;
- (4) Reducing recidivism by using effective responses to parole condition violations;
- (5) Improving the collection of restitution by the Department of Public Safety;
- (6) Ensuring all felony offenders are supervised for a minimum period of time after their release from incarceration;
- (7) Requiring that savings realized by reducing the incarcerated population be reinvested within the criminal justice system; and
- (8) Appropriating funds for Department of Public Safety positions in the State and counties to improve the State's criminal justice system and to increase public safety.

The Office of the Governor, Office of Hawaiian Affairs, Judiciary, Hawaii Paroling Authority, Office of the Public Defender, Department of Public Safety, Hawaii State Commission on the Status of Women, Crime Victim Compensation Commission, Community Alliance for Prisons, Drug Policy Forum of Hawaii, Justice Center, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Mothers Against Drunk Driving, Chaminade University of Honolulu, Sex Abuse Treatment Center, and several concerned individuals supported the measure. The Kauai Prosecuting Attorney, American Civil Liberties Union of Hawaii, and a concerned individual supported the measure with amendments. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the intent of the measure with amendments. The Honolulu Prosecuting Attorney offered comments. Several bail bond agents and a surety opposed the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2776, 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 Representative Herkes.

SCRep. 1277-12 Judiciary on S.B. No. 2233

The purpose of this measure is to allow government agencies to give required notices by electronic or online publication on the centralized website of the State or the website of the affected county, as applicable and to provide proof of publication by certain designated representatives.

In addition, the measure appropriates funds to the Department of Accounting and General Services and the Department of Education to help with costs associated with electronic notices for the public.

The Office of Information Practices, the Office of Information Management and Technology, the Judiciary, the Hawaii State Public Library System, the Department of Planning and Permitting of the City and County of Honolulu, and Americans for Democratic Action/Hawaii testified in support of this measure. The Maui News, the Hawaii Tribune Herald, West Hawaii Today, the Honolulu Star-Advertiser, AARP, and one concerned citizen testified in opposition to this measure. The Disability and Communication Access Board and one concerned citizen provided comments.

Your Committee has amended this measure by:

- (1) Changing the language in the purpose section to clarify that the State will establish a centralized website;
- (2) Allowing an individual with a disability, as that term is defined in section 368-1.5(b), Hawaii Revised Statutes, to file a complaint with the Hawaii Civil Rights Commission if a notice or a website is not accessible to that individual due to an error by the State;
- (3) Amending the features of the centralized website of the State to be administered by the Office of Information Management and Technology by:
 - (A) Requiring that notices that are electronically posted must be time-stamped and protected so as to prevent alteration after filing;
 - (B) Requiring a ten-year searchable archive;
 - (C) Requiring that an active posting of a notice be available for a period of three months; and
 - (D) Requiring that the procedures for the electronic or online publication notice be standardized to ensure the integrity of the filed notice; 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. 2233, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2233, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1278-12 Judiciary on S.B. No. 3008

The purpose of this measure is to allow family court plaintiffs and petitioners, who are unable to afford notice by publication, to serve notice on a defendant or respondent, after submitting to the family court an affidavit concerning impoverishment and the details of a diligent search, by means of a family court order that provides that service is to be made upon the defendant or respondent by certified mail, return receipt requested, by mailing a certified copy of the pleadings to the person's closest known relative, and by posting the pleadings and process at the courthouse.

The Legal Aid Society of Hawaii and the Domestic Violence Action Center supported the measure. The Judiciary offered comments on the measure.

Your Committee has amended this measure by changing its effective date to September 1, 2012, per the Family Court's request, to give the Hawaii Supreme Court the time that it needs to determine whether new court rules are needed to implement this legislation.

As affirmed by the record of votes of 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. 3008, 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. 3008, H.D. 2.

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

SCRep. 1279-12 Judiciary on S.B. No. 2250

The purpose of this measure is to encourage the Hawaii Paroling Authority to work with offenders in the community by authorizing the Hawaii Paroling Authority to use a continuum of administrative sanctions in lieu of revocation of parole when a parolee violates a term or condition of parole.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, and concerned individuals testified in support of this measure. The Hawaii Paroling Authority testified in support of the intent of this measure with an amendment. The Department of Public Safety offered comments.

Your Committee has amended this bill by:

- (1) Removing specified hours of community service as an appropriate and available sanction in the continuum of sanctions because the Hawaii Paroling Authority testified that it did not have the resources for such a sanction; and
- (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. 2250, 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. 2250, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1280-12 Judiciary on S.B. No. 2209

The purpose of this measure is to propose an amendment to Article VI, Section 4, of the Hawaii State Constitution to require the Judicial Selection Commission to disclose the names of active nominees and applicants to fill justice and judge vacancies and certain information regarding those nominees and applicants.

The Judicial Selection Commission and The League of Women Voters of Hawaii commented on this measure.

Your Committee has amended this measure by specifying to whom the names of active nominees and applicants to fill justice and judge vacancies, and the areas of vacancies, shall be disclosed, by requiring the Judicial Selection Committee to disclose:

- (1) To the Governor the names of nominees and applicants to fill a vacancy in the Office of the Chief Justice, the Supreme Court, the Intermediate Appellate Court, and the Circuit Court;
- (2) To the Chief Justice the names of nominees and applicants to fill a vacancy in the district court; and
- (3) To the public the names of the nominees to fill any justice and judge vacancies, as well as statistical information relative to each vacancy consisting of the total number of applicants, the gender of the applicants, and the number of years of licensure for the applicants.

As affirmed by the record of votes of 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. 2209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2209, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1281-12 Judiciary on S.B. No. 2713

The purpose of this measure is to:

- (1) Clarify requirements for Medicaid liens for restitution for injury by a third party by:
 - (A) Requiring the Department of Human Services to provide to a person who caused injury to a Medicaid recipient a written notice of lien and an itemized list of payments to be reimbursed that identifies the provider of services, the dates of services, amounts billed, amounts paid, and dates of payments; and
 - (B) Creating a presumption of validity for the entire amount of the lien unless a specific line item charge or charges in the lien are contested on a good faith basis;
- (2) Require the Department of Transportation in collaboration with the City and County of Honolulu's Department of Transportation Services to conduct a study on increasing the efficiency and punctuality of non-emergency transportation, such as TheHandi-Van;
- (3) Allow a community care foster family home six months to find another Medicaid client when the community care foster family home loses its only Medicaid client; and
- (4) Changes the age requirement for nurse aide substitute caregivers at community care foster family homes to 18 years to be consistent with federal law.

The Department of Human Services and Department of the Attorney General provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting language requiring the Department of Transportation in collaboration with the City and County of Honolulu's Department of Transportation Services to conduct a study on increasing the efficiency and punctuality of non-emergency transportation, such as TheHandi-Van;
- (2) Amending the effective date to ensure that the changes made to subsection 346-334(b), Hawaii Revised Statutes, shall not be repealed when that subsection is reenacted on June 30, 2013, pursuant to Act 221, Session Laws of Hawaii 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. 2713, 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. 2713, S.D. 1, H.D. 2.

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

SCRep. 1282-12 Judiciary on S.B. No. 2738

The purpose of this measure is to appropriate funds to satisfy the settlements of claims against the State, its officers, or employees.

The Department of the Attorney General, the Department of Education, and PBR HAWAII & ASSOCIATES, INC., testified in support of this measure.

Your Committee has amended this measure by adding the following settlements involving three additional claims to the bill:

- (1) Brem, et al. v State of Hawaii, Civil No. 07-1-0176, Fifth Circuit, in the amount of \$5,459,107.50;
- (2) Kahle, et al. v. Villaflor, et al., Civil No. 10-00764 LEK-KSC, USDC, in the amount of \$100,000; and
- (3) Wolfe v. State of Hawaii, Department of Transportation, et al., Civil No. 10-1-1029-05, First Circuit, in the amount of \$60,000.

Technical, nonsubstantive amendments were also made 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. 2738, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2738, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1283-12 Judiciary on S.B. No. 2821

The purpose of this measure is to reduce the incidence of preventable deaths of persons with developmental or intellectual disabilities by, among other things:

- (1) Authorizing the Department of Health to conduct multidisciplinary and multiagency mortality reviews of deaths of persons with developmental or intellectual disabilities; and
- (2) Requiring all providers of medical care or other services and State and county agencies to disclose adult death review information to the Department of Health and to those individuals appointed by the Director of Health to participate in the mortality review being conducted, upon written request of the Director of Health.

The Department of Health testified in support of the measure.

Your Committee has amended this measure by:

- (1) Inserting the more accurate term of "persons with developmental or intellectual disabilities" to define an adult with a developmental or intellectual disability rather than using the term "disabled person"; and
- (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. 2821, 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. 2821, H.D. 2.

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

SCRep. 1284-12 Energy & Environmental Protection on S.B. No. 2281

The purpose of this measure is to authorize agencies to bypass the preparation of an environmental assessment and proceed directly to the preparation of an environmental impact statement, or allow an applicant to do the same, if the agency determines that an environmental impact statement is likely to be required for a proposed action.

The Office of Environmental Quality Control and The Outdoor Circle supported this measure. The Land Use Research Foundation of Hawaii and several individuals opposed this measure. The Office of Hawaiian Affairs, the Office of Planning, and the Building Industry Association of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the definitions for the terms "direct to environmental impact statement decision" and "direct to environmental impact statement notice" and references thereto;
- (2) Specifying that the agency proposing an action, other than feasibility or planning studies for possible future programs and projects or using public funds to acquire certain types of unimproved land, may choose not to prepare an environmental assessment and instead prepare an environmental impact statement that begins with the preparation of an environmental impact statement preparation notice;

- (3) Specifying that a reviewing agency may authorize an applicant to choose not to prepare an environmental assessment and instead prepare an environmental impact statement that begins with the preparation of an environmental impact statement preparation notice;
- (4) Restoring the 60-day deadline back to a 30-day deadline for initiating a judicial proceeding to review an agency's decision regarding an environmental impact statement; 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 S.B. No. 2281, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2281, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1285-12 Energy & Environmental Protection on S.B. No. 2873

The purpose of this measure is to clarify and make permanent current exemptions from Hawaii's environmental impact statement law for secondary actions. Specifically, this measure:

- (1) Authorizes agencies to exempt from the environmental impact statement law, certain ancillary or incidental secondary actions to improve or develop infrastructure within existing public rights-of-way or highways; and
- (2) Requires applicants proposing certain actions identified in the environmental impact statement law to prepare environmental assessments.

The Office of Environmental Quality Control, the Chamber of Commerce of Hawaii, and RMA Sales supported this measure. The Department of Transportation; the Department of Business, Economic Development, and Tourism; the Building Industry Association of Hawaii; The Outdoor Circle; the Land Use Research Foundation of Hawaii; the Sierra Club, Hawaii Chapter; the General Contractors Association of Hawaii; and an individual opposed this measure.

Your Committee has amended this measure by:

- (1) Requiring the Office of Environmental Quality Control to determine whether an applicant must prepare an environmental assessment whenever there is an issue of which of two or more state or county agencies has jurisdiction to determine whether an environmental assessment is required; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 2873, S.D. 1, H.D. 2.

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

SCRep. 1286-12 Energy & Environmental Protection on S.B. No. 2288

The purpose of this measure as received by your Committee is to provide cost savings to the State, improve energy efficiency in state facilities, and increase construction jobs by establishing a two-year pilot program using the negotiated partner approach to execute energy savings performance contracts exempt from the requirements of the state procurement code.

Prior to the hearing, your Committee circulated, made available for comment, and received testimony on a Proposed House Draft 1. As amended, the purpose of S.B. No. 2288 Proposed House Draft 1 is to ensure the cost effectiveness of renewable energy technology projects by, among other things:

- (1) Disallowing a taxpayer to claim a tax credit for renewable energy technologies for installing a renewable energy system for, or entering into a power purchase agreement with, a county, state, or federal agency;
- (2) Applying the renewable energy technologies credit on a per-property basis;
- (3) Increasing the tax credit for renewable energy technologies systems installed on various types of properties;
- (4) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities; and
- (5) Applying the tax credit for renewable energy technologies systems to taxable years beginning after December 31, 2012.

The Department of Business, Economic Development, and Tourism, and three concerned individuals testified in support of this measure. The Department of Taxation testified in support of the intent of this measure. The Department of Design and Construction of the City and County of Honolulu, Hawaii PV Coalition, Solar Energy Industries Association, Sunrun, Sun Power, Forest City Hawaii, Hawaii Renewable Energy Alliance, Sierra Club Hawaii Chapter, Blue Planet Foundation, and a concerned individual testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

Your Committee does note the concerns raised by the Department of Business, Economic Development, and Tourism, that prohibiting a taxpayer from claiming a State tax credit for installing a renewable energy system or entering into a power purchase agreement with any state, county, and federal

agency would deprive public jurisdictions of the benefit of stabilized utility costs. Nevertheless, your Committee finds that this matter deserves further consideration and respectfully requests the Committee on Finance to take this issue under advisement should the Committee on Finance decide to hear this measure.

After further consideration, your Committee has amended this measure by adopting the contents contained in S.B. No. 2288, Proposed House Draft 1, and has further 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2288, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2288, 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 Herkes.
(Representative Thielen voted no.)

SCRep. 1287-12 Energy & Environmental Protection on S.B. No. 2438

The purpose of this measure is to assist the Public Utilities Commission (PUC) when making its final determination on renewable energy projects by:

- (1) Allowing the PUC to take into consideration the economic impact of the projects, including costs to consumers, job creation, capital attraction, increased revenues, and other critical indicators; and
- (2) Requiring the Department of Business, Economic Development, and Tourism to provide the PUC with the appropriate analysis for consideration.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; and Blue Planet Foundation testified in support of the intent of this measure. The PUC provided comments.

For the purposes of a public hearing on this measure, your Committee circulated proposed S.B. 2438, S.D. 2, H.D. 1 and notified the public that it would accept testimony on the proposal. Upon careful consideration, your Committee adopted the proposed draft and amended it by:

- (1) Adding a purpose section;
- (2) Creating a new section in chapter 296, part V, specifying the technology readiness levels for the PUC's renewable energy projects criteria;
- (3) Requiring the director of the Hawaii Natural Energy Institute to provide an assessment of technology readiness for a proposed renewable energy project upon the request of the PUC;
- (4) Requiring that all proposed renewable energy projects of the PUC be of technology readiness level 7 or higher; and
- (5) Excluding proposals, contracts, or demonstration projects of less than three years from the requirements of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, 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 Cabanilla, Carroll and Herkes.
(Representative Thielen voted no.)

SCRep. 1288-12 Energy & Environmental Protection on S.B. No. 2746

The purpose of this measure is to continue to incentivize the use of electric vehicles and make the existing laws pertaining to electric vehicles more readily accessible to the general public by generally codifying the incentives for registration, licensing, parking, and the operation of electric vehicles which were established under Act 290, Session Laws of Hawaii 1997.

The Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; and Department of Transportation testified in support of this measure. Many concerned individuals opposed this measure. The Alliance of Automobile Manufacturers offered comments.

Your Committee has amended this measure by:

- (1) Restoring the parking fee exemption for electric vehicles parked at an electric vehicle charging station;
- (2) Making the bill effective upon its approval; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2746, 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. 2746, S.D. 1, H.D. 2.

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

SCRep. 1289-12 Energy & Environmental Protection on S.B. No. 2630

The purpose of this measure, as received by your Committee, is to authorize the county liquor commission to adopt rules to use the dBC weighting system for the purpose of administering community noise control.

For the purposes of a public hearing on this bill, your Committee circulated a Proposed Draft of S.B. No. 2630, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the proposal, which authorizes a liquor commission in a county with a population of 700,000 or greater to establish a temporary pilot program that uses a dBC sound level measurement system for the purpose of community noise control provided that the dBC sound level measurements shall be in accordance with specified maximum permissible sound levels in dBC for specific zoning districts and time periods.

The Liquor Commission of the City and County of Honolulu, Chinatown Gateway Plaza Tenant Association, and a concerned individual supported the Proposed Draft.

After careful consideration of the measure as received by your Committee and the Proposed Draft, your Committee adopted the Proposed Draft.

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. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2630, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1290-12 Energy & Environmental Protection/Economic Revitalization & Business on S.B. No. 2402

The purpose of this measure 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 lighting in Hawaii. Specifically, this measure requires the establishment of a starlight reserve strategy by, among other things:

- (1) Requiring that all state agencies comply with shielded lighting fixture requirements beginning on July 1, 2013;
- (2) Prohibiting the sale or installation of new mercury vapor lamps after July 1, 2013;
- (3) Establishing parameters for retrofit work on, or replacement of, existing lighting fixtures to meet the shielding requirements;
- (4) Stipulating conditions and parameters for lights where fully shielded light fixtures are not used;
- (5) Establishing conditions under which installation of fully shielded replacement lighting fixtures for roads and highways shall take place and allowing for partially shielded lights that meet specified requirements to be used; and
- (6) Specifying numerous exceptions to the shielded lighting requirements.

The Department of Land and Natural Resources; the Department of Business, Economic Development, and Tourism; the Department of Transportation; the Department of Accounting and General Services; the University of Hawaii; and two individuals supported this measure. The Department of Design and Construction of the City and County of Honolulu, the Chairperson of the Starlight Reserve Committee, Cree Lighting, and an individual commented on this measure.

Your Committees have amended this measure by:

- (1) Requiring that the correlated color temperature for certain lights be a maximum of 4,000 Kelvin rather than 3,800 Kelvin;
- (2) Exempting temporary outdoor lighting used for film production, agricultural operations, and other permitted activities such as carnivals and concerts without regard to time of day from all generally-applicable requirements;
- (3) Exempting lighting for outdoor athletic facilities from the color correlated temperature restrictions;
- (4) Exempting counties with a population of less than 100,000 from this section;
- (5) Changing the effective date of this measure and each of its requirements to July 1, 2014, to ensure that there is adequate time for compliance with the new requirements; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2402, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 1.

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

SCRep. 1291-12 Housing on S.B. No. 2465

The purpose of this measure is to allow petitioners adequate time to be heard at a special meeting of a condominium association and to prohibit an association from adopting rules for association meetings that would otherwise require a vote of a majority of the quorum to change, except as provided in the association bylaws or by Robert's Rules of Order Newly Revised.

The Hawaii Council of Associations of Apartment Owners and many individuals testified in support of this measure. Hawaii State Association of Parliamentarians, Mililani Town Association, and many individuals testified in opposition to this measure. Community Associations Institute, Hawaii Chapter commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the definition of "adequate time";
- (2) Deleting the provision prohibiting an association from adopting rules for association meetings that would otherwise require a vote of a majority of the quorum to change, except as provided in the association bylaws or by Robert's Rules of Order Newly Revised;
- (3) Prohibiting an association from adopting permanent standing or permanent special meeting rules that limit or restrict discussion or debate for any association 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 S.B. No. 2465, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, 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 Carroll, Herkes and Pine.

SCRep. 1292-12 Housing on S.B. No. 2650

The purpose of this measure is to extend the offense of promoting a controlled substance in, on, or near schools, school vehicles, or public parks to include public housing projects and complexes.

The Department of Public Safety, Hawaii Public Housing Authority, Da Kine Bail Bonds, and one individual testified in support of this measure. The Drug Policy Forum of Hawaii and American Civil Liberties Union of Hawaii testified in opposition to 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 S.B. No. 2650, 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 Herkes, Pine and Thielen.

SCRep. 1293-12 Housing on S.B. No. 2805

The purpose of this measure is to reduce the number of candidates that the Hawaii Public Housing Authority Resident Advisory Board must submit to the Governor for consideration for appointment to the resident member seat on the Hawaii Public Housing Authority Board of Directors.

The Department of Human Services and Hawaii Public Housing Authority testified in support of this measure.

Your Committee has amended this bill by making a technical, nonsubstantive amendment 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. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2805, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Pine and Thielen.

SCRep. 1294-12 Housing on S.B. No. 2256

The purpose of this measure is to fairly apportion the cost of utilities in a condominium project by authorizing a project's board of directors to install utility meters to determine utility usage by individual residential and commercial units; provided that the condominium association bears the cost of installing the utility meters.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and an individual supported this measure. The State's Public Benefits Fee Administrator and an individual provided comments on this measure.

Your Committee has amended this measure by deleting its contents and replacing it with the substantially similar provisions of H.B. No. 1746, H.D. 1, which differs from the measure received, by requiring all mixed-use condominium projects, including those constructed before 1978, to have separate utility meters or calculations to determine the utility usage by commercial units.

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. 2256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2256, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1295-12 Housing/Hawaiian Affairs on S.B. No. 3025

The purpose of this measure is to clarify that the issuance of affordable housing credits by the counties to the Department of Hawaiian Home Lands applies to the issuance of credits for each single-family residence, multi-family unit, other residential unit, or if allowed under the county's affordable housing program, vacant lot, developed by the Department of Hawaiian Home Lands, under specified conditions and requirements.

The Department of Hawaiian Home Lands, Pacific Resource Partnership, and Dowling Company, Inc. testified in support of this measure. The Department of Planning and Permitting of the City and County of Honolulu, County of Kauai, Office of Housing and Community Development of the County of Hawaii, a member of Kauai County Council, and two members of Maui County Council testified in opposition to this measure.

Your Committees have amended this measure by:

- (1) Authorizing, rather than requiring, that affordable housing credits be issued for each single-family residence, multi-family unit, or other residential unit, or if allowed under the county's affordable housing programs, vacant lot, developed by the Department of Hawaiian Home Lands;
- (2) Specifying that with respect to affordable housing units or lots developed by the Department of Hawaiian Home Lands and treated as for-sale units or lots, the land shall be leased in perpetuity;
- (3) Repealing statutory text regarding the transferability and issuance of affordable housing credits on a one-unit for one-unit basis;
- (4) Amending the criteria in which affordable housing credits may be issued;
- (5) Specifying that affordable housing credits under section 46-15.1(b), Hawaii Revised Statutes, shall apply only to Department of Hawaiian Home Lands households earning 120 percent or lower of the respective county median income;
- (6) Amending the county-wide or project-specific requirements;
- (7) Deleting provisions regarding exemption from county restrictions for credits originally issued to the Department of Hawaiian Home Lands;
- (8) Establishing a repeal date of June 30, 2015; and
- (9) 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 Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3025, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3025, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Herkes, Kawakami, Mizuno, Wooley, Thielen and Ward.

SCRep. 1296-12 Consumer Protection & Commerce on S.B. No. 2434

The purpose of this measure is to amend Hawaii's health insurance exchange law by, among other things:

- (1) Requiring the Hawaii Health Connector to establish and administer a separate program to serve the individual market and a separate program to serve the small group market;
- (2) Establishing a Navigator Program and specifying qualifications and restrictions for navigators;
- (3) Specifying the staggered terms for the Board of Directors of the Hawaii Health Connector; and
- (4) Clarifying the role of the Department of Human Services in determining Medicaid eligibility.

The Hawaii Association of Health Plans, Hawaii Medical Service Association, Kaiser Permanente Hawaii, and Ohana Health Plan supported this bill. The American Cancer Society supported the intent of this measure. Faith Action for Community Equity supported this bill with amendments. Americans for Democratic Action/Hawaii, Consumers for Fairness, and United Self Help opposed this measure. The Hawaii Health Connector, Common Cause Hawaii, AARP, League of Women Voters, Hawaii Primary Care Association, Hawaii Coalition for Health, Kokua Council, and a concerned individual submitted comments.

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

- (1) Requiring the Hawaii Health Connector to conduct an assessment to determine the quality of basic health plans offered and the financial impact upon consumers if the risk pools for the individual and the small group markets are separated or combined;

- (2) No longer restricting recipients of Navigator grants under the Navigator Program to nonprofit entities;
- (3) Establishing open-meeting requirements for the Board of Directors of the Hawaii Health Connector;
- (4) Adding a definition for "provider";
- (5) Providing that insurers and providers on the Board of Directors of the Hawaii Health Connector may serve only in an advisory capacity and cannot be voting members; 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. 2434, 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. 2434, S.D. 1, H.D. 2.

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

SCRep. 1297-12 Consumer Protection & Commerce on S.B. No. 2769

The purpose of this measure is to make homeowners insurance and motor vehicle insurance premium information more readily available to the public by, among other things:

- (1) Requiring the Insurance Commissioner (Commissioner) to publish on the Insurance Division's official website lists of annual premiums for all homeowners and motor vehicle insurance;
- (2) Requiring all homeowners and motor vehicle insurers to provide premium information to the Commissioner within 30 days of the Commissioner's request; and
- (3) Authorizing the Commissioner to review the rate filings of all insurers and adjust the rates of any class of insurance if the rates are excessive, inadequate, or unfairly discriminatory.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Insurers Council, American Insurance Association, Liberty Mutual, and Property Casualty Insurers Association of America opposed this measure. State Farm Insurance Companies submitted comments.

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

- (1) Clarifying that in cases in which an insurer files a written request to the Commissioner for a hearing after an insurer's rate filing has been disapproved by the Commissioner, the existing effective rate will remain in effect until 60 days after the final order is rendered by the Director of Commerce and Consumer Affairs and the appeals process has been exhausted;
- (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 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. 2769, 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. 2769, S.D. 2, H.D. 2.

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

SCRep. 1298-12 Consumer Protection & Commerce on S.B. No. 2825

The purpose of this measure is to allow authorized health organizations limited access to registry information in the Hawaii Immunization Registry in order to produce immunization assessment reports. Additionally, this measure requires the Department of Health to store in the Hawaii Immunization Registry minimal demographic information on individuals who have elected to refuse inclusion in the registry and to adopt measures to protect the confidentiality, integrity, and availability of registry data.

The Department of Health, Hawaii Medical Service Association, AlohaCare, Hawaii Carpenters Union, Hawaii Association of Health Plans, and 'Ohana Health Plan supported the measure. The American Civil Liberties Union of Hawaii opposed the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2825, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1299-12 Consumer Protection & Commerce/Judiciary on S.B. No. 2424

The purpose of this measure is to facilitate the implementation of the professional employer organization law established by Act 129, Session Laws of Hawaii 2010. Specifically, this measure, among other things:

- (1) Establishes the Professional Employer Organization Special Fund;
- (2) Requires each registered professional employer organization to provide written notice within 30 days to the Department of Labor and Industrial Relations of any judgment, award, or disciplinary sanction imposed against the organization for violating a statutory provision in an action brought by any state or federal regulatory agency and provides for a penalty for non-compliance;
- (3) Requires professional employer organizations to file the organization's current mailing address with the Department;
- (4) Authorizes the Director of Labor and Industrial Relations (Director) to deny, suspend, revoke, or deny renewal of registration of any professional employer organization or impose a penalty under certain conditions;
- (5) Establishes various fees on applicants for registration as a professional employer organization;
- (6) Requires the Director to collect the various fees from professional employer organizations and registrants upon adoption of rules pursuant to Chapter 91, Hawaii Revised Statutes (HRS);
- (7) Establishes a method for calculating the number of covered employees of a professional employer organization;
- (8) Gives additional responsibilities and duties to the Director regarding the registration and regulation of professional employer organizations;
- (9) Provides requirements for professional employer agreements between a professional employer organization and its client company;
- (10) Provides various penalties for non-compliance with the professional employer organization law;
- (11) Provides for a hearings process for cases in which the Director refuses to issue, renew, restore, or reinstate a registration, or proposes to impose a penalty on a professional employer organization, as well as a judicial review process by the circuit court;
- (12) Incorporates an existing general excise tax exemption relating to professional employer organizations into Chapter 373L, HRS;
- (13) Amends various definitions in Chapters 209E and 373L, HRS, for the purpose of consistency;
- (14) Creates a protocol for the acceptance of electronic filings;
- (15) Amends bond level requirements for professional employer organizations and specifies that bonds must be issued by an A-rated surety, rather than a federally-insured lending institution;
- (16) Repeals Chapter 373K, HRS, relating to professional employment organizations;
- (17) Allows the Director to establish three .5 full-time permanent positions; and
- (18) Appropriates funds to the Department of Labor and Industrial Relations.

The ILWU Local 142 testified in support of this measure. ALTRES, Inc. testified in support of the intent of this measure. The Department of Labor and Industrial Relations, Department of Taxation, ProService Hawaii HR Administration, Tax Foundation of Hawaii, and Employer Services Assurance Corporation provided comments.

Your Committees have amended this measure by:

- (1) Inserting language that would prohibit the use of the terms professional employer organization, PEO, staff leasing company, registered staff leasing company, employee leasing company, administrative employer or other similar name unless the entity was registered per the requirements of Chapter 373L, HRS;
- (2) Requiring the professional employer organization to provide written notice of the relationship between the professional employer organization and the client company to each covered employee of the client company within 14 calendar days;
- (3) Amending the hearings process for professional employer organizations to apply to cases in which the Director denies, suspends, revokes, or denies renewal of registration, or proposes to impose a penalty on a professional employer organization;
- (4) Providing a method for professional employer organizations consisting of fewer than 100 full-time or part-time employees to calculate their number of employees when determining bond requirements;
- (5) Specifying that bonds posted shall be financial guaranty type bonds and not performance type bonds;
- (6) Requiring the surety to give the Director 45 days prior written notice of cancellation of the bond rather than thirty days notice;
- (7) Stipulating that the surety shall remain obligated for any claims against the bond after cancellation or expiration of the bond; provided that:
 - (A) The surety was provided written notice of such claim during the six month period immediately following the cancellation or expiration of the bond; and
 - (B) The claim accrued, but only for the amount accrued, before the expiration or cancellation of the bond;

- (8) Stipulating that:
- (A) The Director, or any person claiming to have sustained damage resulting from noncompliance of a professional employer organization with this chapter, may bring an action on the bond to recover such damage;
 - (B) The surety may fulfill its obligation under the bond by depositing the penal sum of the bond with the Director;
 - (C) Upon receiving any sum from the surety, the Director may deduct all money due to the State of Hawaii resulting from the noncompliance of the professional employer organization;
 - (D) Any remaining balance shall be held by the Director for the benefit of all other persons damaged by the noncompliance of the professional employer organization and that the Director may deposit such balance with a court of competent jurisdiction in order to resolve competing claims; and
 - (E) After all claims are finally resolved or settled, any remaining balance from the bond proceeds shall be returned to the surety; and
- (9) 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. 2424, 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. 2424, S.D. 2, H.D. 2.

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

SCRep. 1300-12 Consumer Protection & Commerce/Judiciary on S.B. No. 2433

The purpose of this measure is to establish standards and regulations for operators of ziplines and canopy tours in Hawaii. Specifically, this measure, among other things:

- (1) Requires that a zipline or canopy tour's insurance provider or a qualified challenge course professional inspector approved by the insurance provider verify at least annually that the zipline or canopy tour is in compliance with approved challenge course standards;
- (2) Requires operators to train employees in accordance with challenge course standards;
- (3) Requires operators to procure and maintain commercial general liability insurance against claims for personal injury, death, and property damages occurring upon, in, or about the zipline or canopy tour;
- (4) Requires operators to maintain records including certificate of insurance, inspection reports, maintenance records, and participant acknowledgment of risks and duties;
- (5) Specifies participants' responsibilities and prohibited acts during zipline or canopy tours;
- (6) Specifies that operators will be liable for any injury, loss, or damage caused by a failure to follow duties and standards of care pursuant to the chapter, but not for any injury, loss, or damage caused by the negligence of any person who is not an employee of the operator or for the failure of a participant to comply with the chapter;
- (7) Requires the certificate of insurance to appear in all publicity material, websites, and advertising by the operator;
- (8) Requires an operator to notify county or state officials of any fatality or accident that resulted in serious physical injury or illness that occurred during a person's use or operation of the zipline or canopy tour;
- (9) Allows a county to regulate ziplines and canopy tours, provided that such regulation shall not be related to installation, repair, maintenance, use, operation, or inspection of a zipline or canopy tour;
- (10) Requires operators to indemnify and hold harmless the State, the State's officers, agents, and employees excluding qualified challenge course professional inspectors, from and against any and all claims arising out of or resulting from activities carried out or undertaken pursuant to this measure; and
- (11) Requires that the Legislative Auditor conduct a sunrise study on the regulation of ziplines and canopy tours.

The Department of Labor and Industrial Relations and two concerned individuals supported the 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 S.B. No. 2433, S.D. 2, H.D. 1, and recommend that it be referred to the Committee on Finance.

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

SCRep. 1301-12 Consumer Protection & Commerce on S.B. No. 2394

The purpose of this measure as received by your Committee ("H.D. 1") is to protect military service members and their dependents from abusive lending practices by allowing the Director of Commerce and Consumer Affairs to enforce certain federal laws relating to fraud, deception, and similar practices.

For the purposes of a public hearing, your Committee circulated a proposed draft ("Proposed H.D. 2") for public review and comment. The proposed draft retains the original purpose of the bill and adds a new part that establishes a Distressed Residential Properties Program (Program) to assist Hawaii homeowners who face foreclosure on their mortgages.

More specifically, the Proposed H.D. 2, among other things:

- (1) Establishes a Distressed Residential Properties Program Special Fund (Special Fund);
- (2) Establishes a special mortgage recording fee;
- (3) Allows the Special Fund to be used to purchase, in whole or in part, existing loans of distressed residential properties;
- (4) Allows the Hawaii Housing Finance and Development Corporation (HHFDC) to issue revenue bonds in amounts not exceeding \$25,000,000 to be deposited into the Special Fund;
- (5) Requires HHFDC to submit to the Legislature at least 20 days prior to the convening of each Regular Session a report on the number of loans purchased and the disposition of the loans by HHFDC;
- (6) Sets forth eligibility requirements for homeowners who wish to participate in the Program;
- (7) Establishes terms and conditions of qualified mortgages;
- (8) Requires the Commissioner of Financial Institutions to:
 - (A) Collect from each Hawaii financial institution an assessment of \$100 for each mortgage loan secured by residential property in Hawaii during the previous fiscal year; provided that the assessment must be levied on the earnings of the Hawaii financial institution; and
 - (B) Deposit the collected assessment into the Special Fund; and
- (9) Requires that the fine of \$250 per day to be levied against a Hawaii financial institution that fails to pay the assessment described in paragraph (8) must also be deposited into the Special Fund.

Faith Action for Community Equity, IMUAlliance, and a concerned individual supported the Proposed H.D. 2. The Office of Consumer Protection (OCP) of the Department of Commerce and Consumer Affairs (DCCA), Chamber of Commerce of Hawaii and Oahu Veterans Council supported the H.D. 1. The Hawaii Bankers Association, Hawaii Credit Union League, Hawaii Financial Services Association, and Hawaii Association of REALTORS opposed the Proposed H.D. 2. DCCA, OCP, and the Hawaii Housing Finance and Development Corporation submitted comments on the Proposed H.D. 2.

After careful consideration, your Committee adopted the Proposed H.D. 2 has further amended it by:

- (1) Deleting the special mortgage recording fee;
- (2) Deleting the \$100 assessment against Hawaii financial institutions for each mortgage loan secured by residential property in Hawaii during the previous fiscal year;
- (3) Making conforming technical amendments; 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 S.B. No. 2394, 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. 2394, S.D. 1, H.D. 2.

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

SCRep. 1302-12 Water, Land, & Ocean Resources on S.B. No. 580

The purpose of this measure, as received by your Committee, is to require the Department of Land and Natural Resources to establish two additional Marine Life Conservation Districts on the island of Maui and require the Department of Land and Natural Resources to report to the Legislature annually on the effectiveness and enforcement of the two new additional Marine Life Conservation Districts.

For the purposes of a public hearing on this measure, your Committee circulated a proposed S.B. 580, S.D. 2, H.D. 1, which establishes two new Marine Life Conservation Districts on the island of Maui with a reporting requirement to the Legislature every five years and statutorily establishes the Division of Aquatic Resources under the Department of Land and Natural Resources.

Numerous individuals testified in support of the proposed draft. The Division of Aquatic Resources, Hawaii Nearshore Fishermen, and several individuals testified in opposition to the proposed draft. Numerous individuals provided comments on the proposed draft.

Your Committee considered the merits of both S.B. 580, S.D. 2, as received by your Committee, and the proposed draft, and upon careful consideration, adopted the proposed draft with the following amendments:

- (1) Removing the requirement for the establishment of two new Marine Life Conservation Districts on the island of Maui;
- (2) Specifying that the monitoring and reporting requirements to the Legislature include only the two existing Marine Life Conservation Districts on the island of Maui; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that it is important to determine whether the current Marine Life Conservation Districts are working before two new Marine Life Conservation Districts are created. The monitoring and reporting requirement is necessary to gather and analyze data on the existing districts. Your Committee further notes that creating two new Marine Life Conservation Districts at this time may be premature.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 580, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1303-12 Water, Land, & Ocean Resources on S.B. No. 2678

The purpose of this measure is to provide state support toward preservation of the site of the World War II internment and prisoner of war camp in Honouliuli by:

- (1) Requiring the Department of Land and Natural Resources to establish a Honouliuli park site project advisory group to develop recommendations to leverage county, state, federal, and private funding for an educational resource center at the Honouliuli site; and
- (2) Appropriating funds to accelerate the collection, preservation, and organization of resources related to the World War II internment experience in Hawaii and for deposit into the Hawaii Historic Preservation Special Fund.

The Department of Land and Natural Resources, Hawaii Civil Rights Commission, Historic Hawaii Foundation, Japanese Cultural Center of Hawai'i, Hawai'i Confinement Sites Committee of the Japanese Cultural Center of Hawaii, and Japanese American Citizens League-Honolulu Chapter testified in support of this measure.

Your Committee respectfully requests that aside from the financial aspects of this measure, your Committee on Finance, upon referral and consideration of this measure, also consider the composition of the Honouliuli park site project advisory group as it relates to the number of members on the advisory group, and whether the advisory group should comprise members with certain community-interest backgrounds, and how the advisory group should select a chairperson.

Your Committee has amended this measure by:

- (1) Changing the designated uses of the appropriation from accelerating the collection, preservation, and organization of resources related to the World War II internment experience in Hawaii, to funding the Honouliuli park site project advisory group;
- (2) Deleting the provision for the deposit of moneys into the Hawaii Historic Preservation Special Fund;
- (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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2678, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2678, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1304-12 Water, Land, & Ocean Resources on S.B. No. 2918

The purpose of this measure is to assist in the development of the property surrounding Aloha Stadium by transferring the management responsibilities and development rights of the Stadium Authority for certain parcels of land to the Public Land Development Corporation.

The Ironworkers Stabilization Fund supported the measure. The Hawaii Building and Construction Trades Council, AFL-CIO, supported the intent of the measure. The Stadium Authority Board, Public Land Development Corporation, and the Windward Ahupuaa Alliance supported the measure with amendments. The Office of Hawaiian Affairs opposed the measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting language that establishes the Stadium Facilities Special Fund to be administered by the Stadium Authority, and that requires that income generated by Aloha Stadium lands and facilities be deposited into the Stadium Facilities Special Fund for stadium purposes; and
- (2) Changing its effective date to upon approval.

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. 2918, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2918, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1305-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 2335

The purpose of this measure is to expedite and facilitate permitting for projects in special management areas by excluding from the definition of "development" tentative or preliminary subdivision approval to allow counties to concurrently process subdivision and special management area permits.

The Office of Hawaiian Affairs, For the Fishes, League of Women Voters of Hawaii, Sierra Club Hawaii Chapter, and many concerned individuals opposed this bill. The Office of Planning and a concerned individual provided comments.

Your Committees have amended this measure by:

- (1) Reinstating the exclusion of final subdivision approval from the definition of "development";
- (2) Removing the exclusion for tentative or preliminary subdivision approval in the definition of "development"; and
- (3) Providing that in specified counties, if a special management area use permit for final subdivision approval is required, it will be processed concurrently with an application for tentative subdivision or after tentative subdivision approval and before final subdivision approval.

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. 2335, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2335, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1306-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 2782

The purpose of this measure, as received by your Committees, is to appropriate funds to the Department of Land and Natural Resources for watershed protection.

For the purposes of a public hearing on this measure, your Committees circulated Proposed S.B. No. 2782, S.D. 2, H.D. 1 and notified the public that it would be accepting testimony on the proposal, which:

- (1) Appropriates funds to the Department of Land and Natural Resources for watershed protection; and
- (2) Statutorily establishes the Division of Aquatic Resources under the Department of Land and Natural Resources.

The Office of Hawaiian Affairs, the Board and Water Supply of the City and County of Honolulu, the Department of Water of the County of Kauai, an individual member of the County Council of the County of Maui, the Coordinating Group on Alien Pest Species, and several individuals supported this measure as received by your Committees. The Hawaii Hunting Association, the Mauna Kea Recreational Users Group, and several individuals opposed this measure as received by your Committees. Alexander & Baldwin, Inc.; the Hawaii Green Growth Initiative; The Nature Conservancy; The Three Mountain Alliance; and an individual commented on the measure as received by your Committees.

The Governor; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Nearshore Fishermen; and several individuals supported the proposed draft. The Department of Land and Natural Resources commented on the proposed draft.

Your Committees adopted the proposed draft and amended it by:

- (1) Requiring that any new fences constructed with funds from the appropriation made to the Department of Land and Natural Resources in accordance with watershed management plans shall be constructed on state land only and funds used for maintenance of fences shall be for fences on state land only;
- (2) Requiring that private land owners reimburse the Department of Land and Natural Resources for any funds appropriated to the watershed management plans which are used for private lands; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees recognize that there are traditional and customary rights provided to Hawaii's indigenous people pursuant to article XII, section 7 of the Hawaii State Constitution; section 1-1, Hawaii Revised Statutes; and the holding in *Public Access Shoreline Hawaii v. Hawaii County Planning Commission*, 79 Haw. 425 (1995), and to the extent that any part of the watershed management plan impedes upon any of these rights, your Committees find

that those parts of the watershed management plan shall be void. Your Committees further recognize that while the watershed management plan allows the Department of Land and Natural Resources to be exempt from the environmental impact statement law, codified in Chapter 343, Hawaii Revised Statutes, the Department of Land and Natural Resources shall follow all other environmental laws, including but not limited to Coastal Zone Management and the Endangered Species Act.

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. 2782, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2782, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1307-12 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 755

The purpose of this measure is to stimulate Hawaii's economy by legalizing the game of poker under specified conditions, including games conducted through the Internet.

For the purposes of a public hearing on this measure, your Committees circulated Proposed S.B. 755 S.D.2, H.D.2 and notified the public that it would accept testimony on the proposal, which authorizes temporary or permanent exemptions for some government projects from environmental requirements, including the special management area permit and shoreline setback variance requirements, permit and site plan approval requirements, and environmental assessment requirements.

Your Committees received testimony from the following organizations and individuals on the proposed draft:

The Department of Transportation; the Building Industry Association of Hawaii; the General Contractors Association of Hawaii; the Land Use Research Foundation of Hawaii; Laborers' International Union of North America, Local 368; the Pacific Resource Partnership; and two individuals in support.

The Office of Environmental Quality Control; the Office of Hawaiian Affairs; Hawaii's Thousand Friends; Historic Hawaii Foundation; The Outdoor Circle; the Environmental Council; Life of the Land; the Marine and Coastal Zone Advocacy Council; the Sierra Club, Hawaii Chapter; and numerous individuals in opposition; and comments from the Department of Land and Natural Resources; the Office of Planning of the Department of Business, Economic Development, and Tourism; and an individual.

Your Committees adopted the proposed draft with the following amendments:

- (1) Deleting the provisions that temporarily make the Office of Planning responsible for the issuance of special management area permits and shoreline setback variances for state projects;
- (2) Deleting the provision that permits the Governor to amend the list from time to time of specific types of state projects that are exempt from the need to prepare an environmental assessment;
- (3) Deleting the provision that allows county mayors to have the authority to establish and amend an exemption list of county projects as conferred upon the Governor for state projects;
- (4) Deleting the provision that allows the county or state agency's list of exempt actions to remain valid, even if the Governor or a mayor establishes a separate list;
- (5) Deleting the provision that allows the Governor's or mayor's list to remain valid after the repeal of the section, until terminated by the Governor or a mayor;
- (6) Repealing the list of exempted state projects established by the Governor on June 30, 2015, provided that the governor may extend the exemption for any project identified on the list for which construction has commenced but not yet concluded by June 30, 2015; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees note that section 13 of this measure amends section 343-7(a), Hawaii Revised Statutes, to reduce the deadline for appealing the lack of the environmental assessment for a state or county project from 120 days to 60 days. Your Committees further note that this 60-day deadline is the same as the existing deadlines for other challenges under section 343-7(b) and (c).

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. 755, 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. 755, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Herkes.
(Representatives Riviere and Thielen voted no.)

SCRep. 1308-12 Judiciary on S.B. No. 3068

The purpose of this measure to provide comprehensive oversight and regulation of bail bond agents and properly hold bail bondsmen and bail insurance companies accountable for a forfeited bail bond by streamlining enforcement procedures for bail bondsmen regarding bail bond forfeitures.

Da Kine Bail Bonds and Professional Bail Agents of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs testified in support of the intent of this measure. The Judiciary, Exodus Bail Bond, and Wiki Wiki Bail Bonds, LLC testified in opposition to this measure. Three concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Establishing criteria and circumstances under which a person executing a bail bond as principal or as a surety is required to be exonerated from bail bond liability;
- (2) Clarifying that the system implemented for the recording and dissemination of the names of those bail agents who are prohibited from posting bail bonds in the State due to an unpaid judgment shall be a board system;
- (3) Clarifying that, if the State extradites the defendant, all necessary and actual costs associated with the extradition shall be borne by the surety or bail agent up to the amount of the bond;
- (4) Allowing a bail agent or bail insurance company to surrender a defendant within one year of paying a judgment;
- (5) Clarifying that the automatic stay of execution upon a bail forfeiture judgment expires pursuant to its terms unless the surety or bail agent satisfies the court that appearance and surrender by the defendant was impossible and without fault by the defendant;
- (6) Specifying that the insurance commissioner by an order of the court, rather than the court itself, shall suspend the license of the bail agent until such time as all forfeitures and judgments ordered and entered against the bail agent have been certified as paid or vacated by order of a court of record;
- (7) Amending the definition of "bail" or "giving of bail" in, and adding new definitions for "bail agent" or "bail bond agent," "bail fugitive," "bail insurance company," "depositor of bail," "insurance commissioner," and "on the board" to section 804-1, Hawaii Revised Statutes;
- (8) Making numerous conforming amendments to Chapter 804, Hawaii Revised Statutes, in particular section 804-51, to use the term "bail agent" consistently and to ensure consistency between existing statutory language and the new language contained in this measure;
- (9) Deleting the provision exonerating a bond in the event of any change of circumstances affecting risk as this provision was too broad in scope; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3068, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3068, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1309-12 Judiciary on S.B. No. 2576

The purpose of this measure is to authorize a person convicted of committing the offense of prostitution to file a motion to discharge the conviction under certain circumstances, and to establish procedures for the motion to discharge.

The Pacific Alliance to Stop Slavery, Polaris Project, and many individuals testified in support of this measure. The Office of the Public Defender, IMUAlliance, and Harm Reduction Hawaii testified in support of the intent of this measure. The Department of the Attorney General and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in opposition to this measure. An individual commented on the measure.

Your Committee has amended this measure by:

- (1) Making it a motion to vacate, rather than a motion to discharge, with respect to a judgment or motion filed under this measure;
- (2) Increasing the mandatory fine from \$500 to \$1,000 for the offense of prostitution committed;
- (3) Changing the time in which a motion must be filed with respect to the offense of prostitution; 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. 2576, 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. 2576, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1310-12 Judiciary on S.B. No. 682

The purpose of this measure is to allow certain lots in the makai area of Kakaako Community Development District to be developed for residential units and exempt from public facilities fees, provided that 20 percent of the units are designated for residents in the low- or moderate-income range. This bill makes reference to S.B. No. 2783 Relating to The Public Trust Lands and the effective date of this bill is dependent upon the passage of that measure.

The Office of the Governor, Association of Hawaiian Civic Clubs, the General Contractors Association of Hawaii, and the Native Hawaiian Chamber of Commerce testified in support of this measure. Numerous individuals testified in opposition to this measure. The Department of the Attorney General and the Office of Hawaiian Affairs submitted commented on this measure.

Your Committee has amended this measure by changing its effective date to January 7, 2059, only if the legislature approves the transfer of lot 1 as shown on the map filed with the bureau of conveyances of the State of Hawaii as file plan 2471 and lot 4 as shown on the map filed with the bureau of conveyances of the State of Hawaii as file plan 2335, to the office of Hawaiian affairs by passing S.B. No. 2783 before the second regular session of the twenty-sixth legislature adjourns sine die.

As affirmed by the record of votes of 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. 682, 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. 682, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1311-12 Judiciary on S.B. No. 2876

The purpose of this measure is to assist the Department of Transportation's Harbors Division in addressing the management and operations of its commercial harbor facilities by, among other things:

- (1) Establishing an administrative hearing process for non-criminal violations issued by enforcement officers or harbor agents;
- (2) Stipulating that fines and penalties for non-criminal matters are to be deposited into the Harbor Special Fund;
- (3) Removing jurisdictional references to recreational properties, properties used for the landing of fish, and Kewalo Basin as Kewalo Basin is currently under the jurisdiction of the Hawaii Community Development Authority;
- (4) Clarifying that citations and violations for traffic code and other criminal statutes shall be issued by law enforcement officers conferred with police powers by the Director of Transportation;
- (5) Allowing the courts or administrative hearings officer to deprive an individual violating any rule of the Department of Transportation of the privilege of entering the secured area of the port or obtaining an operating or mooring permit for any vessel in state waters for a period of not more than one year;
- (6) Stipulating that an individual deprived of operating or mooring any vessel in state waters that is allowed to resume these activities after the penalty period is completed shall assume the last position on any waiting list for such activities; and
- (7) Requiring commercial harbor tenants and users who violate any federal maritime transportation security law or rule that results in the Department of Transportation being assessed a fine by the United States Coast Guard to reimburse the Department of Transportation for the fine.

The Department of Transportation supported the measure.

Your Committee notes that a draft containing provisions to adopt an administrative civil procedure similar to those of the Department of Land and Natural Resources under chapter 199D, Hawaii Revised Statutes, was submitted by the Department of Transportation for consideration. Your Committee respectfully requests that upon its hearing and consideration of this measure the Committee on Finance consider this proposal.

Your Committee has amended this measure by changing its effective date to July 1, 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 S.B. No. 2876, 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. 2876, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1312-12 Judiciary on S.B. No. 2492

The purpose of this measure is to ensure that dogs at large-scale breeding facilities receive a minimum standard of care by:

- (1) Prohibiting the ownership or custody of more than thirty dogs over the age of six months with intact sexual organs;
- (2) Requiring owners of ten or more dogs over the age of four months with intact sexual organs to meet minimum standards of care to ensure the proper treatment and care of the dogs and the dogs' offspring and to provide for the implantation of a microchip in the dog;

- (3) Requires owners of ten or more dogs over the age of four months with intact sexual organs to maintain specific written records of each dog for a specified period;
- (4) Requiring that no dog shall be bred to produce more than two litters in any eighteen month period;
- (5) Prohibiting certain types of dogs to be placed in the same enclosure; and
- (5) [sic] Establishing penalties for any violation.

The Prosecuting Attorney for the City and County of Honolulu, the Humane Society of the United States, Hawaii Island Humane Society, Hawaiian Humane Society, Hawaii Military Pets, and numerous individuals supported this measure. The American Kennel Club, Terriers in Paradise-Hawaii, Inc., the Golden Retriever Club of Hawaii, Rescue & Referral, the Dachshund Club of Hawaii and various individuals opposed this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the application of this measure is not limited to large-scale dog breeding facilities by deleting the reference to such facilities;
- (2) Changing the age of dogs covered by this bill to over the age of six months;
- (3) Deleting the definition of the term "dog" and replacing it with the term "covered dog" defined as any dog over the age of six months with intact sexual organs, and inserting that term where applicable in the measure;
- (4) Inserting definitions for the terms "primary enclosure" and "premise", and inserting those terms where applicable in the measure;
- (5) Adding exemptions to the definition of "person" for:
 - (a) Boarding facilities that only houses dogs temporarily and prohibits the breeding of dogs or selling of dogs; and
 - (b) Those persons involved in certain dog shows;
- (6) Changing the reference from "sufficient housing for shelter" to "sufficient space for movement" in the definition of "regular exercise";
- (7) Removing from the definition of "sufficient housing or shelter" the requirement that the enclosure not be more than forty-two inches above the floor;
- (8) Requiring twelve square feet of floor space of each dog not more than twenty-five inches and twenty feet for each dog more than twenty-five inches and not more than thirty-five inches in the square footage section of the definition for "sufficient housing or shelter";
- (9) Deleting from subsection (a) in § -3 the prohibition on implanting a microchip in a dog aged less than four months old;
- (10) Deleting subsection (b) in § -3 that regarding the prohibitions concerning the breeding of dogs between the ages of twelve months and eight years, the breeding of more than two litters in eighteen months, and the breeding of a dog that a veterinarian determines to be unfit for breeding because, these provisions would be extremely difficult to enforce;
- (11) Changing the title of § -6 to "Applicability of chapter" and including the phrase "except as provided in section -5 in that section;
- (12) Changing the effective date of the bill to January 7, 2059; and
- (13) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2492, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2492, 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, Herkes, Ito and Luke.

SCRep. 1313-12 Judiciary on S.B. No. 2588

The purpose of this measure is to provide victims of sexual abuse additional time to bring a civil action against an individual or entity. Specifically, this measure:

- (1) Extends the statute of limitations to allow individuals subjected to sexual offenses as a minor to bring a civil action after they have reached the age of majority against the individual who committed the offense;
- (2) Provides a two-year window period for a victim of child sexual abuse to bring a civil action against the abuser, even though the statute of limitations period has lapsed;
- (3) Authorizes the court to award the recovery of attorney's fees to the defendant if the sexual abuse accusation was made with no basis in fact and with malicious intent; and

- (4) Requires a plaintiff to file with the court a certificate of merit that shall be sealed and remain confidential and includes a notarized statement, provided by a mental health care professional or other specified professional, upon which it can be reasonably concluded the plaintiff was a victim of a sexual offense.

The Sex Abuse Treatment Center and four individuals testified in support of this measure. The Department of Corporation Counsel of the City and County of Honolulu testified in support of the intent of this measure. The Hawaii Catholic Conference testified in opposition to this measure. The Department of the Attorney General provided comments.

Your Committee has amended this measure by:

- (1) Including the State and its political subdivisions as entities potentially liable for gross negligence in certain actions for a period of two years after enactment of this measure;
- (2) Deleting the requirement that the mental health care professional or other specified professional making the notarized statement in the certificate of merit must not be currently treating or ever have treated the plaintiff in the civil action; 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. 2588, 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. 2588, S.D. 1, H.D. 2.

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

SCRep. 1314-12 Judiciary on S.B. No. 2579

The purpose of this measure is to assist children who have been sexually exploited by, among other things:

- (1) Requiring the Department of Human Services to develop a victim services program to address the needs of sexually exploited children and minors at risk of being sexually exploited;
- (2) Granting the Family Court exclusive original jurisdiction in proceedings involving persons under eighteen years of age who are charged with specified offenses and later granted an exemption;
- (3) Increasing the statute of limitations for promotion of prostitution by coercion to six years from two years and adding additional conditions under which the statute of limitations will be tolled; and
- (4) Allowing an exemption from prosecution under specified offenses involving prostitution if it is determined that the person was less than eighteen years of age at the time the offense was allegedly committed.

The Polaris Project and several concerned individuals supported this bill. Imua Alliance, The Pacific Alliance to Stop Slavery, and a concerned individual supported this measure with amendments. The Department of Human Services and Honolulu Police Department opposed this bill. The Department of the Attorney General, Department of Health, Department of the Prosecuting Attorney of the City and County of Honolulu, and Harm Reduction Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Removing language stating that sexually exploited children may be subject to the protective custody of a law enforcement agent when the child's family is unable to provide for the child's health or safety;
- (2) Inserting language stating that sexually exploited children may be subject to no cost emergency shelter and related services provided by the Department of Human Services when the child communicates informed consent to the rules and requirements of the shelter and services;
- (3) Removing provisions that grant the Family Court exclusive original jurisdiction in proceedings involving persons under eighteen years of age who are charged with specified offenses and later granted an exemption;
- (4) Removing provisions that increase the statute of limitations for promotion of prostitution by coercion to six years from two years and adding additional conditions under which the statute of limitations will be tolled;
- (5) Changing its effective date to January 7, 2059, 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 S.B. No. 2579, 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. 2579, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1315-12 Judiciary on S.B. No. 2998

The purpose of this measure is to incorporate fairness provisions into Hawaii tax laws that are similar to those used in federal law under the Internal Revenue Code for the calculation of tax penalties. Specifically, this measure prohibits the stacking of tax underpayment penalties.

Chun, Kerr, Dodd, Beaman & Wong, LLLP, and one individual testified in support of 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2998, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1316-12 Judiciary on S.B. No. 2571

The purpose of this measure and intent of this measure is to:

- (1) Amend various statutory provisions to reconfirm and clarify the original intent of Act 1, Session Laws of Hawaii 2011, that civil union partners shall have all the same rights, benefits, protections, and responsibilities under the law as are granted to individuals who contract, obtain a license, and are solemnized pursuant to chapter 572, Hawaii Revised Statutes,;
- (2) Establish a transition provisions for individuals who terminate their reciprocal beneficiary relationship and enter into a civil union to ensure that both events occur substantially concurrently and that all rights, benefits, protections, and responsibilities under the reciprocal beneficiary relationship continue upon entering into the civil union;
- (3) Make various housekeeping amendments to relevant statutes, including those relating to public employee benefits, property held as tenants by the entirety, parent-child relationships, and adoption to assist with the implementation and interpretation of Act 1, including by clarifying that any relevant gender-specific terms shall be construed to include civil union partners without the need to risk unintended consequences by amending all such references;
- (4) Clarifying the status in Hawaii of civil unions performed in other jurisdictions;
- (5) Clarifying the various statutory provisions relating to a parent-child relationship with respect to a child born or adopted prior to, during, or shortly after the termination of a civil union; and
- (6) Specifying that the provisions of the measure are retroactive to January 1, 2012.

The Department of Health, a member of the City Council of the City and County of Honolulu, Citizens for Equal Rights, Honolulu Pride, Pride At Work Hawai'i, Americans for Democratic Action/Hawaii, Equality Hawaii, Hawaii Women's Coalition, and several individuals testified in support of this measure. The Department of the Attorney General, Hawaii Civil Rights Commission, Hawaii Catholic Conference, Hawaii Family Forum, Polynesian Cultural Center, Chaminade University, Brigham Young University – Hawaii, and numerous individuals provided comments. Several individuals testified in opposition.

Your Committee has amended this measure by:

- (1) Adding a conscience provision exempting religious organization and associated institutions from civil liability for refusal to allow the use of their facilities for solemnization of a civil union;
- (2) Conforming the qualifications for a person who may solemnize a civil union to those used elsewhere in the Hawaii Revised Statutes;
- (3) Clarifying requirements for issuance of a license to enter a civil union;
- (4) Clarifying the Department of Health's authority to collect fees for a license to enter into a civil union;
- (5) Clarifying that to be joined in a reciprocal beneficiary relationship, a person cannot be party to a civil union;
- (6) Clarifying the procedure for name change to account for name changes upon entering a civil union;
- (7) Clarifying the jurisdiction of the courts to grant a divorce to partners in a civil union solemnized in another jurisdiction;
- (8) Clarifying the application of a presumption of parentage to parties to a civil union and their children;
- (9) Amending to October 3, 2011, the date of retroactive application for the continuity of benefits to persons who terminated a reciprocal beneficiary relationship and subsequently entered into a civil union within 90 days; and
- (10) Making technical, Nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1317-12 Judiciary on S.B. No. 2123

The purpose of this measure is to alleviate the current gap in service for survivors of human trafficking by proposing a comprehensive plan that coordinates relevant state-funded programs.

The Hawaii Catholic Conference, The Pacific Alliance to Stop Slavery, Hawaii Family Forum, Polaris Project, and several concerned individuals supported this bill. Kaiser Permanente supported the intent of this measure. Imua Alliance and a concerned individual supported this measure with amendments. The Office of Community Services and Harm Reduction Hawaii opposed this bill. The Department of the Attorney General, Department of Labor and Industrial Relations, Department of Human Services, The Sex Abuse Treatment Center, and Healthcare Association of Hawaii provided comments.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 1995, H.D. 2 which assists survivors of human trafficking by:

- (1) Requiring specified establishments to post a poster that provides the National Human Trafficking Resource Center Hotline telephone number along with other specified information; and
- (2) Establishes penalties for establishments who willfully and knowingly fail, neglect, or refuse to comply with the posting requirements.

Your Committee notes that the following issues were raised with regard to the definition of establishment:

- (1) The size of the farm that should be included; and
- (2) Whether the definition should include temporary licensees of liquor licenses.

As affirmed by the record of votes of 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. 2123, 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. 2123, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1318-12 Judiciary on S.B. No. 2386

The purpose of this measure is to:

- (1) Require the Native Hawaiian Roll Commission to be responsible for receiving and maintaining verification documents from individuals seeking to be included in the roll of qualified Native Hawaiians;
- (2) Require verification documents to be kept confidential; and
- (3) Prohibit the Native Hawaiian Roll Commission from publishing or releasing any verification documents of any qualified Native Hawaiian on the roll.

The Office of Hawaiian Affairs; Waiehu Kou IV Homestead Association; Sovereign Councils of the Hawaiian Homelands Assembly (SCHHA); Kewalo Hawaiian Homestead Community Association, SCHHA; Waianae Kai Homestead Community Association, SCHHA; and several individuals testified in support of this measure. Several individuals testified in opposition to this measure.

Your Committee has amended this measure by providing that notwithstanding any other law to the contrary, the verification documents of individuals seeking to be included on the roll of qualified Native Hawaiians must remain confidential.

As affirmed by the record of votes of 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. 2386, 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. 2386, S.D. 2, H.D. 2.

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

SCRep. 1319-12 Transportation on H.R. No. 95

The purpose of this measure is to request the Department of Transportation to convene a working group to study all aspects of vehicle immobilization as a sanction for driving with a license that was revoked or suspended for operating a vehicle under the influence of an intoxicant.

MADD-Hawaii and the Hawaii Strategic Highway Safety Plan supported the resolution, the Department of Transportation supported the resolution with concerns involving the funding and the Department of Health supported the intent.

Hawaii is faced with an ever increasing problem of individuals operating vehicles without a valid driver's license, or with a canceled, suspended or revoked driver's license. More than one out of every five drivers who tested positive for alcohol was found to be unlicensed. This resolution attempts to address this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 95 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1320-12 Transportation on H.C.R. No. 124

The purpose of this measure is to request the Department of Transportation to convene a working group to study all aspects of vehicle immobilization as a sanction for driving with a license that was revoked or suspended for operating a vehicle under the influence of an intoxicant.

MADD-Hawaii and the Hawaii Strategic Highway Safety Plan supported the resolution, the Department of Transportation supported the resolution with concerns involving the funding and the Department of Health supported the intent.

Hawaii is faced with an ever increasing problem of individuals operating vehicles without a valid driver's license, or with a canceled, suspended, or revoked driver's license. More than one out of every five drivers who tested positive for alcohol was found to be unlicensed. This resolution attempts to address this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1321-12 Transportation on H.C.R. No. 107

The purpose of this measure is to request the Governor to convene an exploratory committee to consider the establishment of an international aviation training center at the Hilo International Airport and an advanced aviation degree training program at the University of Hawaii at Hilo.

The Department of Transportation and the University of Hawaii at Hilo supported the intent. One individual supported the resolution.

The demand for pilots is expected to soar with Boeing forecasting the need for over 27,000 new pilots a year and if military cutbacks occur we could see the traditional supply of trained pilots diminishing. The Hilo International Airport is an ideal venue as it is less busy than other airports providing a safer training environment as well as being in close proximity to the UH Hilo campus.

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. 107 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1322-12 Energy & Environmental Protection on H.C.R. No. 58

The purpose of this measure is to request the Public Utilities Commission to:

- (1) direct electric utilities, through integrated resource plans, to examine a scenario that replaces existing fossil-fuel based electricity generation plants with renewable energy resources.
- (2) direct that the integrated resource plans of electric utilities consider geothermal resources; hydrogen and other energy-storage technologies, and waste-to-energy resources.
- (3) examine its avoided cost calculation methodology, ways to maximize distributed generation, increasing the use of energy efficiency programs and technology, ways to minimize curtailment of renewable energy, and ways to modernize the State's electrical grids.

The Public Utilities Commission and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) changing the title to read "integrated resource planning process" instead of "integrated planning process"
- (2) deleting "investor-owned" on page 2, line 10
- (3) on page 2, replacing the word "scenario" with "strategy" in two instances.
- (4) Removing the request that copies of the resolution be submitted to Hawaii Electric Companies, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and Kauai Island Utility Cooperative.

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. 58, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 58, H.D. 1.

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

SCRep. 1323-12 Energy & Environmental Protection on H.C.R. No. 98

The purpose of this measure is to request the Office of Solid Waste Management to assist each county in creating a plan to reach benchmarks three and four of the Hawaii 2050 Sustainability plan.

The County of Hawaii Department of Environmental Management submitted testimony in support. The City and County of Honolulu Department of Environmental Management submitted testimony in opposition.

Your committee has amended this measure by removing the request that the Office of Solid Waste Management help counties to create enforceable penalties for failing to reach goals, and instead adding a request that it help counties provide an annual report

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. 98, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 98, H.D. 1.

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

SCRep. 1324-12 Education on H.R. No. 43

The purpose of this measure is to request the Department of Education to conduct research on the correlation between children who are late-born and the high school drop-out rate.

The Hawaii Association for the Education of Young Children and the Early Learning Council supported this resolution. The Department of Education opposed this resolution.

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. 43 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1325-12 Education on H.C.R. No. 62

The purpose of this measure is to request the Department of Education to conduct research on the correlation between children who are late-born and the high school drop-out rate.

The Hawaii Association for the Education of Young Children and the Early Learning Council supported this resolution. The Department of Education opposed this resolution.

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. 62 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1326-12 Energy & Environmental Protection on H.R. No. 81

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study of Israel's solar energy initiatives, with a specific focus on those that could be duplicated in Hawaii.

The Hawaii PV coalition submitted testimony in support of this measure. Three individuals submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism submitted testimony in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1327-12 Energy & Environmental Protection on H.C.R. No. 110

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study of Israel's solar energy initiatives, with a specific focus on those that could be duplicated in Hawaii.

The Hawaii PV Coalition submitted testimony in support of this measure. Three individuals submitted testimony in support of the measure. The Department of Business Economic Development and Tourism submitted testimony in support of the intent of the 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. 110 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1328-12 Energy & Environmental Protection on H.C.R. No. 108

The purpose of this measure is to request the Department of Health to:

- (1) conduct a review and make recommendations on the removal of marine debris created by the 2011 tsunami in Japan, in consultation with state and federal agencies.
- (2) report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 and 2014.

The State of Hawaii Department of Defense offered comments on this measure. Carbon Bio-Engineers, Inc. testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1329-12 Transportation on H.R. No. 9

The purpose of this measure is to request the City and County of Honolulu to review its policies regarding street and road widening, particularly in neighborhoods with significant senior populations, with regard to their impact on pedestrian safety.

Hawaii's kupuna often experience challenges traversing our roads and highways and pedestrian fatalities for people over age 65 remains exceptionally high. Widening Honolulu's streets and roads to provide a safer pedestrian environment would help protect not only our kupuna but all our citizens from the high level of pedestrian accidents and deaths.

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. 9 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1330-12 Transportation on H.C.R. No. 13

The purpose of this measure is to request the City and County of Honolulu to review its policies regarding street and road widening, particularly in neighborhoods with significant senior populations, with regard to their impact on pedestrian safety.

Hawaii's kupuna often experience challenges traversing our roads and highways and pedestrian fatalities for people over age 65 remains exceptionally high. Widening Honolulu's streets and roads to provide a safer pedestrian environment would help protect not only our kupuna but all our citizens from the high level of pedestrian accidents and deaths.

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. 13 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1331-12 Tourism on H.R. No. 4

The purpose of this measure is to urge the Governor and Legislature to preserve the counties' share of the transient accommodations tax.

The Hawaii Tourism Authority, County of Hawaii, Hawaii State Association of Counties, and numerous individuals 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 Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 4, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 4, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1332-12 Agriculture on H.C.R. No. 104

The purpose of this measure is to urge the University of Hawaii to reaffirm its Long Range Development Plan developed in February 1967 to keep Magoon Research and Teaching Facility site under the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources.

Department of Agriculture, numerous businesses and organizations, and numerous concerned individuals testified in support of this measure. The University of Hawaii System had reservations about the technicality of the language.

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. 104 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1333-12 Agriculture on H.R. No. 73

The purpose of this measure is to request that the Hawaii Department of Agriculture implement an incentive program to promote the purchase of Hawaii-grown agricultural commodities.

Hawaii Department of Education, Hawaii Cattlemen's Council, and Hawaii Farm Bureau Federation testified in support of this measure. Hawaii Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 73 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1334-12 Agriculture on H.C.R. No. 101

The purpose of this measure is to request that the Hawaii Department of Agriculture implement an incentive program to promote the purchase of Hawaii-grown agricultural commodities.

Hawaii Department of Education, Hawaii Cattlemen's Council, and Hawaii Farm Bureau Federation testified in support of this measure. Hawaii Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1335-12 Agriculture on H.R. No. 74

The purpose of this measure is to convene an agriculture policy task force to review agricultural policies from other states in providing for Hawaii's Agriculture Industry.

Hawaii Cattlemen's Council and the Hawaii Farm Bureau Federation testified in support of this measure. Hawaii Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 74 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1336-12 Agriculture on H.C.R. No. 102

The purpose of this measure is to convene an agriculture policy task force to review agricultural policies from other states in providing for Hawaii's Agriculture Industry.

Hawaii Cattlemen's Council and the Hawaii Farm Bureau Federation testified in support of this measure. Hawaii Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 102 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1337-12 Agriculture on H.R. No. 75

The purpose of this measure is to express support for the Hawaii Department of Agriculture's efforts to stimulate the State's agriculture industry, increase and diversify agricultural output, and promote food security.

Hawaii Cattlemen's Council, Hawaii Department of Agriculture, and Hawaii Farm Bureau Federation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1338-12 Agriculture on H.C.R. No. 103

The purpose of this measure is to express support for the Hawaii Department of Agriculture's efforts to stimulate the State's agriculture industry, increase and diversify agricultural output, and promote food security.

Hawaii Cattlemen's Council, Hawaii Department of Agriculture, and Hawaii Farm Bureau Federation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1339-12 Transportation on H.R. No. 17

The purpose of this measure is to request the Department of Transportation to convene a task force to examine the impact of all-terrain vehicle (ATV) accidents on children and to consider possible means to minimize injuries and death suffered by children due to the use of all-terrain vehicles.

The Queen's Medical Center and the Hawaii American Physical Therapy Association supported the resolution. The Department of Health supported the intent and the Department of Transportation opposed the measure.

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 risk of injury to Hawaii's children is real. Therefore it is important that steps be taken to prevent the significant amount of health care costs associated with ATV-related injuries and the immeasurable toll and grief experienced by family members and loved ones of children who suffer these injuries.

The Department of Transportation testified that because All-terrain vehicles cannot legally travel upon our public roads, this request falls outside of their jurisdiction. Therefore your Committee has amended this measure by removing the responsibility to convene the task force from the Department of Transportation and conferring the responsibility on the Department of Health whom your Committee feels is better equipped to address the issues posed by this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 17, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. 17, H.D. 1.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1340-12 Transportation on H.C.R. No. 33

The purpose of this measure is to request the Department of Transportation to convene a task force to examine the impact of all-terrain vehicle (ATV) accidents on children and to consider possible means to minimize injuries and death suffered by children due to the use of all-terrain vehicles.

The Queen's Medical Center and the Hawaii American Physical Therapy Association supported the resolution. The Department of Health supported the intent and the Department of Transportation opposed the measure.

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 risk of injury to Hawaii's children is real. Therefore it is important that steps be taken to prevent the significant amount of health care costs associated with ATV-related injuries and the immeasurable toll and grief experienced by family members and loved ones of children who suffer these injuries.

The Department of Transportation testified that because All-terrain vehicles cannot legally travel upon our public roads, this requests falls outside of their jurisdiction. Therefore your committee has amended this measure by removing the responsibility to convene the task force from the Department of Transportation and conferring the responsibility on the Department of Health whom your committee feels is better equipped to address the issues posed by this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 33, H.D. 1

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1341-12 Agriculture on H.C.R. No. 138

The purpose of this measure is to endorse the renaming of the Science, Technology, Engineering, and Mathematics (STEM) initiatives to Science, Technology, Engineering, Agriculture, and Mathematics (STEAM).

The Hawaii Department of Agriculture testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 138 and recommends that it be referred to the Committees on Higher Education and Education.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1342-12 Agriculture on H.C.R. No. 147

The purpose of this measure is to request the auditor to conduct a management audit of the Measurement Standards Branch within the Hawaii Department of Agriculture.

The Hawaii Department of Agriculture testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 147 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 1343-12 Agriculture on H.C.R. No. 207

The purpose of this measure is to request the Chairperson of the Hawaii Board of Agriculture to convene a task force to develop long-range goals and plans for the Molokai irrigation system.

Monsanto Molokai, Kumu Farms, Molokai Chapter of Commerce, Hawaii Farm Bureau Federation, and several concerned individuals testified in support of this measure. The Hawaii Department of Agriculture provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Tokioka and Riviere.

SCRep. 1344-12 Agriculture on H.C.R. No. 208

The purpose of this measure is to address the low level of irrigation water supply and improve the agricultural economy among others suggestions develop a three year plan for additional irrigation water source development to meet existing Molokai Irrigation System.

Coffees of Hawaii, Dow Agrisciences, Molokai Chamber of Commerce, and several concerned individuals testified in support of this measure. Hawaii Department of Agriculture provided comments on this measure.

Your Committee respectfully requests that the Committee on Finance further examine the resolution to expand to all irrigation systems and the financial implications.

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. 208 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1345-12 Transportation on H.R. No. 86

The purpose of this measure is to request that the City and County of Honolulu extend the hours during which parking is prohibited along a portion of Isenberg Street for an additional thirty minutes.

One individual testified in support.

Parking is currently prohibited on an Ewa portion of Isenberg Street near King Street during the hours of 3:30pm and 5:30pm to allow for two lanes of traffic, the left lane waiting for oncoming traffic to pass before turning left unto King Street. Much of the traffic on Isenberg Street originates from the Bingham Street exit off the H-1 Freeway and remains heavy after 5:30pm. Extending the time that vehicles are prohibited from parking would alleviate traffic congestion after 5:30pm.

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. 86 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1346-12 Transportation on H.C.R. No. 113

The purpose of this measure is to request that the City and County of Honolulu extend the hours during which parking is prohibited along a portion of Isenberg Street for an additional thirty minutes.

One individual testified in support.

Parking is currently prohibited on an Ewa portion of Isenberg Street near King Street during the hours of 3:30pm and 5:30pm to allow for two lanes of traffic, the left lane waiting for oncoming traffic to pass before turning left unto King Street. Much of the traffic on Isenberg Street originates from the Bingham Street exit off the H-1 Freeway and remains heavy after 5:30pm. Extending the time that vehicles are prohibited from parking would alleviate traffic congestion after 5:30pm.

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. 113 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1347-12 Transportation on H.R. No. 72

The purpose of this measure is to request that the City and County of Honolulu prohibit parking along a portion of Date Street during the morning hours.

One individual testified in support.

Iolani School has two drop off/pick up locations for 1,800 students arriving every school day which results in tremendous traffic congestion on the various streets feeding these two locations. One of these drop off points is located on La'au Place with egress/ingress solely from Date Street. While there are two lanes open during the morning hours on Date Street on the mauka side, there is only one lane open on the makai side because vehicles are allowed to park along Date Street between Kapiolani Boulevard and La'au Street. Your committee finds that prohibiting parking on this portion of Date Street during the morning hours would greatly alleviate traffic congestion 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. 72 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1348-12 Transportation on H.C.R. No. 100

The purpose of this measure is to request that the City and County of Honolulu prohibit parking along a portion of Date Street during the morning hours.

One individual testified in support.

Iolani School has two drop off/pick up locations for 1,800 students arriving every school day which results in tremendous traffic congestion on the various streets feeding these two locations. One of these drop off points is located on La'au Place with egress/ingress solely from Date Street. While there are two lanes open during the morning hours on Date Street on the mauka side, there is only one lane open on the makai side because vehicles are allowed to park along Date Street between Kapiolani Boulevard and La'au Street. Your committee finds that prohibiting parking on this portion of Date Street during the morning hours would greatly alleviate traffic congestion 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. 100 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1349-12 Transportation on H.R. No. 44

The purpose of this measure is to request that the Governor proclaim July 13, 2012 as "Collector Car Appreciation Day".

Two individuals testified in support.

From the Tin Lizzies (Model T Fords) through the Dusenbergs and Cords of the 30s, the hot rods of the 50s, muscle cars of the 70s to the Gremlins, Pintos and the sampans of Hilo, car lovers have been collecting, preserving and exhibiting cars for decades. In Hawaii local car shows are usually around holidays such as Memorial Day, July 4th and Labor Day where you can browse a wide variety of makes and models. To recognize the many people in Hawaii who restore classic automobiles either as a hobby or a business and do so with pride and great enthusiasm, your Committee requests that the Governor proclaim July 13, 2012 as "Collector Car Appreciation Day".

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. 44 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1350-12 Transportation on H.C.R. No. 63

The purpose of this measure is to request that the Governor proclaim July 13, 2012 as "Collector Car Appreciation Day".

Two individuals testified in support.

From the Tin Lizzies (Model T Fords) through the Dusenbergs and Cords of the 30s, the hot rods of the 50s, muscle cars of the 70s to the Gremlins, Pintos and the sampans of Hilo, car lovers have been collecting, preserving and exhibiting cars for decades. In Hawaii local car shows are usually around holidays such as Memorial Day, July 4th and Labor Day where you can browse a wide variety of makes and models. To recognize the many people in Hawaii who restore classic automobiles either as a hobby or a business and do so with pride and great enthusiasm, your Committee requests that the Governor proclaim July 13, 2012 as "Collector Car Appreciation Day."

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. 63 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Johanson.

SCRep. 1351-12 Tourism/International Affairs on H.R. No. 25

The purpose of this measure is to promote and increase the number of international business travelers and tourists visiting Hawaii from the People's Republic of China and other countries by supporting the Visa Improvements to Stimulate International Tourism to the United States of America Act.

One individual 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 Tourism and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 25, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 25, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1352-12 Tourism/International Affairs on H.C.R. No. 46

The purpose of this measure to promote and increase the number of international business travelers and tourists visiting Hawaii from the People's Republic of China and other countries by supporting the Visa Improvements to Stimulate International Tourism to the United States of America Act.

One individual 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 Tourism and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 46, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 46, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1353-12 Judiciary on S.B. No. 3029

The purpose of this measure is to make various housekeeping amendments to the Hawaii Revised Statutes and Session Laws of Hawaii to correct errors, omissions, or obsolete laws.

The Hawaii Real Estate Commission testified in support of this measure. The Department of the Attorney General and Legislative Reference Bureau provided comments.

Your Committee has amended this measure by:

- (1) Removing substantive amendments that were made to the statutory text set forth in sections 13 and 14 in the previous draft of this bill and restoring the statutory text in those sections to the form in which they read in the version of this bill as introduced and as drafted by the Legislative Reference Bureau, so that the statutory text in those sections may be properly set forth for ratification;
- (2) Changing the effective date to July 1, 2012; 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. 3029, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3029, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1354-12 Hawaiian Affairs on H.R. No. 59

The purpose of this measure is to request the Board of Education and the Department of Education to:

- (1) Allocate resources to develop the fundamental requirements of a viable grade K-6 educational program with stated goals, objectives, and evaluation measures, including the completion, dissemination, and implementation of a five-year Hawaiian studies strategic plan;
- (2) Update and revise the Hawaiian studies program and curriculum guides for grades K-6;
- (3) Monitor the fiscal responsibility of the use of Hawaiian studies funds in the schools;
- (4) Make a clear statement of the role of kupuna and makua as teachers of the Hawaiian culture and the role of the regular classroom teacher as a true partner in the endeavor;
- (5) Allocate substantive resources to further kupuna and makua training and educational programs in all aspects of Hawaiian culture so they can impart the knowledge as envisioned by the Hawaii State Constitution for the keiki, or children, of Hawaii; and
- (6) Provide an accounting of all expenditures relating to the implementation of Article X, Section 4, of the Hawaii State Constitution that establishes a Hawaiian education program, and require accounting to be in accordance with the recommendations of the Management Audit of the Department of Education's Hawaiian Studies Program.

This measure also requests the Board of Education and Department of Education to report their progress on the items listed above to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

The Department of Education, Office of Hawaiian Affairs, Ka Lei Papahi O Kakuhihewa, Na Leo O Na Kupuna, and many concerned individuals supported the 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. 59 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1355-12 Hawaiian Affairs on H.C.R. No. 85

The purpose of this measure is to request the Board of Education and the Department of Education to:

- (1) Allocate resources to develop the fundamental requirements of a viable grade K-6 educational program with stated goals, objectives, and evaluation measures, including the completion, dissemination, and implementation of a five-year Hawaiian studies strategic plan;
- (2) Update and revise the Hawaiian studies program and curriculum guides for grades K-6;
- (3) Monitor the fiscal responsibility of the use of Hawaiian studies funds in the schools;
- (4) Make a clear statement of the role of kupuna and makua as teachers of the Hawaiian culture and the role of the regular classroom teacher as a true partner in the endeavor;
- (5) Allocate substantive resources to further kupuna and makua training and educational programs in all aspects of Hawaiian culture so they can impart the knowledge as envisioned by the Hawaii State Constitution for the keiki, or children, of Hawaii; and
- (6) Provide an accounting of all expenditures relating to the implementation of Article X, Section 4, of the Hawaii State Constitution that establishes a Hawaiian education program, and require accounting to be in accordance with the recommendations of the Management Audit of the Department of Education's Hawaiian Studies Program.

This measure also requests the Board of Education and Department of Education to report their progress on the items listed above to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

The Department of Education, Office of Hawaiian Affairs, Ka Lei Papahi O Kakuhihewa, and many concerned individuals supported the 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. 85 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1356-12 Hawaiian Affairs on H.R. No. 67

The purpose of this measure is to request the Auditor to:

- (1) Conduct a comprehensive financial and management audit of the Department of Hawaiian Home Lands that shall include an assessment of grants provided and contracts entered into and administered by the Department of Hawaiian Home Lands; 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 Regular Session of 2013.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee

concurs with the intent and purpose of H.R. No. 67 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1357-12 Hawaiian Affairs on H.C.R. No. 95

The purpose of this measure is to request the Auditor to:

- (1) Conduct a comprehensive financial and management audit of the Department of Hawaiian Home Lands that shall include an assessment of grants provided and contracts entered into and administered by the Department of Hawaiian Home Lands; 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 Regular Session of 2013.

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. 95 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1358-12 Hawaiian Affairs on H.R. No. 60

The purpose of this measure is to further the Legislature's goal of protecting Hawaii's distinctive cultural heritage and to implement the recommendations of a State Historic Preservation Officer's 1975 report noting Mokauea Island's historic importance by urging the United States National Register of Historic Places and the State Historic Preservation Division to recognize Mokauea Island as a cultural and educational resource and include Mokauea Island on the National Register of Historic Places and the Hawaii Register of Historic Places.

The Association of Hawaiian Civic Clubs supported the measure. The Department of Land and Natural Resources and Historic Hawaii Foundation offered comments on the 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. 60 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1359-12 Hawaiian Affairs on H.C.R. No. 86

The purpose of this measure is to further the Legislature's goal of protecting Hawaii's distinctive cultural heritage and to implement the recommendations of a State Historic Preservation Officer's 1975 report noting Mokauea Island's historic importance by urging the United States National Register of Historic Places and the State Historic Preservation Division to recognize Mokauea Island as a cultural and educational resource and include Mokauea Island on the National Register of Historic Places and the Hawaii Register of Historic Places.

The Association of Hawaiian Civic Clubs supported the measure. The Department of Land and Natural Resources and Historic Hawaii Foundation offered comments on the 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. 86 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1360-12 Hawaiian Affairs on H.R. No. 89

The purpose of this measure is to provide enhanced protection of historic lands and tax relief to the owners of these lands by urging the counties to not terminate or weaken property tax exemptions for kuleana lands.

The Office of Hawaiian Affairs and a concerned individual supported the 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. 89 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1361-12 Hawaiian Affairs on H.C.R. No. 117

The purpose of this measure is to provide enhanced protection of historic lands and tax relief to the owners of these lands by urging the counties to not terminate or weaken property tax exemptions for kuleana lands.

The Office of Hawaiian Affairs and a concerned individual supported the 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. 117 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1362-12 Hawaiian Affairs on H.R. No. 62

The purpose of this measure is to urge the Department of Land and Natural Resources to review the natural resources marine management rules, conduct public hearings on the rules, consult with the Native Hawaiian people, and determine the relevance and applicability of the rules to place-based management for purposes of enhancing voluntary compliance and public participation in marine resource management.

The Association of Hawaiian Civic Clubs and several concerned individuals supported the 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. 62 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1363-12 Hawaiian Affairs on H.C.R. No. 88

The purpose of this measure is to urge the Department of Land and Natural Resources to review the natural resources marine management rules, conduct public hearings on the rules, consult with the Native Hawaiian people, and determine the relevance and applicability of the rules to place-based management for purposes of enhancing voluntary compliance and public participation in marine resource management.

The Association of Hawaiian Civic Clubs and several concerned individuals supported the 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. 88 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1364-12 Hawaiian Affairs on H.R. No. 68

The purpose of this measure is to recognize Hawaiian Nationals as:

- (1) An authentic population residing lawfully in the Hawaiian Islands; and
- (2) The authentic heirs, beneficiaries, and body politic of the Hawaiian Kingdom, which provides Hawaiian Nationals the right to organize and restore their national government of, by, and for the people of the Hawaiian Islands.

This measure also urges the State to uphold the laws regarding nationality-based discrimination, and to encourage the courts and law enforcement agencies in the State to cease all nationality-based harassment and prosecution of Hawaiian Nationals.

Ke Aupuni O Hawaii and several concerned individuals supported the measure. The Office of Hawaiian Affairs and Aupuni O Hawaii offered comments on the 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. 68 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1365-12 Hawaiian Affairs on H.C.R. No. 96

The purpose of this measure is to recognize Hawaiian Nationals as:

- (1) An authentic population residing lawfully in the Hawaiian Islands; and
- (2) The authentic heirs, beneficiaries, and body politic of the Hawaiian Kingdom, which provides Hawaiian Nationals the right to organize and restore their national government of, by, and for the people of the Hawaiian Islands.

This measure also urges the State to uphold the laws regarding nationality-based discrimination, and to encourage the courts and law enforcement agencies in the State to cease all nationality-based harassment and prosecution of Hawaiian Nationals.

Ke Aupuni O Hawaii and several concerned individuals supported the measure. The Office of Hawaiian Affairs and Aupuni O Hawaii offered comments on the 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. 96 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jordan.

SCRep. 1366-12 Hawaiian Affairs on H.R. No. 129

The purpose of this measure is to request the University of Hawaii with the assistance of the Department of Education and other relevant educational organizations to review the State's funding for existing English as a Second Language programs and Hawaiian language programs offered in Hawaii and any disparities in funding for the State's two official languages.

This measure also requests the University of Hawaii to report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Department of Education supported the measure. The 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 concurs with the intent and purpose of H.R. No. 129 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Jordan, Yamane and Ward.

SCRep. 1367-12 Hawaiian Affairs on H.C.R. No. 167

The purpose of this measure is to request the University of Hawaii with the assistance of the Department of Education and other relevant educational organizations to review the State's funding for existing English as a Second Language programs and Hawaiian language programs offered in Hawaii and any disparities in funding for the State's two official languages.

This measure also requests the University of Hawaii to report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Department of Education and a concerned individual supported the measure. The 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 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 Jordan, Yamane and Ward.

SCRep. 1368-12 Economic Revitalization & Business on H.C.R. No. 64

The purpose of this measure is to express support for the infrastructure investment fund concept.

Responsible Markets testified in support 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 concurs with the intent and purpose of H.C.R. No. 64 and recommends that it be referred to the Committee on Labor & Public Employment.

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

SCRep. 1369-12 Economic Revitalization & Business on H.C.R. No. 77

The purpose of this measure is to urge the United States Congress to support and establish a national broadband network across the United States, modeled after Australia's National Broadband Network.

Your committee received testimony in support of this measure from The Department of Business, Economic Development, and Technology and High Technology Development Corporation.

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. 77 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1370-12 Economic Revitalization & Business on H.C.R. No. 141

The purpose of this measure is to request the Director of Commerce and Consumer Affairs to create a task force to prevent future instances of animal cruelty by large—scale commercial dogs breeders and to protect the public from purchasing sick and unhealthy dogs.

The Shetland Sheepdog Club of Hawaii, American Kennel Club, Hawaii Humane Society, Dachshund Club of Hawaii, Hawaiian Kennel Club, Inc., Molokai Akitas, and numerous individuals submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs and The Humane Society of the United States provided comments on 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 H.C.R. No. 141 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1371-12 Culture & the Arts on H.C.R. No. 221

The purpose of this measure is to request the auditor to conduct a sunrise review of the regulation and licensure of music therapists.

The Department of Commerce & Consumer Affairs offered comments on this measure and the Sounding Joy Music Therapy, Linda Elento and Keiko Kajiwara testified in support of this measure.

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.C.R. No. 221 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

SCRep. 1372-12 Health/Agriculture on H.C.R. No. 94

The purpose of this measure is to request the Department of Health, through its Healthy Hawaii Initiative, to convene a School Gardens Task Force to determine how best to expand a school garden program statewide.

The Department of Health and the Department of Education testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 94 and recommend that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Belatti, Brower, Hanohano, C. Lee, McKelvey, Nishimoto and Pine.

SCRep. 1373-12 Health on H.C.R. No. 68

The purpose of this measure is to request the Department of Health to convene a working group to determine State compliance with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 and enhance existing State parity laws.

The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 is a federal law that establishes requirements to make insurance coverage for mental health conditions and substance use disorders comparable to insurance coverage for other medical conditions.

Hawaii Substance Abuse Coalition and United Self Help testified in support of this measure. The Department of Health testified in support of the intent of this measure, provided that implementation of the measure does not impact or replace its priorities in the Executive Supplemental Budget for Fiscal Year 2012-2013.

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 Representatives Belatti, C. Lee and Pine.

SCRep. 1374-12 Health on H.R. No. 118

The purpose of this measure is to request the Department of Health to develop a state action plan to combat chronic obstructive pulmonary disease in the State.

The Department of Health testified in support of the intent of the measure.

Chronic obstructive pulmonary disease refers to a group of serious, progressive diseases that cause airflow blockage and breathing-related problems. Chronic obstructive pulmonary disease is the third leading cause of death, illness, and disability in the United States.

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. 118 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 1375-12 Health on H.C.R. No. 154

The purpose of this measure is to request the Department of Health to develop a state action plan to combat chronic obstructive pulmonary disease in the State.

The Department of Health testified in support of the intent of the measure.

Chronic obstructive pulmonary disease refers to a group of serious, progressive diseases that cause airflow blockage and breathing-related problems. Chronic obstructive pulmonary disease is the third leading cause of death, illness, and disability in the United States.

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. 154 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 1376-12 Water, Land, & Ocean Resources on H.C.R. No. 163

The purpose of this measure is to urge the Department of Land and Natural Resources and the Public Land Development Corporation, assisted by the County of Hawaii, to study the establishment of a public-private partnership to develop and improve the leasehold lands of East Hawaii that are subject to the expiration of leases in 2015, which includes existing properties on Banyan Drive and in the Kanoelehua Industrial Area.

The Public Land Development Corporation; three individual members of the Hawaii County Council; Hawaii Island Contractors Association; the Kanoelehua Industrial Area Association; Takamine Construction, Inc.; William C. Loeffler Construction, Inc.; and several individuals supported this measure. An individual commented on 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. 163 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1377-12 Water, Land, & Ocean Resources on H.C.R. No. 84

The purpose of this measure is to urge the adoption of laws that:

- (1) Require hunters hunting on private property to obtain written permission from the landowners; and
- (2) Define a "place of formal hunting".

The Land Use Research Foundation of Hawaii; the Hawaii Cattlemen's Council, Inc.; the Artisans Farmers Alliance; W. H. Shipman, Limited; the Hawaii Farm Bureau Federation; and several individuals supported this measure. The Office of Hawaiian Affairs opposed this measure. The Department of Land and Natural Resources commented on 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. 84 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1378-12 Labor & Public Employment on H.R. No. 94

The purpose of this measure is to balance the financial aims and needs of investors, including investors with the Employees' Retirement System, with an investment's impact on society by the operations of the corporation or entity in which the investment is made by:

- (1) Encouraging the Chief Investment Officer, Administrator, and trustees of the State Employees' Retirement System to apply the principles of Socially Responsible Investment in their investment practices and decisions; and
- (2) Encouraging other investment counselors and money managers to also apply the principles of Socially Responsible Investment to their investment portfolios.

A concerned individual testified in support of this measure. The Employees' Retirement System and Legislative Reference Bureau provided comments.

Socially Responsible Investment is the practice of basing investment decisions on considerations of societal values and concerns as well as financial returns, thus balancing the investor's financial aims and needs with an investment's impact on society by the operations of the corporation or entity in which the investment is made. While socially responsible investing was initially thought of as being a hindrance to investing to achieve maximum gains, Socially Responsible Investment funds have become well established and have demonstrated their financial soundness proving that social and environmental values and standards can actually correlate with superior financial performance.

While your Committee notes that the investment policies of the Employees' Retirement System currently reflect some of the intent of Socially Responsible Investment, this measure deserves further consideration and discussion.

However, your Committee also notes that it does have concerns that screening out, from investment possibilities, industries that involve military weapons may eliminate a large number of investment possibilities as numerous businesses, companies, and corporations have contracts with the military or deal with military weapons in one way or another. Your Committee also understands and notes the concerns raised by the Legislative Reference Bureau as to the exact subject matter to be contained in the report their agency is being requested to submit to the Legislature and respectfully requests the Committee on Finance to take the Legislative Reference Bureau's comments and recommendations under advisement.

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. 94 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Luke and Saiki.

SCRep. 1379-12 Labor & Public Employment on H.C.R. No. 123

The purpose of this measure is to balance the financial aims and needs of investors, including investors with the Employees' Retirement System, with an investment's impact on society by the operations of the corporation or entity in which the investment is made by:

- (1) Encouraging the Chief Investment Officer, Administrator, and trustees of the State Employees' Retirement System to apply the principles of Socially Responsible Investment in their investment practices and decisions; and
- (2) Encouraging other investment counselors and money managers to also apply the principles of Socially Responsible Investment to their investment portfolios.

A concerned individual testified in support of this measure. The Employees' Retirement System and Legislative Reference Bureau provided comments.

Socially Responsible Investment is the practice of basing investment decisions on considerations of societal values and concerns as well as financial returns, thus balancing the investor's financial aims and needs with an investment's impact on society by the operations of the corporation or entity in which the investment is made. While socially responsible investing was initially thought of as being a hindrance to investing to achieve maximum gains, Socially Responsible Investment funds have become well established and have demonstrated their financial soundness proving that social and environmental values and standards can actually correlate with superior financial performance.

While your Committee notes that the investment policies of the Employees' Retirement System currently reflect some of the intent of Socially Responsible Investment, this measure deserves further consideration and discussion.

However, your Committee also notes that it does have concerns that screening out, from investment possibilities, industries that involve military weapons may eliminate a large number of investment possibilities as numerous businesses, companies, and corporations have contracts with the military or deal with military weapons in one way or another. Your Committee also understands and notes the concerns raised by the Legislative Reference Bureau as to the exact subject matter to be contained in the report their agency is being requested to submit to the Legislature and respectfully requests the Committee on Finance to take the Legislative Reference Bureau's comments and recommendations under advisement.

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. 123 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Luke and Saiki.

SCRep. 1380-12 Transportation on H.R. No. 116

The purpose of this measure is to request the Department of Transportation with cooperation from the City and County of Honolulu Department of Facility Maintenance to inspect and study the East Honolulu drainage system and take steps to improve it to prevent further flooding.

Ten individuals, most of them residents of Wailupe Place, testified in support.

In the valleys and low-lying areas of East Honolulu flood damage to homes and property often occurs after extended periods of rain. Apparently homes along Wailupe Place suffer extraordinary flooding and damage and residents allege the drainage system is the principal cause. Residents testify that the level of flooding is several feet high in many areas, causes extensive property damage, remains flooded for several days and has occurred repeatedly for years.

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. 116 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Yamashita.

SCRep. 1381-12 Transportation on H.R. No. 163

The purpose of this measure is to request that the Department of Transportation review its by-laws and policies, applicable administrative rules and statutes, as well as any internal practices and procedures.

One individual testified in support.

The Google Driverless Car is a project initiated by Google engineers to develop technology for driverless cars, also known as autonomous vehicles. The system combines artificial intelligence software with video cameras and sensors to guide the vehicle without human intervention. Vehicles such as the Toyota Prius and Audi TT have been modified and have already been road tested in California and Nevada. The system provides an override that allows a human driver to take control of the vehicle. In June 2011 the State of Nevada passed Assembly Bill No. 511 which, among other things, authorizes the Department of Transportation to develop rules and regulations governing the use of driverless cars.

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. 163 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Yamashita.

SCRep. 1382-12 Transportation on H.C.R. No. 212

The purpose of this measure is to request that the Department of Transportation review its by-laws and policies, applicable administrative rules and statutes, as well as any internal practices and procedures.

One individual testified in support.

The Google Driverless Car is a project initiated by Google engineers to develop technology for driverless cars, also known as autonomous vehicles. The system combines artificial intelligence software with video cameras and sensors to guide the vehicle without human intervention. Vehicles such as the Toyota Prius and Audi TT have been modified and have already been road tested in California and Nevada. The system provides an override that allows a human driver to take control of the vehicle. In June 2011 the State of Nevada passed Assembly Bill No. 511 which, among other things, authorizes the Department of Transportation to develop rules and regulations governing the use of driverless cars.

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. 212 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Yamashita.

SCRep. 1383-12 Energy & Environmental Protection on H.C.R. No. 224

The purpose of this measure is to encourage the Public Utilities Commission to accelerate the development and penetration of renewable energy generation and to reduce the use of fossil fuel based electricity in Hawaii through various actions.

The Public Utilities Commission and Blue Planet Foundation offered testimony in support of this measure. The Department of Commerce and Consumer Affairs, Hawaii Electric Company, Inc., and the Hawaii Renewable Energy Association offered testimony in support of the intent of this measure.

Your Committee has amended this measure by adding the phrase "among other things" to the end of each numbered paragraph to clarify that the Public Utilities Commission is not limited to the means specifically referenced in 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. 224, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 224, H.D. 1.

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

SCRep. 1384-12 Energy & Environmental Protection/Transportation on H.R. No. 155

The purpose of this measure is to:

- (1) request the Department of Business, Economic Development, and Tourism to determine financing mechanisms to assist private parking lot owners with the costs associated with providing parking stalls and charging units for electric vehicles, considering, among other things, funding mechanisms such as a surcharge, subsidies or tax incentives for businesses, and
- (2) request that the Director or the Energy Administrator request input from relevant state offices, counties, and the business community.

The Office of Economic Development, County of Kauai and one individual offered testimony in support of this measure. The Department of Business, Economic Development, and Tourism offered comments on this measure. The Disability and Communication Access Board opposed this measure.

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 concur with the intent and purpose of H.R. No. 155 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Luke, Saiki, Takumi, Yamashita and Thielen.

SCRep. 1385-12 Energy & Environmental Protection/Transportation on H.C.R. No. 201

The purpose of this measure is to:

- (1) request the Department of Business, Economic Development, and Tourism to determine financing mechanisms to assist private parking lot owners with the costs associated with providing parking stalls and charging units for electric vehicles, considering, among other things, funding mechanisms such as a surcharge, subsidies or tax incentives for businesses, and
- (2) request that the Director or the Energy Administrator request input from relevant state offices, counties, and the business community.

The Office of Economic Development, County of Kauai and one individual offered testimony in support of this measure. The Department of

Business, Economic Development, and Tourism offered comments on this measure. The Disability and Communication Access Board opposed this measure.

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 concur with the intent and purpose of H.C.R. No. 201 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Luke, Saiki, Takumi, Yamashita and Thielen.

SCRep. 1386-12 Housing on H.R. No. 57

The purpose of this measure is to express the Legislature's support for the efforts by non-governmental organizations that assist in finding opportunities and solutions to address homelessness in the State.

Hawaii Youth Services Network testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 57 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1387-12 Housing on H.C.R. No. 82

The purpose of this measure is to express the Legislature's support for the efforts by non-governmental organizations that assist in finding opportunities and solutions to address homelessness in the State.

Hawaii Youth Services Network testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1388-12 Housing on H.R. No. 77

The purpose of this measure is to urge the Hawaii Public Housing Authority to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, relating to the Hawaii Administrative Procedure Act, to prohibit smoking in all federal housing projects and state low-income housing projects in the State.

The Department of Health testified in support of the intent of the measure. Hawaii Public Housing Authority, Hawaii Smoker Alliance, and several individuals testified in opposition to the measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 77 and recommends that it be referred to the Committee on Health.

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

SCRep. 1389-12 Housing on H.C.R. No. 106

The purpose of this measure is to urge the Hawaii Public Housing Authority to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, relating to the Hawaii Administrative Procedure Act, to prohibit smoking in all federal housing projects and state low-income housing projects in the State.

Coalition for a Tobacco Free Hawaii and one individual testified in support of the measure. The Department of Health testified in support of the intent of the measure. Hawaii Public Housing Authority, Hawaii Smoker Alliance, and several individuals testified in opposition to the measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106 and recommends that it be referred to the Committee on Health.

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

SCRep. 1390-12 Housing on H.R. No. 102

The purpose of this measure is to encourage the Hawaii Public Housing Authority to prohibit smoking in all public housing projects and state low-income housing projects.

The Department of Health testified in support of this measure. Hawaii Public Housing Authority, Hawaii Smoker Alliance, and several individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the

intent and purpose of H.R. No. 102 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1391-12 Housing on H.C.R. No. 135

The purpose of this measure to encourage the Hawaii Public Housing Authority to prohibit smoking in all public housing projects and state low-income housing projects.

The Department of Health, Coalition for a Tobacco-Free Hawaii, and two individuals testified in support of this measure. Hawaii Public Housing Authority, Hawaii Smoker Alliance, and several individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1392-12 Human Services on H.R. No. 108

The purpose of this measure is to request the Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter, to:

- (1) Continue to collaborate on developing, implementing, and monitoring continuing education requirements for all licensed social workers in Hawaii; and
- (2) Submit to the Legislature at least 20 days prior to the Regular Session of 2013 a proposed draft for a bill to establish, implement, and monitor continuing education requirements for all licensed social workers in Hawaii.

The National Association of Social Workers and several concerned individuals supported the measure. The Department of Commerce and Consumer Affairs offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 108 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1393-12 Human Services on H.C.R. No. 146

The purpose of this measure is to request the Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter, to:

- (1) Continue to collaborate on developing, implementing, and monitoring continuing education requirements for all licensed social workers in Hawaii; and
- (2) Submit to the Legislature at least 20 days prior to the Regular Session of 2013 a proposed draft for a bill to establish, implement, and monitor continuing education requirements for all licensed social workers in Hawaii.

The National Association of Social Workers and several concerned individuals supported the measure. The Department of Commerce and Consumer Affairs offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1394-12 Hawaiian Affairs on H.R. No. 128

The purpose of this measure is to request the Department of Education to establish a Memorandum of Agreement with 'Aha Kauleo Kaiapuni Hawai'i for the development in the Hawaiian language of reading, math, science, and other assessments administered to students in grades three through six of the Department of Education's Hawaiian Language Immersion Program.

The Association of Hawaiian Civic Clubs supported the measure. The Department of Education supported the measure with amendments. The Office of Hawaiian Affairs offered comments on the measure.

Your Committee has amended this measure by:

- (1) Deleting language requesting the Department of Education to establish a Memorandum of Agreement with 'Aha Kauleo Kaiapuni Hawai'i for the development in the Hawaiian language of reading, math, science, and other assessments administered to students in grades three through six of the Department of Education's Hawaiian Language Immersion Program;

- (2) Amending its title to read:
- "REQUESTING THE DEPARTMENT OF EDUCATION AND BOARD OF EDUCATION TO FORMALLY ACKNOWLEDGE THE ESTABLISHMENT OF 'AHA KAULEO KAIAPUNI HAWAI'I AND TO CONTINUE TO SUPPORT AND IMPLEMENT THE RECOMMENDATIONS OF 'AHA KAULEO KAIAPUNI HAWAI'I ON MATTERS RELATING TO THE HAWAIIAN LANGUAGE IMMERSION PROGRAM";
- (3) Deleting language relating to the free developmental costs of the assessments, and the specific standards and procedures of the assessments;
- (4) Adding language that the Department of Education and the Board of Education are urged to continue to support and implement the recommendations of 'Aha Kauleo Kaiapuni Hawai'i on matters relating to the Hawaiian Language Immersion Program; 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. 128, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.R. No. 128, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Yamane and Ward.

SCRep. 1395-12 Hawaiian Affairs on H.C.R. No. 166

The purpose of this measure is to request the Department of Education to establish a Memorandum of Agreement with 'Aha Kauleo Kaiapuni Hawai'i for the development in the Hawaiian language of reading, math, science, and other assessments administered to students in grades three through six of the Department of Education's Hawaiian Language Immersion Program.

The Association of Hawaiian Civic Clubs and a concerned individual supported the measure. The Department of Education supported the measure with amendments. The Office of Hawaiian Affairs offered comments on the measure.

- (1) Deleting language requesting the Department of Education to establish a Memorandum of Agreement with 'Aha Kauleo Kaiapuni Hawai'i for the development in the Hawaiian language of reading, math, science, and other assessments administered to students in grades three through six of the Department of Education's Hawaiian Language Immersion Program;
- (2) Amending its title to read:
- "REQUESTING THE DEPARTMENT OF EDUCATION AND BOARD OF EDUCATION TO FORMALLY ACKNOWLEDGE THE ESTABLISHMENT OF 'AHA KAULEO KAIAPUNI HAWAI'I AND TO CONTINUE TO SUPPORT AND IMPLEMENT THE RECOMMENDATIONS OF 'AHA KAULEO KAIAPUNI HAWAI'I ON MATTERS RELATING TO THE HAWAIIAN LANGUAGE IMMERSION PROGRAM";
- (3) Deleting language relating to the developmental costs of the assessments, and the specific standards and procedures of the assessments;
- (4) Adding language that the Department of Education and the Board of Education are urged to continue to support and implement the recommendations of 'Aha Kauleo Kaiapuni Hawai'i on matters relating to the Hawaiian Language Immersion Program; 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. 166, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 166, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Yamane and Ward.

SCRep. 1396-12 Labor & Public Employment on H.C.R. No. 152

The purpose of this measure is to work to address the effect overtime costs have on the unfunded liability of the Employees' Retirement System by requesting the Department of Human Resources Development to convene a task force to examine management policies regarding the use of overtime by state and county employees.

The Mayor of the City and County of Honolulu, Department of Human Resources Development, and Honolulu Fire Department testified in support of this measure. The Department of Fire & Public Safety of the County of Maui testified in support of the intent of this measure.

Currently, the Employees' Retirement System has an unfunded liability of approximately \$8,164,000,000 that is continuing to grow. A number of factors have contributed to the System's unfunded liability, including the use of overtime. This was brought to light in recent cases involving the action of pension spiking, which is a process whereby a public sector employee significantly increases the employee's retirement compensation, through overtime or other similar opportunities, in the years immediately preceding retirement so that the resultant pension is abnormally inflated in comparison to the pension that the employee would otherwise receive without the late career overtime compensation. These factors can lead to increases in the unfunded actuarial accrued liability of the Employees' Retirement System.

However, your Committee notes that overtime is authorized by supervisors and that the management of employees' time and work attendance is a critical factor in the determination of overtime. Your Committee also finds that the management of various departments and agencies must play a larger role in addressing the factors that lead to overtime costs within their departments and agencies. Convening a task force to examine management policies regarding the use of overtime by state and county employees will help address these issues.

Your Committee has amended this measure by:

- (1) Including a representative of the State of Hawaii Organization of Police Officers and a representative of the Hawaii Fire Fighters Association on 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 Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 152, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 152, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Luke and Saiki.

SCRep. 1397-12 Transportation on H.R. No. 112

The purpose of this measure is to congratulate Malama Koloa for receiving designation of Holo Holo Koloa as a State Scenic Byway and support their efforts in preparing the Scenic Byway Corridor Management Plan for the Holo Holo Koloa Scenic Byway.

Malama Koloa testified in support.

The National Scenic Byways Program is part of the U.S. Department of Transportation, Federal Highway Administration and is a grass-root collaborative effort established to help recognize, preserve and enhance selected roads throughout the U.S. A Byway is a public road having special scenic, archaeological, historical, recreational, natural and cultural qualities. A Byway is also a corridor that connects people, their stories and their land. In December 2011, Holo Holo Koloa Scenic Byway received a State scenic byway designation, Kauai's first and the fourth in the State. A Corridor Management Plan (CMP) is key to securing a national scenic byway designation and possible grant funds.

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. 112 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takumi and Yamashita.

SCRep. 1398-12 Transportation/Public Safety & Military Affairs on H.C.R. No. 39

The purpose of this measure is to request that the Legislature affirm its support of the Federal Aviation Administration's current rules and safety guidelines relating to unmanned aircraft operations.

The Department of Transportation supported the intent.

Currently unmanned aerial vehicles, commonly known as drones, are allowed only over certain military airspace and along the U.S. borders for surveillance purposes. On February 8, 2012 Congress approved a bill that allows drones to fly in the same airspace as commercial airliners, private planes and cargo jets. The legislation also allocates \$63.4 billion over three and a half years to the Federal Aviation Administration to update their systems. While drones have several beneficial uses to include search and rescue, fighting wildfires, and dangerous tactical police operations, concerns arise with this new legislation that a surveillance society could emerge where our every move is monitored, tracked, recorded and scrutinized by those in possession of drone technology.

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 concur with the intent and purpose of H.C.R. No. 39 and recommend its adoption.

Signed by all members of the Committee except Representatives Luke, Saiki and Takumi.

SCRep. 1399-12 Economic Revitalization & Business on H.C.R. No. 37

The purpose of this measure is to urge the United States Congress to pass legislation requiring internet retailers offering shipping fees for shipment to Alaska and Hawaii that are comparable to shipping fees for goods that are sent to any of the forty-eight contiguous states.

Two individuals submitted testimony in support 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 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 and Pine.

SCRep. 1400-12 Agriculture/Economic Revitalization & Business on H.R. No. 27

The purpose of this measure is to declare Sundays "Eat local, buy local" day in Hawaii to encourage families, restaurants, and grocers to buy Hawaii-grown foods, flowers, and produce.

Hawaii Department of Agriculture, Taro Security and Purity Task Force, and the Hawaii Farm Bureau Federation testified in support of this measure.

Your committee has amended this measure by adding the following:

- (1) Including Saturday into the resolution.
- (2) Changing 'day' to 'days.'
- (3) Inserting another whereas clause that states 'majority of the local farmers markets are held on weekends.'

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. 27, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto, Tokioka and Riviere.

SCRep. 1401-12 Agriculture/Economic Revitalization & Business on H.C.R. No. 48

The purpose of this measure is to declare Sundays "Eat local, buy local" day in Hawaii to encourage families, restaurants, and grocers to buy Hawaii-grown foods, flowers, and produce.

Hawaii Department of Agriculture, Taro Security and Purity Task Force, and the Hawaii Farm Bureau Federation testified in support of this measure.

Your committee has amended this measure by adding the following:

- (1) Including Saturday into the resolution.
- (2) Changing 'day' to 'days.'
- (3) Inserting another whereas clause that states 'majority of the local farmers markets are held on weekends.'

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. 48, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 48, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto, Tokioka and Riviere.

SCRep. 1402-12 Agriculture/Economic Revitalization & Business on H.R. No. 105

The purpose of this measure urges the United States Department of Agriculture's National Agricultural Statistics Service to use green coffee instead of parchment equivalent as the basis for valuing Hawaii's coffee crops.

Hawaii Farm Bureau Federation, Maui Coffee Association, Kau Farm Bureau, and Hawaii Coffee Growers Association testified in support of this measure. Hawaii Department of Agriculture provided comments on this measure.

Your committee has amended this measure by adding all members of the Hawaii Congressional Delegation to the individuals receiving certified copies of this resolution.

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. 105, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 105, H.D. 1.

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

SCRep. 1403-12 Health on H.R. No. 113

The purpose of this measure is to proclaim the month of April of each year as "Autism Awareness Month" in Hawaii and to have the month serve as a special opportunity to educate the people of Hawaii about autism, particularly the importance of screening for autism spectrum disorder in young children.

State Council on Developmental Disabilities, Autism Speaks, Family Voices of Hawai'i, and several individuals 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. 113 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 1404-12 Health on H.C.R. No. 150

The purpose of this measure is to proclaim the month of April of each year as "Autism Awareness Month" in Hawaii and to have the month serve as a special opportunity to educate the people of Hawaii about autism, particularly the importance of screening for autism spectrum disorder in young children.

The Department of Health, State Council on Developmental Disabilities, Autism Speaks, Family Voices of Hawai'i, Special Education Advisory Council, and several individuals 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. 150 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Pine.

SCRep. 1405-12 Housing on H.R. No. 106

The purpose of this measure is to address projected shortfalls in affordable housing by:

- (1) Urging developers to build more small-scale housing units; and
- (2) Urging the planning departments of the respective counties to make the permitting process more amenable to the construction of small and affordable home and condominium units.

No testimony was received on this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 106 and recommends its adoption.

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

SCRep. 1406-12 Housing on H.C.R. No. 144

The purpose of this measure is to address projected shortfalls in affordable housing by:

- (1) Urging developers to build more small-scale housing units; and
- (2) Urging the planning departments of the respective counties to make the permitting process more amenable to the construction of small and affordable home and condominium units.

No testimony was received on this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 144 and recommends its adoption.

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

SCRep. 1407-12 Water, Land, & Ocean Resources on H.R. No. 144

The purpose of this measure is to recognize the week of October 1 through 7, 2012, as "Hawaii Fishing and Seafood Week."

The Department of Land and Natural Resources, Fishing Tales with Mike Sakamoto, and several individuals supported this measure. An individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 144 and recommends its adoption.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1408-12 Water, Land, & Ocean Resources on H.C.R. No. 186

The purpose of this measure is to recognize the week of October 1 through 7, 2012, as "Hawaii Fishing and Seafood Week."

The Department of Land and Natural Resources, Fishing Tales with Mike Sakamoto, Hawaii Aquaculture & Aquaponics Association, Hawaii

Nearshore Fishermen, and several individuals supported 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. 186 and recommends its adoption.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1409-12 Water, Land, & Ocean Resources on H.C.R. No. 142

The purpose of this measure is to authorize the Board of Land and Natural Resources to issue a 55-year term, non-exclusive easement for a portion of state submerged lands fronting the private property defined as tax map key (2) 4-4-001: 042, at Lahaina, Maui for seawall purposes pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources supported 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. 142 and recommends its adoption.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1410-12 Water, Land, & Ocean Resources on H.C.R. No. 143

The purpose of this measure is to authorize the Board of Land and Natural Resources to issue a 55-year term, non-exclusive easement covering a portion of state submerged lands identified as tax map key: (2) 4-3-006:065, situated at Mahinahina, Lahaina, Maui for concrete and rubble rock revetment pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources and two individuals supported 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. 143 and recommends its adoption.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1411-12 Judiciary on S.B. No. 2247

The purpose of this measure is to allow electronic communication service providers to divulge the contents of electronic communications to law enforcement agencies, public safety entities, and public safety answering points in an emergency situation involving danger of death or serious physical injury.

The Department of the Prosecuting Attorney of the City and County of Honolulu, County of Maui Police Department, and one concerned individual testified in support of this measure. The American Civil Liberties Union and the Hawaii Coalition Against Domestic Violence provided comments.

Your Committee has amended this measure by:

- (1) Inserting language requiring the governmental entity requesting the disclosure of information to provide written certification of the emergency; and
- (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. 2247, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2247, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1412-12 Judiciary on S.B. No. 2222

The purpose of this measure is to address the problem of "sexting," which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cellular phone or other form of electronic communication by prohibiting:

- (1) Adults from soliciting minors to electronically transmit nude images of minors;
- (2) Minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so; and
- (3) A person from possessing a nude image transmitted by a minor, but making it an affirmative defense that the recipient made reasonable efforts to destroy the transmitted nude image.

The Department of the Attorney General, the Department of the Prosecuting Attorney of the County of Maui, and two individuals supported this

measure. The Office of the Public Defender and the American Civil Liberties Union of Hawaii opposed this measure.

Your Committee has amended this measure by changing the effective date to January 7, 2059, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2222, S.D. 2, H.D. 1.

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

SCRep. 1413-12 Finance on S.B. No. 2783

The purpose of this measure is to effectively and responsibly meet the State's constitutional obligation to give effect to the right of native Hawaiians to benefit from the ceded lands trust by conveying certain public lands in Kakaako, Oahu, to the Office of Hawaiian Affairs, with respect to their share of the income and proceeds from the public land trust lands from November 7, 1978, to June 30, 2012.

The Governor; the Office of Hawaiian Affairs; the Department of Hawaiian Home Lands; the Department of the Attorney General; Kamehameha Schools; the Oahu Council of the Association of Hawaiian Civic Clubs; the Association of the Hawaiian Civic Clubs; PBR Hawaii & Associates, Inc.; and several individuals supported this measure. An individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1414-12 Water, Land, & Ocean Resources on H.R. No. 147

The purpose of this measure is to request the establishment of a task force to examine state regulation of the harvesting of Hawaiian sandalwood.

Two individuals supported this measure. The Department of Land and Natural Resources supported the intent of this measure. The Nature Conservancy commented on this measure.

Your Committee has amended this measure by:

- (1) Removing the representative from The Nature Conservancy from the task force; and
- (2) Including on the task force a representative of landowners who own less than 100 acres of land and who are in the business of the sustainable forestry of sandalwood.

Your Committee notes that the Department of Land and Natural Resources has commented that this measure does not provide funding to administer the task force and that the Department does not have the resources to provide for members' travel costs. Your Committee respectfully requests that the Department of Land and Natural Resources determine and present to your Committee on Finance an estimate of the amount of funding that it may need for the administration of the task force. Your Committee further requests that your Committee on Finance consider funding the task force.

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. 147, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1415-12 Water, Land, & Ocean Resources on H.C.R. No. 190

The purpose of this measure is to request the establishment of a task force to examine state regulation of the harvesting of Hawaiian sandalwood.

Jawmin, LLC, dba Ha'loa Aina; Hawaii Cattlemen's Council; the Hawaii Forest Industry Association; McCandless Ranch; and several individuals supported this measure. The Department of Land and Natural Resources supported the intent of this measure. The Nature Conservancy and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Removing a representative from The Nature Conservancy from the task force; and
- (2) Including on the task force a representative of landowners who own less than 100 acres of land and who are in the business of the sustainable forestry of sandalwood.

Your Committee notes that the Department of Land and Natural Resources has commented that this measure does not provide funding to administer the task force and that the Department does not have the resources to provide for members' travel costs. Your Committee respectfully requests that the Department of Land and Natural Resources determine and present to your Committee on Finance an estimate of the amount of funding that it may need for the administration of the task force. Your Committee further requests that your Committee on Finance consider funding the task force.

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. 190, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 190, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1416-12 Consumer Protection & Commerce on H.R. No. 7

The purpose of this measure is to request the Auditor to:

- (1) Conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, on the social and financial effects of mandating health insurance coverage for fertility preservation procedures for persons who are of reproductive age and have been diagnosed with cancer and will undergo treatment that may adversely affect the person's fertility as described under H.B. No. 2105 (Regular Session of 2012); and
- (2) Submit a report on its findings and recommendations to the Legislature at least 20 days prior to the convening of the Regular Session of 2013.

The American Cancer Society and the representative from the Thirty-Eighth District testified in support of this measure.

Your Committee notes that adoption of this measure will enable consideration of H.B. No. 2105, introduced during the Regular Session of 2012, to mandate health insurance coverage for fertility preservation procedures.

Your Committee also notes that it is important to understand the financial impact to all consumers should the proposal contained in H.B. No. 2105 be enacted.

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. 7 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1417-12 Consumer Protection & Commerce on H.C.R. No. 9

The purpose of this measure is to request the Auditor to:

- (1) Conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, on the social and financial effects of mandating health insurance coverage for fertility preservation procedures for persons who are of reproductive age and have been diagnosed with cancer and will undergo treatment that may adversely affect the person's fertility as described under H.B. No. 2105 (Regular Session of 2012); and
- (2) Submit a report on its findings and recommendations to the Legislature at least 20 days prior to the convening of the Regular Session of 2013.

The American Cancer Society and the representative from the Thirty-Eighth District testified in support of this measure.

Your Committee notes that adoption of this measure will enable consideration of H.B. No. 2105, introduced during the Regular Session of 2012, to mandate health insurance coverage for fertility preservation procedures.

Your Committee also notes that it is important to understand the financial impact to all consumers should the proposal contained in H.B. No. 2105 be enacted.

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. 9 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1418-12 Consumer Protection & Commerce on H.C.R. No. 183

The purpose of this measure is to request the Auditor to perform a financial and performance audit of the Department of Commerce and Consumer Affairs (DCCA) and to submit their results, including any necessary proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The DCCA has recently accepted a sub-standard internal audit from an agency under their purview and the total cost of this alleged sub-standard audit amounted to \$80,000. A financial and performance audit would assure the State and the public that these funds are being spent appropriately and that financial accountability is transparent in both quasi-governmental and state agencies.

The Department of Commerce and Consumer Affairs offered comments on this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1419-12 Higher Education on H.R. No. 146

The purpose of this measure is to provide students at the University of Hawaii with advanced education and training in cybersecurity by urging the University of Hawaii at Manoa College of Engineering to establish an Information Assurance Program.

Secure DNA supported this measure. A concerned individual opposed this measure. The Department of Information and Computer Sciences at the University of Hawaii at Manoa 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 concurs with the intent and purpose of H.R. No. 146 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1420-12 Higher Education on H.C.R. No. 189

The purpose of this measure is to provide students at the University of Hawaii with advanced education and training in cybersecurity by urging the University of Hawaii at Manoa College of Engineering to establish an Information Assurance Program.

Secure DNA supported this measure. A concerned individual opposed this measure. The Department of Information and Computer Sciences at the University of Hawaii at Manoa 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 concurs with the intent and purpose of H.C.R. No. 189 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1421-12 Public Safety & Military Affairs/Transportation on H.R. No. 171

The purpose of this measure is to urge the United States Department of Homeland Security to:

- (1) Extend the hours of the Transportation Worker Identification Credential Enrollment Center, which is located on Oahu, on weekdays;
- (2) Open the Transportation Worker Identification Credential Enrollment Center on weekends; and
- (3) Open a second Transportation Worker Identification Credential Enrollment Center around the port area or west of the port area.

Hawaii Transportation Association 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 Transportation that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 171 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1422-12 Public Safety & Military Affairs/Transportation on H.C.R. No. 222

The purpose of this measure is to urge the United States Department of Homeland Security to:

- (1) Extend the hours of the Transportation Worker Identification Credential Enrollment Center, which is located on Oahu, on weekdays;
- (2) Open the Transportation Worker Identification Credential Enrollment Center on weekends; and
- (3) Open a second Transportation Worker Identification Credential Enrollment Center around the port area or west of the port area.

The Department of Transportation and Hawaii Transportation Association testified in support of the measure.

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 concur with the intent and purpose of H.C.R. No. 222 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1423-12 Public Safety & Military Affairs on H.R. No. 168

The purpose of this measure is to urge the Obama Administration, United States Congress, United States Department of Defense, Governor, and Military Affairs Council of The Chamber of Commerce of Hawaii to preserve research and development funding in the Pentagon Budget.

The Chamber of Commerce of Hawaii 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 concurs with the intent and purpose of H.R. No. 168 and recommends that it be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1424-12 Public Safety & Military Affairs on H.C.R. No. 217

The purpose of this measure is to urge the Obama Administration, United States Congress, United States Department of Defense, Governor, and Military Affairs Council of The Chamber of Commerce of Hawaii to preserve research and development funding in the Pentagon Budget.

The Chamber of Commerce of Hawaii 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 concurs with the intent and purpose of H.C.R. No. 217 and recommends that it be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1425-12 Public Safety & Military Affairs on H.R. No. 169

The purpose of this measure is to urge the President of the United States, Chairperson of the Joint Chiefs of Staff, Secretary of Defense, Hawaii Congressional Delegation, Governor, and The Chamber of Commerce of Hawaii-Military Affairs Council to retain military and defense-related civilian jobs in Hawaii.

The Chamber of Commerce of Hawaii and Office of Veterans Affairs 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 concurs with the intent and purpose of H.R. No. 169 and recommends that it be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1426-12 Public Safety & Military Affairs on H.C.R. No. 218

The purpose of this measure is to urge the President of the United States, Chairperson of the Joint Chiefs of Staff, Secretary of Defense, Hawaii Congressional Delegation, Governor, and The Chamber of Commerce of Hawaii-Military Affairs Council to retain military and defense-related civilian jobs in Hawaii.

The Chamber of Commerce of Hawaii and Office of Veterans Affairs 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 concurs with the intent and purpose of H.C.R. No. 218 and recommends that it be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1427-12 Public Safety & Military Affairs on H.R. No. 172

The purpose of this measure is to:

- (1) Encourage the United States Department of Defense to procure from Hawaii businesses a greater percentage of goods and services that it needs for its Hawaii-based military personnel and facilities; and
- (2) Urge the appropriate agencies of the United States Department of Defense to cooperate with The Chamber of Commerce of Hawaii to manage trade shows and other events that highlight and exhibit locally-sourced goods and services for military contracting officers.

The Chamber of Commerce of Hawaii 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 concurs with the intent and purpose of H.R. No. 172 and recommends that it be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1428-12 Public Safety & Military Affairs on H.C.R. No. 223

The purpose of this measure is to:

- (1) Encourage the United States Department of Defense to procure from Hawaii businesses a greater percentage of goods and services that it needs for its Hawaii-based military personnel and facilities; and
- (2) Urge the appropriate agencies of the United States Department of Defense to cooperate with The Chamber of Commerce of Hawaii to manage trade shows and other events that highlight and exhibit locally-sourced goods and services for military contracting officers.

The Chamber of Commerce of Hawaii 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 concurs with the intent and purpose of H.C.R. No. 223 and recommends that it be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1429-12 Public Safety & Military Affairs on H.R. No. 167

The purpose of this measure is to urge:

- (1) The United States House of Representatives Armed Services Committee and Subcommittee on Military Personnel to act favorably on H.R. 2148 and to report the bill to the United States House of Representatives for further action; and
- (2) The Defense Commissary Agency to allow all disabled veterans, regardless of an assigned disability rating, authorized access to commissary facilities.

The Chamber of Commerce of Hawaii testified in support of the 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. 167 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1430-12 Public Safety & Military Affairs on H.C.R. No. 216

The purpose of this measure is to urge:

- (1) The United States House of Representatives Armed Services Committee and Subcommittee on Military Personnel to act favorably on H.R. 2148 and to report the bill to the United States House of Representatives for further action; and
- (2) The Defense Commissary Agency to allow all disabled veterans, regardless of an assigned disability rating, authorized access to commissary facilities.

The Chamber of Commerce of Hawaii testified in support of the 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. 216 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Takai and Takumi.

SCRep. 1431-12 Public Safety & Military Affairs on H.R. No. 87

The purpose of this measure is to urge the United States Congress to:

- (1) Restore the system of checks and balances in the United States by repealing Section 1021 and 1022 of the National Defense Authorization Act for Fiscal Year 2012;
- (2) Amend the Authorization for Use of Military Force and the National Defense Authorization Act for Fiscal Year 2012 to prevent military detentions within the United States of civilians and to clarify Congress and the President's respective powers to declare war and deploy troops; and
- (3) Amend the Authorization for Use of Military Force to expire upon the end of the current combat operations in Afghanistan.

The American Civil Liberties Union of Hawaii, Japanese American Citizens League, and an individual testified in support of this measure.

According to this measure, there is substantial public debate and uncertainty as to whether portions of the National Defense Authorization Act for Fiscal Year 2012 may be interpreted to repeal the Posse Comitatus Act, 18 United States Code, Section 1385, which prohibits the use of the United States military as law enforcement without express Constitutional authority or an act of Congress. This raises the concern that the Defense Authorization Act may authorize indefinite military detention within the United States, without charge or trial, of legal permanent residents and others residing in the United States. This measure is intended to urge Congress to prevent the United States Armed Forces from investigating, arresting, detaining, or trying any person not subject to the Uniform Code of Military Justice already within the United States and to prevent the United States Armed Forces from militarily detaining, without charge or trial, any civilian captured off any battlefield.

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. 87 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.
(Representative Fontaine voted no.)

SCRep. 1432-12 Public Safety & Military Affairs on H.C.R. No. 115

The purpose of this measure is to urge the United States Congress to:

- (1) Restore the system of checks and balances in the United States by repealing Section 1021 and 1022 of the National Defense Authorization Act for Fiscal Year 2012;
- (2) Amend the Authorization for Use of Military Force and the National Defense Authorization Act for Fiscal Year 2012 to prevent military detentions within the United States of civilians and to clarify Congress and the President's respective powers to declare war and deploy troops; and
- (3) Amend the Authorization for Use of Military Force to expire upon the end of the current combat operations in Afghanistan.

The American Civil Liberties Union of Hawaii, Japanese American Citizens League, and two individuals testified in support of this measure.

According to this measure, there is substantial public debate and uncertainty as to whether portions of the National Defense Authorization Act for Fiscal Year 2012 may be interpreted to repeal the Posse Comitatus Act, 18 United States Code, Section 1385, which prohibits the use of the United States military as law enforcement without express Constitutional authority or an act of Congress. This raises the concern that the Defense Authorization Act may authorize indefinite military detention within the United States, without charge or trial, of legal permanent residents and others residing in the United States. This measure is intended to urge Congress to prevent the United States Armed Forces from investigating, arresting, detaining, or trying any person not subject to the Uniform Code of Military Justice already within the United States and to prevent the United States Armed Forces from militarily detaining, without charge or trial, any civilian captured off any battlefield.

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. 115 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.
(Representative Fontaine voted no.)

SCRep. 1433-12 Public Safety & Military Affairs on H.R. No. 13

The purpose of this measure is to:

- (1) Urge the United States Department of Veterans Affairs and the Hawaii Office of Veterans Services to develop comprehensive programs and services to address the needs of women veterans; and
- (2) Request the Hawaii Office of Veterans Services to submit a report to the Legislature prior to the 2013 Regular Session on the progress made in developing comprehensive programs and services to address the needs of women veterans.

The State Representative of District 38, Office of Veterans Services, and American Civil Liberties Union of Hawaii 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 concurs with the intent and purpose of H.R. No. 13 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1434-12 Public Safety & Military Affairs on H.C.R. No. 19

The purpose of this measure is to:

- (1) Urge the United States Department of Veterans Affairs and the Hawaii Office of Veterans Services to develop comprehensive programs and services to address the needs of women veterans; and
- (2) Request the Hawaii Office of Veterans Services to submit a report to the Legislature prior to the 2013 Regular Session on the progress made in developing comprehensive programs and services to address the needs of women veterans.

The State Representative of District 38, Office of Veterans Services, and American Civil Liberties Union of Hawaii 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 concurs with the intent and purpose of H.C.R. No. 19 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1435-12 Public Safety & Military Affairs on H.R. No. 56

The purpose of this measure is to request the Office of Veterans Services to convene an annual statewide veterans' summit, comprising delegates from each county veterans' summit and from appropriate federal agencies and private organizations from other parts of the United States.

The Office of Veterans Services testified in support of the concept 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. 56 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1436-12 Public Safety & Military Affairs on H.R. No. 157

The purpose of this measure is to:

- (1) Encourage the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex in the Puunene, Maui region; and
- (2) Express the Legislature's support for the construction of the correctional facility in Puunene and any future appropriations that may be necessary for the Department of Public Safety to meet any future payment obligations under the agreement.

The Department of Land and Natural Resources and Department of Hawaiian Home Lands testified in support of this measure. The Community Alliance on Prisons and the Drug Policy Forum of Hawaii commented on 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. 157 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1437-12 Public Safety & Military Affairs on H.C.R. No. 203

The purpose of this measure is to:

- (1) Encourage the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex in the Puunene, Maui region; and
- (2) Express the Legislature's support for the construction of the correctional facility in Puunene and any future appropriations that may be necessary for the Department of Public Safety to meet any future payment obligations under the agreement.

The Department of Land and Natural Resources and Department of Hawaiian Home Lands testified in support of this measure. The Community Alliance on Prisons and the Drug Policy Forum of Hawaii commented on 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. 203 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1438-12 Public Safety & Military Affairs on H.R. No. 170

The purpose of this measure is to request the Department of Public Safety to:

- (1) Develop by December 31, 2012, a simplified version of the electronic prescription accountability system for veterinarians;
- (2) Give veterinarians a reasonable time before they must report under the simplified version of the electronic prescription accountability system, i.e., to take place after the system is developed and veterinarians are notified of the system; and
- (3) Submit a report to the Governor, Senate President, House Speaker, Director of Commerce and Consumer Affairs, and President of the Executive Board of the Hawaii Veterinary Medical Association prior to the 2013 Regular Session, on the status of the progress made in developing and implementing the simplified version of the electronic prescription accountability system.

No testimony was received on 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. 170 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1439-12 Public Safety & Military Affairs on H.C.R. No. 219

The purpose of this measure is to request the Department of Public Safety to:

- (1) Develop by December 31, 2012, a simplified version of the electronic prescription accountability system for veterinarians;
- (2) Give veterinarians a reasonable time before they must report under the simplified version of the electronic prescription accountability system, i.e., to take place after the system is developed and veterinarians are notified of the system; and
- (3) Submit a report to the Governor, Senate President, House Speaker, Director of Commerce and Consumer Affairs, and President of the Executive Board of the Hawaii Veterinary Medical Association prior to the 2013 Regular Session, on the status of the progress made in developing and implementing the simplified version of the electronic prescription accountability system.

No testimony was received on 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. 219 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1440-12 Public Safety & Military Affairs on H.R. No. 64

The purpose of this measure is to urge the President and Congress of the United States to adopt the Veterans Remembered Flag.

An individual 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 concurs with the intent and purpose of H.R. No. 64 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.
(Representative Souki voted no.)

SCRep. 1441-12 Public Safety & Military Affairs on H.C.R. No. 92

The purpose of this measure is to urge the President and Congress of the United States to adopt the Veterans Remembered Flag.

An individual 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 concurs with the intent and purpose of H.C.R. No. 92 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.
(Representative Souki voted no.)

SCRep. 1442-12 Public Safety & Military Affairs on H.R. No. 80

The purpose of this measure is to encourage the United States Congress to create a separate branch of the United States Armed Forces to combat cyber crimes, cyber warfare, and cyber terrorism.

No testimony was received on the 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. 80 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1443-12 Public Safety & Military Affairs on H.C.R. No. 109

The purpose of this measure is to encourage the United States Congress to create a separate branch of the United States Armed Forces to combat cyber crimes, cyber warfare, and cyber terrorism.

No testimony was received on the 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. 109 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

SCRep. 1444-12 Judiciary on S.B. No. 2698

The purpose of this measure is to make the Chief Information Officer, instead of the Comptroller, the chair of the Information Privacy and Security Council.

The Office of Information Management and Technology and the Department of Accounting and General Services testified in support of this measure.

Your Committee has amended this measure by:

- (1) Adding language to allow the Chief Information Officer to designate an individual to serve as the chair of the Information Privacy and Security 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2698, 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, Coffman, Ito and McKelvey.

SCRep. 1445-12 Judiciary on S.B. No. 2419

The purpose of this measure is to protect personal information while providing reasonable access in certain circumstances by allowing the scanning of personal information contained in a state identification card or driver's license for limited purposes only.

The Department of Customer Services of the City and County of Honolulu supported this measure. The Office of Consumer Protection, American Civil Liberties Union of Hawaii, and Verizon supported the intent of this measure. The Retail Equation and Retail Merchants of Hawaii supported this measure with amendments. The Consumer Data Industry Association and AT&T provided comments.

Your Committee has amended this bill by:

- (1) Replacing the term "certificate of identification" with "identity card";
- (2) Removing the words "or store" from subsection (b) of the new section because it is duplicative of "retain";
- (3) Replacing the word "provided" in subsection (b) of the new section with "permitted" to limit the exception;
- (4) Removing the word "store" from subsection (c) of the new section because retention has been covered in subsection (b);
- (5) Adding "except as permitted in subsection (a)(3) through (7)" to subsection (c) of the new section to improve internal consistency; and
- (6) Making additional 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 S.B. No. 2419, 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. 2419, S.D. 2, H.D. 3.

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

SCRep. 1446-12 Judiciary on S.B. No. 2221

The purpose of this measure is to provide greater protection for children by addressing instances of possession of particularly violent or egregious child pornography. Specifically, this measure amends the offense of promoting child abuse in the second degree to include possession of thirty or more images of child pornography where the content of at least one image contains a minor younger than the age of twelve, sadomasochistic abuse of a minor, or bestiality involving a minor.

The Department of the Attorney General, Department of the Prosecuting Attorney of the County of Maui, and three individuals supported this measure. An individual supported this measure with comments.

Your Committee has amended this measure by changing the effective date to January 7, 2059, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2221, S.D. 1, H.D. 1.

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

SCRep. 1447-12 Judiciary on S.B. No. 2871

The purpose of this measure is to promote highway safety by prohibiting a person from operating a commercial motor vehicle either without a commercial driver's license in the driver's possession or while texting. Specifically, this measure:

- (1) Prohibits a person from operating a commercial motor vehicle while using a mobile electronic device including using the device for texting and providing exemptions for certain persons;
- (2) Provides a fine of not more than \$2,750, in addition to the driving disqualification, for a violation;
- (3) Provides definitions for "emergency responders", "mobile electronic device", "operate a commercial vehicle", "texting", and "use or using a mobile electronic device";
- (4) Provides clarification as to what is and what is not "texting";
- (5) Amends the definition of "serious traffic violation" to include texting; and
- (6) Prohibits a person from driving a commercial motor vehicle without being in possession of a commercial driver's license.

The Department of Transportation testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the individual prohibited from using a mobile electronic device while operating a commercial motor vehicle be an individual with a commercial driver's license; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2871, 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. 2871, S.D. 1, H.D. 2.

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

SCRep. 1448-12 Judiciary on S.B. No. 2518

The purpose of this measure is to extend the validity of the driver's license of an accompanying dependent of an active duty member of the United States Armed Forces in instances when the driver's license expires while the member is deployed overseas.

The Department of Customer Services of the City and County of Honolulu 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 S.B. No. 2518, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1449-12 Judiciary on S.B. No. 2971

The purpose of this measure is to expand the types of vehicles included under the criminal offenses relating to negligent injury.

The Department of Transportation, Department of the Prosecuting Attorney of the County of Maui, and Maui Police Department testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2971 and recommends that it pass Third Reading.

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

SCRep. 1450-12 Judiciary on S.B. No. 3039

The purpose of this measure is to require the Department of Health to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013 on the total number of individuals and the number of persons with human immunodeficiency virus, acquired immune deficiency virus, and AIDS-related complex, who have received organ transplants from a medical facility or center in the State since 2009, including kidney and liver transplants.

The American Civil Liberties Union of Hawaii and numerous concerned individuals testified in support of this measure. The Department of Health provided 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 is in accord with the intent and purpose of S.B. No. 3039, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1451-12 Legislative Management on H.C.R. No. 41

The purpose of this measure is to request the Auditor to perform a sunrise analysis of the regulation of the profession of music therapy as contemplated under H.B. No. 2062, introduced during the Regular Session of 2012, and submit any findings, recommendations, and proposed legislation to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

Sounding Joy Music Therapy, Inc. and many individuals supported this measure. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and several individuals 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. 41 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Manahan.

SCRep. 1452-12 Legislative Management on H.R. No. 139

The purpose of this measure is to request an audit of all state department expenditures relating to maintenance contracts and expenditures.

The Department of Education and the Department of Taxation commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the title to read:

"REQUESTING A REPORT OF ALL STATE DEPARTMENT EXPENDITURES RELATING TO ENERGY CONSERVATION CONTRACTS AND POWER PURCHASE AGREEMENTS";
- (2) Clarifying that the University of Hawaii, Department of Transportation, Department of Accounting and General Services, and Department of Education utilize power purchase agreements that most affect the State;
- (3) Requesting that each state department submit a report relating to its energy conservation contracts and power purchase agreements;
- (4) Requesting that the University of Hawaii, the Department of Transportation, the Department of Accounting and General Services, and the Department of Education submit a detailed analysis of their power purchase agreements;
- (5) Requesting that these reports include, among other things:
 - (A) Whether the contracts serve their intended purposes to promote energy and resource conservation, while meeting the departments' needs; and
 - (B) The adequacy of the financing of the energy conservation contracts and power purchase agreements; and
- (6) 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 139, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 139, H.D. 1.

Signed by all members of the Committee except Representative Manahan.

SCRep. 1453-12 Legislative Management on H.C.R. No. 178

The purpose of this measure is to request an audit of all state department expenditures relating to maintenance contracts and expenditures.

The Department of Education, the Department of Taxation, and the Department of Transportation commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the title to read:

"REQUESTING A REPORT OF ALL STATE DEPARTMENT EXPENDITURES RELATING TO ENERGY CONSERVATION CONTRACTS AND POWER PURCHASE AGREEMENTS";
- (2) Clarifying that the University of Hawaii, Department of Transportation, Department of Accounting and General Services, and Department of Education utilize power purchase agreements that most affect the State;
- (3) Requesting that each state department submit a report relating to its energy conservation contracts and power purchase agreements;

- (4) Requesting that the University of Hawaii, the Department of Transportation, the Department of Accounting and General Services, and the Department of Education submit a detailed analysis of their power purchase agreements;
- (5) Requesting that these reports include, among other things:
 - (A) Whether the contracts serve their intended purposes to promote energy and resource conservation, while meeting the departments' needs; and
 - (B) The adequacy of the financing of the energy conservation contracts and power purchase agreements; and
- (6) 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 178, H.D. 1.

Signed by all members of the Committee except Representative Manahan.

SCRep. 1454-12 Economic Revitalization & Business on H.C.R. No. 119

The purpose of this measure is to urge the Governor to:

- (1) Recognize the importance of the work conducted by the Small Business Regulatory Review Board; and
- (2) Provide adequate funding, office space, and staff to permit the Small Business Regulatory Review Board to continue assisting small businesses.

Your Committee received testimony in support of this measure from the Small Business Regulatory Review Board; the Hawaii Business League; Hawaii Farm Bureau Federation; and one individual. The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of this measure.

Your Committee finds that small businesses are an important driving force for Hawaii's economy. One obstacle hindering the growth of small businesses in the State is burdensome administrative rules that disproportionately impact small businesses. Your Committee finds that the Small Business Regulatory Review Board has helped small businesses by reducing the number and adverse impact of rules.

Your Committee also finds that the Small Business Regulatory Review Board has faced budget and staff cuts including the elimination of the full-time Small Business Advocate position. These cuts have increased the potential for harmful rules being enacted, placing the viability of many small businesses at risk. Urging the Governor to recognize the importance of the Small Business Regulatory Review Board and to provide adequate funding will highlight the importance of providing the board with the resources necessary to continue assisting small businesses in the State.

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. 119 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1455-12 Economic Revitalization & Business on H.C.R. No. 140

The purpose of this measure is to request the Director of the Office of Aerospace Development, in consultation with the Hawaii Aerospace Advisory Committee, to coordinate comments from interested parties and identify a lead entity to prepare a proposal, on behalf of the State, to the Federal Aviation Administration for Hawaii to be selected as an unmanned aircraft system test site.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism; three members of the Hawaii Aerospace Advisory Committee; and DreamHammer, Inc.

Your Committee finds that the Federal Aviation Administration is required to establish six unmanned aircraft system test sites. The selection of Hawaii as a national unmanned aircraft system test site would establish the State as a nationally recognized center of excellence for the development and testing of advanced aviation technologies, create high-paying jobs, and generate extramural revenue streams to the State.

Your Committee has amended this measure by adding the Director of Taxation to the list of persons to receive a certified copy 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 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 Finance in the form attached hereto as H.C.R. No. 140, H.D. 1.

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

SCRep. 1456-12 Economic Revitalization & Business on H.C.R. No. 118

The purpose of this measure is to request the Auditor to perform a sunrise review on the regulation of ziplines and canopy tours as proposed in House Bill No. 2060, Regular Session of 2012, including an assessment of alternative forms of regulation.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations.

Your Committee finds that the Legislature is currently considering legislation that would establish standards and regulations for operators of ziplines and canopy tours. This measure satisfies the requirement of section 26H-6, Hawaii Revised Statutes, that the Auditor perform a review prior to the enactment of a measure that would subject an unregulated profession or vocation to licensing or other regulatory control.

Your Committee has amended this measure by deleting references to House Bill No. 2060 and instead providing that the Auditor is requested to perform a sunrise review on the regulation of ziplines and canopy tours as proposed in legislation during the Regular Session of 2012.

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. 118, 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. 118, H.D. 1.

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

SCRep. 1457-12 Consumer Protection & Commerce on H.C.R. No. 45

The purpose of this measure is to request the Auditor to conduct a sunrise review of the regulation of air conditioning pipefitters, fire sprinkler technicians, and solar technicians as proposed under an unidentified House Bill.

The General Contractors Association of Hawaii opposed this measure. The Board of Electricians and Plumbers and the Plumbers and Fitters Union, Local 675, submitted comments.

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

- (1) Changing the term "air conditioning pipefitter" to the term "plumber air conditioning and refrigeration pipefitter" throughout the measure, including its title;
- (2) Changing the term "fire sprinkler technician" to the term "plumber fire sprinkler pipefitter" throughout the measure, including its title;
- (3) Changing the term "solar technician" to the term "plumber solar-thermal technician" throughout the measure, including its title;
- (4) Removing references to the unidentified House Bill and to section 26H-6, Hawaii Revised Statutes;
- (5) Adding a reference to the applicable codes published by the International Association of Plumbing and Mechanical Officials that detail the scope of work and qualifications for a plumber air conditioning and refrigeration pipefitter, plumber fire sprinkler pipefitter, and plumber solar-thermal technician; 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 concurs with the intent and purpose of H.C.R. No. 45, 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. 45, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1458-12 Human Services on H.R. No. 121

The purpose of this measure is to request the Department of Human Services to conduct a study to:

- (1) Evaluate the benefits and feasibility of charging and collecting licensure and certification fees for Department of Human Services programs including adult day care programs, adult day hospitals, community care foster family homes, community case management agencies, and the nurse aide training program; and
- (2) Determine which states charge fees for such licensure and certification and the best practices employed by those states.

This measure also requests the Department of Human Services to report its findings and recommendations, along with any suggested legislation, to the Legislature no later than 20 days before the convening of the Regular Session of 2013.

The Department of Human Services opposed the measure.

Your Committee understands that the Department of Human Services testified that it has agreed to work with the Department of Health toward consolidating, within the Department of Health, the licensing and certification functions for community care foster family homes, community case management agencies, and adult day care centers. Senate Bill No. 2126, S.D. 2, H.D. 1, which has been referred to the House Finance Committee, proposes to transfer to the Department of Health on July 1, 2014, the programs of the Department of Human Services relating to home- and community-based case management, community care foster family homes, and adult day care. Your Committee notes that it requested, as part of the plan to effectuate the transfer of functions pursuant to Senate Bill No. 2126, S.D. 2, H.D. 1, that the Department of Human Services assist the Department of Health with determining the feasibility of charging and collecting fees for the licensing and certification functions that are the subject 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.R. No. 121 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1459-12 Human Services on H.C.R. No. 157

The purpose of this measure is to request the Department of Human Services to conduct a study to:

- (1) Evaluate the benefits and feasibility of charging and collecting licensure and certification fees for Department of Human Services programs including adult day care programs, adult day hospitals, community care foster family homes, community case management agencies, and the nurse aide training program; and
- (2) Determine which states charge fees for such licensure and certification and the best practices employed by those states.

This measure also requests the Department of Human Services to report its findings and recommendations, along with any suggested legislation, to the Legislature no later than 20 days before the convening of the Regular Session of 2013.

The Department of Human Services opposed the measure.

Your Committee understands that the Department of Human Services testified that it has agreed to work with the Department of Health toward consolidating, within the Department of Health, the licensing and certification functions for community care foster family homes, community case management agencies, and adult day care centers. Senate Bill No. 2126, S.D. 2, H.D. 1, which has been referred to the House Finance Committee, proposes to transfer to the Department of Health on July 1, 2014, the programs of the Department of Human Services relating to home- and community-based case management, community care foster family homes, and adult day care. Your Committee notes that it requested, as part of the plan to effectuate the transfer of functions pursuant to Senate Bill No. 2126, S.D. 2, H.D. 1, that the Department of Human Services assist the Department of Health with determining the feasibility of charging and collecting fees for the licensing and certification functions that are the subject 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. 157 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1460-12 Human Services on H.R. No. 124

The purpose of this measure is to request the Department of Human Services to conduct a study on asset limits for individuals and families seeking to qualify for public assistance. Specifically, this measure:

- (1) Requests that the study include a review and evaluation of information on practices, policies, and trends regarding asset limits, and the applicability of asset limits to the Supplemental Nutritional Assistance Program, Temporary Assistance for Needy Families Program, Temporary Assistance to Other Needy Families Program, and the MedQuest Program; and
- (2) Requests the Department of Human Services to consider the cost implications related to changing these asset limits and for the Department to submit a report of its findings and any proposed legislation, including recommendations for appropriate changes to asset limits, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Office of Hawaiian Affairs supported the measure. The Department of Human Services offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 C. Lee, Wooley, Ching and Pine.

SCRep. 1461-12 Human Services on H.C.R. No. 160

The purpose of this measure is to request the Department of Human Services to conduct a study on asset limits for individuals and families seeking to qualify for public assistance. Specifically, this measure:

- (1) Requests that the study include a review and evaluation of information on practices, policies, and trends regarding asset limits, and the applicability of asset limits to the Supplemental Nutritional Assistance Program, Temporary Assistance for Needy Families Program, Temporary Assistance to Other Needy Families Program, and the MedQuest Program; and
- (2) Requests the Department of Human Services to consider the cost implications related to changing these asset limits and for the Department to submit a report of its findings and any proposed legislation, including recommendations for appropriate changes to asset limits, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Office of Hawaiian Affairs and a concerned individual supported the measure. The Department of Human Services offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 C. Lee, Wooley, Ching and Pine.

SCRep. 1462-12 Human Services/Health on H.R. No. 122

The purpose of this measure is to request that the Department of Human Services implement a demonstration project to integrate care for individuals enrolled in both Medicaid and Medicare in order to improve patient-centeredness and quality of care, help reduce providers' administrative burden, and generate savings to the state and federal governments.

The Department of Human Services supported the measure. AlohaCare supported the intent of the measure with amendments.

Your Committees have amended this measure by:

- (1) Requesting the Department of Human Services to mitigate the impact of the demonstration project on competing Centers-approved dual eligible special needs plans that are not QUEST Expanded Access Medicaid managed care health plans by ensuring that traditional Medicare only members will be enrolled in the integration demonstration;
- (2) Adding language directing the Director of Human Services to report to the 2013 Legislature on a plan for the integration demonstration, which includes the Memorandum of Agreement with the Centers for Medicare and Medicaid Services, enrollment targets and related outreach initiatives, expected savings, and monitoring and oversight infrastructure; 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 concur with the intent and purpose of H.R. No. 122, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 122, H.D. 1.

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

SCRep. 1463-12 Human Services/Health on H.C.R. No. 158

The purpose of this measure is to request that the Department of Human Services implement a demonstration project to integrate care for individuals enrolled in both Medicaid and Medicare in order to improve patient-centeredness and quality of care, help reduce providers' administrative burden, and generate savings to the state and federal governments.

The Department of Human Services, United Self Help, and a concerned individual supported the measure. AlohaCare supported the intent of the measure with amendments.

Your Committees have amended this measure by:

- (1) Requesting the Department of Human Services to mitigate the impact of the demonstration project on competing Centers-approved dual eligible special needs plans that are not QUEST Expanded Access Medicaid managed care health plans by ensuring that traditional Medicare only members will be enrolled in the integration demonstration;
- (2) Adding language directing the Director of Human Services to report to the 2013 Legislature on a plan for the integration demonstration, which includes the Memorandum of Agreement with the Centers for Medicare and Medicaid Services, enrollment targets and related outreach initiatives, expected savings, and monitoring and oversight infrastructure; 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 concur with the intent and purpose of H.C.R. No. 158, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 158, H.D. 1.

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

SCRep. 1464-12 Human Services/Health on H.R. No. 123

The purpose of this measure is to request the Department of Human Services to conduct a study on the State's compliance with the federal Patient Protection and Affordable Care Act in regards to Medicaid program integrity within the managed care health plans, fee-for-service program, and the Children's Health Insurance Program, and to include timelines and plans for compliance with the Patient Protection and Affordable Care Act for fiscal years 2010-2011, 2011-2012, 2012-2013, and 2013-2014.

For the purposes of filing reports associated with the study, your Committees' intent is for the Legislature to accept the following reports: Centers for Medicare and Medicaid Services reports relating to program integrity per applicable fiscal year, applicable external quality review reports if the external quality review focused on program integrity compliance, and reports addressing activities of the Med-QUEST Division Program Integrity Unit per fiscal year.

This measure also requests the Director of Human Services to report the final status of implementation and compliance with the Patient Protection and Affordable Care Act, along with any suggested legislation, to the Legislature no later than 20 days before the convening of the Regular Session of 2015.

The Department of Human Services supported the intent of 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 concur with the intent and purpose of H.R. No. 123 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1465-12 Human Services/Health on H.C.R. No. 159

The purpose of this measure is to request the Department of Human Services to conduct a study on the State's compliance with the federal Patient Protection and Affordable Care Act in regards to Medicaid program integrity within the managed care health plans, fee-for-service program, and the Children's Health Insurance Program, and to include timelines and plans for compliance with the Patient Protection and Affordable Care Act for fiscal years 2010-2011, 2011-2012, 2012-2013, and 2013-2014.

For the purposes of filing reports associated with the study, your Committees' intent is for the Legislature to accept the following reports: Centers for Medicare and Medicaid Services reports relating to program integrity per applicable fiscal year, applicable external quality review reports if the external quality review focused on program integrity compliance, and reports addressing activities of the Med-QUEST Division Program Integrity Unit per fiscal year.

This measure also requests the Director of Human Services to report the final status of implementation and compliance with the Patient Protection and Affordable Care Act, along with any suggested legislation, to the Legislature no later than 20 days before the convening of the Regular Session of 2015.

The Department of Human Services and United Self Help supported the intent of 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 concur with the intent and purpose of H.C.R. No. 159 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1466-12 Human Services/Labor & Public Employment on H.C.R. No. 211

The purpose of this measure is to request the University of Hawaii College of Social Sciences Public Policy Center and Spark M. Matsunaga Institute for Peace and Conflict Resolution to collaborate with appropriate governmental agencies and advocacy organizations to develop a comprehensive plan that coordinates statewide policies and services for victims and survivors of human trafficking in Hawaii.

The Office of Community Services and a concerned individual supported the measure. The IMUAlliance supported the measure with amendments. The University of Hawaii College of Social Sciences Public Policy Center and the Spark M. Matsunaga Institute for Peace and Conflict Resolution offered comments on the measure.

Your Committees note that the Office of Community Services is mandated to serve the "disadvantaged, refugee, and immigrant" populations and deserves to be included in the working group to develop a comprehensive plan that coordinates statewide policies and services for victims and survivors of human trafficking in Hawaii. Your Committees also note that the University of Hawaii College of Social Sciences Public Policy Center and the Spark M. Matsunaga Institute for Peace and Conflict Resolution testified that they would need additional resources to develop the comprehensive plan. In addition, your Committees note that the selection of members to the working group needs to be thoroughly discussed as this measure advances to the Committee on Finance.

Your Committees have amended this measure by:

- (1) Adding a clause to have the working group evaluate the impact and feasibility of providing training on human trafficking to public school teachers and including content on human trafficking in health curricula throughout the Department of Education;
- (2) Amending its title to read:
"HOUSE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII COLLEGE OF SOCIAL SCIENCES PUBLIC POLICY CENTER AND SPARK M. MATSUNAGA INSTITUTE FOR PEACE AND CONFLICT RESOLUTION TO COLLABORATE WITH STATE AGENCIES AND ADVOCACY ORGANIZATIONS TO DEVELOP A COMPREHENSIVE PLAN THAT COORDINATES STATEWIDE POLICIES AND SERVICES FOR VICTIMS AND SURVIVORS OF HUMAN TRAFFICKING IN HAWAII"; 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 Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 211, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 211, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, M. Lee, Saiki, Wooley, Ching and Pine.

SCRep. 1467-12 Water, Land, & Ocean Resources on H.R. No. 60

The purpose of this measure is to further the Legislature's goal of protecting Hawaii's distinctive cultural heritage and to implement the recommendations of a State Historic Preservation Officer's 1975 report noting Mokauea Island's historic importance by urging the United States National Register of Historic Places and the State Historic Preservation Division to recognize Mokauea Island as a cultural and educational resource and include

Mokauea Island on the National Register of Historic Places and the Hawaii Register of Historic Places.

The Association of Hawaiian Civic Clubs supported this measure. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the title of this measure to reflect that this measure only urges the National Register of Historic Places program to take action and to read:

"URGING THE UNITED STATES NATIONAL REGISTER OF HISTORIC PLACES TO RECOGNIZE MOKAUEA ISLAND AS A CULTURAL AND EDUCATIONAL RESOURCE AND INCLUDE MOKAUEA ISLAND ON THE NATIONAL REGISTER OF HISTORIC PLACES";
- (2) Urging only the United States National Register of Historic Places program to include Mokauea Island on the National Register of Historic Places; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully notes that while the passage of this measure is meant to emphasize the Legislature's support of recognizing the historic and cultural importance of Mokauea Island, the process of the State Historic Preservation Division of the Department of Land and Natural Resources to nominate a place to the National Register must be followed.

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. 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 Carroll, Coffman and Herkes.

SCRep. 1468-12 Water, Land, & Ocean Resources on H.C.R. No. 86

The purpose of this measure is to further the Legislature's goal of protecting Hawaii's distinctive cultural heritage and to implement the recommendations of a State Historic Preservation Officer's 1975 report noting Mokauea Island's historic importance by urging the United States National Register of Historic Places and the State Historic Preservation Division to recognize Mokauea Island as a cultural and educational resource and include Mokauea Island on the National Register of Historic Places and the Hawaii Register of Historic Places.

The Association of Hawaiian Civic Clubs supported this measure. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the title of this measure to reflect that this measure only urges the National Register of Historic Places program to take action and to read:

"URGING THE UNITED STATES NATIONAL REGISTER OF HISTORIC PLACES TO RECOGNIZE MOKAUEA ISLAND AS A CULTURAL AND EDUCATIONAL RESOURCE AND INCLUDE MOKAUEA ISLAND ON THE NATIONAL REGISTER OF HISTORIC PLACES";
- (2) Urging only the United States National Register of Historic Places program to include Mokauea Island on the National Register of Historic Places; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully notes that while the passage of this measure is meant to emphasize the Legislature's support of recognizing the historic and cultural importance of Mokauea Island, the process of the State Historic Preservation Division of the Department of Land and Natural Resources to nominate a place to the National Register must be followed.

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. 86, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 86, H.D. 1.

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

SCRep. 1469-12 Education on H.R. No. 59

The purpose of this measure is to request the Board of Education and the Department of Education to:

- (1) Allocate resources to develop the fundamental requirements of a viable grade K-6 educational program with stated goals, objectives, and evaluation measures, including the completion, dissemination, and implementation of a five-year Hawaiian studies strategic plan;
- (2) Update and revise the Hawaiian studies program and curriculum guides for grades K-6;
- (3) Monitor the fiscal responsibility of the use of Hawaiian studies funds in the schools;

- (4) Make a clear statement of the role of kupuna and makua as teachers of the Hawaiian culture and the role of the regular classroom teacher as a true partner in the endeavor;
- (5) Allocate substantive resources to further kupuna and makua training and educational programs in all aspects of Hawaiian culture so they can impart the knowledge as envisioned by the Hawaii State Constitution for the keiki, or children, of Hawaii; and
- (6) Provide an accounting of all expenditures relating to the implementation of Article X, Section 4, of the Hawaii State Constitution that establishes a Hawaiian education program, and require accounting to be in accordance with the recommendations of the Management Audit of the Department of Education's Hawaiian Studies Program.

This measure also requests the Board of Education and Department of Education to report their progress on the items listed above to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

The Department of Education, The Office of Hawaiian Affairs, Ka Lei Papahio Kukuhihewa, Hawaiian Studies Kupuna/Makua, and many concerned individuals supported 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. 59 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1470-12 Education on H.C.R. No. 85

The purpose of this measure is to request the Board of Education and the Department of Education to:

- (1) Allocate resources to develop the fundamental requirements of a viable grade K-6 educational program with stated goals, objectives, and evaluation measures, including the completion, dissemination, and implementation of a five-year Hawaiian studies strategic plan;
- (2) Update and revise the Hawaiian studies program and curriculum guides for grades K-6;
- (3) Monitor the fiscal responsibility of the use of Hawaiian studies funds in the schools;
- (4) Make a clear statement of the role of kupuna and makua as teachers of the Hawaiian culture and the role of the regular classroom teacher as a true partner in the endeavor;
- (5) Allocate substantive resources to further kupuna and makua training and educational programs in all aspects of Hawaiian culture so they can impart the knowledge as envisioned by the Hawaii State Constitution for the keiki, or children, of Hawaii; and
- (6) Provide an accounting of all expenditures relating to the implementation of Article X, Section 4, of the Hawaii State Constitution that establishes a Hawaiian education program, and require accounting to be in accordance with the recommendations of the Management Audit of the Department of Education's Hawaiian Studies Program.

This measure also requests the Board of Education and Department of Education to report their progress on the items listed above to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

The Department of Education, The Office of Hawaiian Affairs, Ka Lei Papahi O Kakuhihewa, Hawaiian Studies Kupuna/Makua, and many concerned individuals supported the 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. 85 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1471-12 Education on H.R. No. 129

The purpose of this measure is to request the University of Hawaii with the assistance of the Department of Education and other relevant educational organizations to review the State's funding for existing English as a Second Language programs and Hawaiian language programs offered in Hawaii and any disparities in funding for the State's two official languages.

This measure also requests the University of Hawaii to report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Department of Education supported this measure. The Office of Hawaiian Affairs supported the intent of the 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. 129 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1472-12 Education on H.C.R. No. 167

The purpose of this measure is to request the University of Hawaii with the assistance of the Department of Education and other relevant educational organizations to review the State's funding for existing English as a Second Language programs and Hawaiian language programs offered in Hawaii and any disparities in funding for the State's two official languages.

This measure also requests the University of Hawaii to report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Department of Education supported this measure. The Office of Hawaiian Affairs supported the intent of the 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. 167 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1473-12 Education on H.C.R. No. 94

The purpose of this measure is to request the Department of Health, through its Healthy Hawaii Initiative, to convene a School Gardens Task Force to determine how best to expand a school garden program statewide.

The Department of Education, The Department of Health, and the Hawaii Association of Independent Schools supported 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. 94 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1474-12 Education on H.R. No. 128

The purpose of this measure is to improve educational delivery in the Hawaiian Language Immersion Program by requesting the Department of Education and the Board of Education to formally acknowledge 'Aha Kauleo Kaiapuni Hawai'i, the Hawaiian Language Immersion Advisory Council, and to continue to support and implement its recommendations.

The Department of Education supported the intent of this measure. The Office of Hawaiian Affairs provided comments.

Your Committee has amended this measure by making technical, nonsubstantive amendments to remove language referring to translated assessment issues in line with the measure's current focus.

Additional technical, nonsubstantive amendments were made for clarity and consistency.

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. 128, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 128, H.D. 2.

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

SCRep. 1475-12 Education on H.C.R. No. 166

The purpose of this measure is to improve educational delivery in the Hawaiian Language Immersion Program by requesting the Department of Education and the Board of Education to formally acknowledge 'Aha Kauleo Kaiapuni Hawai'i, the Hawaiian Language Immersion Advisory Council, and to continue to support and implement its recommendations.

The Department of Education supported the intent of this measure. The Office of Hawaiian Affairs provided comments.

Your Committee has amended this measure by making technical, nonsubstantive amendments to remove language referring to translated assessment issues in line with the measure's current focus.

Additional technical, nonsubstantive amendments were made for clarity and consistency.

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. 166, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 166, H.D. 2.

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

SCRep. 1476-12 Health/Public Safety & Military Affairs on H.R. No. 36

The purpose of this measure is to urge the Hawaii Army National Guard to provide transport services by helicopter from Leeward Oahu and

communities in the immediate vicinity to The Queen's Medical Center or other emergency services facility when immediate access to trauma care is needed.

The Queen's Medical Center and Ironworkers Stabilization Fund testified in support of this measure. The Department of Defense commented on this measure.

Your Committees encourage continued discussion on ways to enable efficient and reliable emergency transport services to communities, particularly those areas with diminished access to medical care and treatment services.

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 concur with the intent and purpose of H.R. No. 36 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, Luke, Saiki, Takumi, Wooley, Ching and Pine.

SCRep. 1477-12 Health/Public Safety & Military Affairs on H.C.R. No. 56

The purpose of this measure is to urge the Hawaii Army National Guard to provide transport services by helicopter from Leeward Oahu and communities in the immediate vicinity to The Queen's Medical Center or other emergency services facility when immediate access to trauma care is needed.

The Queen's Medical Center and Ironworkers Stabilization Fund testified in support of this measure. The Department of Defense commented on this measure.

Your Committees encourage continued discussion on ways to enable efficient and reliable emergency transport services to communities, particularly those areas with diminished access to medical care and treatment services.

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 concur with the intent and purpose of H.C.R. No. 56 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, Luke, Saiki, Takumi, Wooley, Ching and Pine.

SCRep. 1478-12 Health/Public Safety & Military Affairs on H.C.R. No. 192

The purpose of this measure is to request the Department of Health and the Department of Public Safety to convene a task force to:

- (1) Develop a plan for the design, development, construction, and operation of a secure forensic facility; and
- (2) With respect to developing the plan, examine ways to:
 - (A) Address the needs of individuals committed to the custody of the Director of Health and who may require strict security, and individuals committed to the custody of the Director of Public Safety and who require intensive mental health treatment; and
 - (B) Determine whether the needs of these groups of individuals may be more effectively addressed in different settings.

The Department of Health, Department of Public Safety, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this measure.

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 concur with the intent and purpose of H.C.R. No. 192 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, Luke, Saiki, Takumi, Wooley, Ching and Pine.

SCRep. 1479-12 Health on H.R. No. 137

The purpose and intent of this measure is to request the Legislative Reference Bureau to conduct a study relating to mandated insurance coverage for treatment of autism spectrum disorders in Hawaii.

Specifically, this measure requests the Legislative Reference Bureau to:

- (1) Assess the impact of the federal Patient Protection and Affordable Care Act on mandated coverage for autism spectrum disorders treatment in Hawaii; and
- (2) Analyze the costs of providing coverage for autism spectrum disorders treatment based on other states' experiences with autism treatment coverage.

Your Committee received testimony in support of this measure from the Hawaii State Council on Developmental Disabilities, Kaiser Permanente, Autism Speaks, Hawaii Disability Rights Center, Family Voices of Hawaii, Community Children's Council of Hawaii, Special Education Advisory Council, Autism Behavior Consulting Group, and eight concerned individuals.

Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that extending insurance coverage to the diagnosis and treatment, including behavioral services, of autism spectrum disorders would provide assistance to patients and their families affected by autism. Improved access to effective treatments would improve the potential for those with an autism spectrum disorder to live a more productive life.

Your Committee finds that, by including information on the reported clinical effectiveness of treatments that are covered by insurance in states that mandate coverage for autism treatments, the study may offer a more complete view of the issues surrounding coverage for autism treatment.

Accordingly, your Committee has amended this measure by requesting the Legislative Reference Bureau to include in its study information on the clinical guidelines for autism treatment recommended by medical authorities and reported information about the clinical effectiveness of treatment methods that are covered by insurance in states that mandate coverage for autism treatment.

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. 137, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 137, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Wooley and Pine.

SCRep. 1480-12 Health on H.C.R. No. 177

The purpose and intent of this measure is to request the Legislative Reference Bureau to conduct a study relating to mandated insurance coverage for treatment of autism spectrum disorders in Hawaii.

Specifically, this measure requests the Legislative Reference Bureau to:

- (1) Assess the impact of the federal Patient Protection and Affordable Care Act on mandated coverage for autism spectrum disorders treatment in Hawaii; and
- (2) Analyze the costs of providing coverage for autism spectrum disorders treatment based on other states' experiences with autism treatment coverage.

Your Committee received testimony in support of this measure from the Hawaii State Council on Developmental Disabilities, Kaiser Permanente, Autism Speaks, Hawaii Disability Rights Center, Family Voices of Hawaii, Community Children's Council of Hawaii, Special Education Advisory Council, Autism Behavior Consulting Group, and eight concerned individuals.

Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that extending insurance coverage to the diagnosis and treatment, including behavioral services, of autism spectrum disorders would provide assistance to patients and their families affected by autism. Improved access to effective treatments would improve the potential for those with an autism spectrum disorder to live a more productive life.

Your Committee finds that, by including information on the reported clinical effectiveness of treatments that are covered by insurance in states that mandate coverage for autism treatments, the study may offer a more complete view of the issues surrounding coverage for autism treatment.

Accordingly, your Committee has amended this measure by requesting the Legislative Reference Bureau to include in its study information on the clinical guidelines for autism treatment recommended by medical authorities and reported information about the clinical effectiveness of treatment methods that are covered by insurance in states that mandate coverage for autism treatment.

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. 177, 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. 177, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Wooley and Pine.

SCRep. 1481-12 Health on H.C.R. No. 184

The purpose of this measure is to require the Department of Health to prepare a five-year organizational and strategic plan to be submitted no later than November 1, 2012.

The Department of Health commented on this measure.

Your Committee has amended this measure by:

- (1) Changing its title to be consistent with its content and to read:
"REQUIRING THE DEPARTMENT OF HEALTH TO SUBMIT A FIVE-YEAR ORGANIZATION AND STRATEGIC PLAN";
and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as

H.C.R. No. 184, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Wooley and Pine.

SCRep. 1482-12 Health on H.C.R. No. 165

The purpose of this measure is to address fetal alcohol spectrum disorder by urging:

- (1) Alcohol retailers and premises licensed under Chapter 281, Hawaii Revised Statutes, to sell or serve alcoholic beverages, to post a sign in or about the premises that warns women against drinking alcoholic beverages during pregnancy because of the risks of birth defects and fetal alcohol spectrum disorder associated with alcohol consumption; and
- (2) The Department of Health to continue its efforts to provide statewide training on fetal alcohol spectrum disorder prevention, identification, and interventions.

The Department of Health, State Council on Developmental Disabilities, Family Voices of Hawaii, and two individuals 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. 165 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives C. Lee, Wooley and Pine.

SCRep. 1483-12 Health on H.C.R. No. 168

The purpose of this measure is to request the Department of Land and Natural Resources to expand its interpretation of the use provision in Hana Health's land lease to include income-generating activities and ancillary programs as permissible uses.

Hana Health testified in support of this measure. The Department of Land and Natural Resources 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. 168 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives C. Lee, Wooley and Pine.

SCRep. 1484-12 Judiciary on H.R. No. 91

The purpose of this resolution is to request the Attorney General to convene a task force to study the need for possible legislation with applicable redress for persons wrongfully convicted and imprisoned.

The Office of Hawaiian Affairs, the Community Alliance on Prisons, and the American Civil Liberties Union of Hawaii supported this resolution. The Department of the Attorney General commented upon this resolution.

Your Committee has amended this resolution by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary 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 Representatives Cabanilla, Carroll and McKelvey.

SCRep. 1485-12 Judiciary on H.C.R. No. 120

The purpose of this resolution is to request the Attorney General to convene a task force to study the need for possible legislation with applicable redress for persons wrongfully convicted and imprisoned.

The Office of Hawaiian Affairs, the Community Alliance on Prisons, and the American Civil Liberties Union of Hawaii supported this resolution. The Department of the Attorney General commented upon this resolution.

Your Committee has amended this resolution by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 120, H.D. 1.

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

SCRep. 1486-12 Judiciary on H.C.R. No. 99

The purpose of this measure is to request the Department of the Attorney General to create an efficient tracking method for deoxyribonucleic acid (DNA) rape kits and to reduce the time to process the results.

The Sex Abuse Treatment Center, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Hawaii Association of Criminal Defense Lawyers, and the Representative from House District 7 testified in support of this measure. The Honolulu Police Department testified in opposition to this measure. The Department of the Attorney General provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the title to "REQUESTING THE DEPARTMENT OF THE ATTORNEY GENERAL TO WORK WITH STAKEHOLDERS AND APPROPRIATE AGENCIES TO CREATE AN EFFICIENT TRACKING METHOD FOR DEOXYRIBONUCLEIC ACID (DNA) RAPE KITS";
- (2) Deleting disputed language regarding an increasing backlog in DNA rape kits at the Honolulu Police Department Crime Laboratory;
- (3) Incorporating language from the testimony of the Honolulu Police Department establishing how rape kits are currently processed by the Crime Laboratory, that the primary concerns of the Crime Laboratory are the timely completion of requested analyses, and that the Crime Laboratory currently has a manageable number of rape kit analysis requests that are assigned and scheduled for completion;
- (4) Deleting disputed language asserting the existence of a backlog of unprocessed DNA rape kits and the need to reduce their processing time;
- (5) Adding the Sex Abuse Treatment Center as one of the agencies with which the Attorney General is requested to work with; 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 concurs with the intent and purpose of H.C.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 99, H.D. 1.

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

SCRep. 1487-12 Judiciary on H.R. No. 125

The purpose of this measure is to request the Attorney General to convene an voter participation task force on voter registration and voter turnout in Hawaii.

Common Cause Hawaii and the American Civil Liberties Union of Hawaii testified in support of this measure. The League of Women Voters testified in support with comments. The Disability and Communications Access Board and one individual offered comments.

Your committee amended this measure to:

- (1) Change the convener from the Lieutenant Governor to the Chief Elections Officer;
- (2) Include a representative of the Disability and Communications Access Board and one disabled person on the task force;
- (3) Changing the title of the House Resolution to reflect the Chief Elections Officer as the convener; and
- (4) Make nonsubstantive changes for purposes of clarity, style and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 125, H.D. 1.

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

SCRep. 1488-12 Judiciary on H.C.R. No. 161

The purpose of this measure is to request the Attorney General to convene a voter participation task force on voter registration and voter turnout in Hawaii.

Common Cause Hawaii and the American Civil Liberties Union of Hawaii testified in support of this measure. The League of Women Voters testified in support with comments. The Disability and Communications Access Board and one individual offered comments.

Your committee amended this measure to:

- (1) Change the convener from the Lieutenant Governor to the Chief Elections Officer;
- (2) Include a representative of the Disability and Communications Access Board and one disabled person on the task force;

- (3) Changing the title of the House Concurrent Resolution to reflect the Chief Elections Officer as the convener; and
- (4) Make nonsubstantive changes for the purpose of clarity, style and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 161, H.D. 1.

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

SCRep. 1489-12 International Affairs on H.R. No. 107

The purpose of this measure is to request the Governor of Hawaii to assist Hawaii in becoming a more active participant in the Asia-Pacific region by authorizing the establishment of a sister-state relationship between the State of Hawaii and Bali, Indonesia.

The Department of Defense; Department of Business, Economic Development, and Tourism; Consul General of Indonesia; Hawaii Gamelan Society; and numerous individuals testified in support of this measure. Franko's Maps commented on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style, including the changing of its title to read:

"REQUESTING THE GOVERNOR OF THE STATE OF HAWAII AND THE HAWAII SISTER-STATE COMMISSION TO APPROVE THE ESTABLISHMENT OF A SISTER-STATE RELATIONSHIP BETWEEN THE STATE OF HAWAII AND THE PROVINCE OF BALI, INDONESIA".

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. 107, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 107, H.D. 1.

Signed by all members of the Committee.

SCRep. 1490-12 International Affairs on H.C.R. No. 145

The purpose of this measure is to request the Governor of Hawaii to assist Hawaii in becoming a more active participant in the Asia-Pacific region by authorizing the establishment of a sister-state relationship between the State of Hawaii and Bali, Indonesia.

The Department of Defense; Department of Business, Economic Development, and Tourism; Consul General of Indonesia; Hawaii Gamelan Society; and numerous individuals testified in support of this measure. Franko's Maps commented on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style, including the changing of its title to read:

"REQUESTING THE GOVERNOR OF THE STATE OF HAWAII AND THE HAWAII SISTER-STATE COMMISSION TO APPROVE THE ESTABLISHMENT OF A SISTER-STATE RELATIONSHIP BETWEEN THE STATE OF HAWAII AND THE PROVINCE OF BALI, INDONESIA".

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. 145, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 145, H.D. 1.

Signed by all members of the Committee.

SCRep. 1491-12 International Affairs on H.C.R. No. 50

The purpose of this measure is to request the Governor to direct the placement of two plaques to be funded by the Korean community, at the following sites:

- (1) One plaque at the Waialae Avenue side of the playground of Aliiolani Elementary School, and to read in English and Korean: "Korean Christian Institute Site 1918-1922"; and
- (2) One plaque at the front of the administration building at Kalihi Elementary School, and to read in English and Korean: "Korean Christian Institute Site 1922-1947".

Your Committee received no testimony on this measure, but would like to facilitate further discussion on the merits of this measure. Your Committee requests your Committee on Finance to consider any financial implications in adopting 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Finance in the form

attached hereto as H.C.R. No. 50, H.D. 1.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 1492-12 International Affairs on H.C.R. No. 51

The purpose of this measure is to request the Governor to direct the placement of a commemorative plaque to be funded by the Korean community, at an appropriate site at the Punchbowl Street side of the Kalanimoku Building near the Punchbowl exit, and to read in English and Korean: "Korean Boarding School for Boys and Korean Methodist Church Site, 1906-1918".

Your Committee received no testimony on this measure, but would like to facilitate further discussion on the merits of this measure. Your Committee requests your Committee on Finance to consider any financial implications in adopting this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style. As amended, the plaque in English and Korean will read: "Korean Boarding School for Boys and Korean Methodist Church Site 1906-1918."

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. 51, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 51, H.D. 1.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 1493-12 Consumer Protection & Commerce on S.B. No. 2759

The purpose of this measure is to correct errors, ambiguities, and inconsistencies in the securities chapter of the Hawaii Revised Statutes.

The Business Registration Division of 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1494-12 Judiciary on S.B. No. 2486

The purpose of this measure is to expand the offense of terroristic threatening to cover threats of harm to property including pets and livestock.

The Hawaiian Humane Society, the Humane Society of the United States, and a concerned citizen testified in support of this measure. The Office of the Public Defender provided comments on this measure.

Your Committee finds based on testimony presented that the term "property" as used in section 707-715, Hawaii Revised Statutes, amended by this measure, already includes pets and livestock. Therefore it is unnecessary to specifically reference those terms in this measure.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the specific reference to pets or livestock from the bill; and
- (2) Changing the effective date to upon its 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. 2486, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2486, 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, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1495-12 Judiciary on S.B. No. 2640

The purpose of this measure is to require counties to allow and make rules regarding the use of otherwise authorized individual wastewater treatment systems as an on-site means of wastewater disposal in lieu of county-operated wastewater treatment systems, if the system pre-dates the county-operated system and the county determines that allowing the system is fair and equitable.

One individual testified in support of this measure. The Department of Environmental Services of the City and County of Honolulu and Hawaii Water Environment Association testified in opposition.

Your Committee has amended this measure to:

- (1) Exclude cesspools in coastal areas from those individual wastewater systems allowed to be used in specific circumstances in lieu of county-operated wastewater treatment systems;

- (2) Authorize rather than require the counties to permit the use of otherwise authorized individual wastewater systems in certain circumstances;
- (3) Change the effective date to January 7, 2059, to encourage further discussion; and
- (4) Make technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2640, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2640, 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, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1496-12 Consumer Protection & Commerce on S.B. No. 2167

The purpose of this measure is to provide a more accurate description of the activities involved in the practice of land surveying by replacing the existing definition of "surveyor" or "land surveyor" with updated definitions that reflect the full scope of practice of land surveying.

This measure also clarifies the definition of "landscape architect".

The Board of Professional Engineers, Architects, Surveyors, and Landscape Architects and Hawaii Land Surveyors Association supported this measure. The Regulated Industries Complaints Office provided comments.

Your Committee has amended this measure 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2167, 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. 2167, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1497-12 Consumer Protection & Commerce on S.B. No. 2009

The purpose of this measure is to regulate the use of claims history information for homeowners insurance and provide certain consumer protections with respect to the use of this information.

The Department of Commerce and Consumer Affairs supported the intent 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2009, 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. 2009, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1498-12 Consumer Protection & Commerce on S.B. No. 2256

The purpose of this bill is to promote fairness and conservation in energy consumption by permitting a condominium board of directors to authorize the installation of separate meters to determine individual units' use of utilities as long as the condominium association bears the cost of installing the utility meters.

The Hawaii Council of Associations of Apartment Owners and two concerned individuals supported this bill. A concerned individual submitted comments.

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

- (1) Clarifying that this bill applies to commercial or residential condominiums in any project; and
- (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. 2256, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2256, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1499-12 Consumer Protection & Commerce on S.B. No. 3031

The purpose of this measure is to clarify that a liquor licensee who timely prevents or suppresses any violent, quarrelsome, disorderly, lewd, immoral, or unlawful conduct of any person on the premises is not in violation of the law that requires them to prevent or suppress such conduct.

Centerplate and an individual testified in support of this measure. The Liquor Commission of the City and County of Honolulu commented on this measure.

Your Committee has amended this measure by:

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

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. 3031, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3031, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1500-12 Consumer Protection & Commerce on S.B. No. 2013

The purpose of this measure is to require an original or copy of a dental hygienist's certificate of licensure to be prominently displayed at all times in the office where the dental hygienist is employed or practices and to require a dental hygienist to have a pocket identification card available for viewing upon request.

The Board of Dental Examiners, Hawaii Dental Hygienists' Association, and numerous individuals testified in support of this measure.

Your Committee has amended this measure by changing the 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. 2013, 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. 2013, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1501-12 Water, Land, & Ocean Resources on S.B. No. 2646

The purpose of this measure is to encourage and support self-sufficiency in the State by providing an exemption from building permit requirements for nonresidential buildings or structures on commercial farms and ranches located outside of the urban district under certain conditions.

W.H. Shipman, Ltd.; Matsuda-Fukuyama Farms; the Hawaii Aquaculture and Aquaponics Association; High Health Aquaculture, Inc.; the East Oahu County Farm Bureau; Hooluana Ranch; Day2 Resources; and numerous individuals supported this measure. The Hawaii Farm Bureau Federation supported this measure with amendments. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Department of Agriculture, and the Office of the Mayor of the County of Maui commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption from building permit requirements is applicable, notwithstanding any other law to the contrary; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2646, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2646, S.D. 1, H.D. 2.

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

SCRep. 1502-12 Water, Land, & Ocean Resources on S.B. No. 2375

The purpose of this measure is to, among other things:

- (1) Permit producer owned and operated, agricultural-based commercial operations in agricultural districts;
- (2) Include as permissible agricultural-based operations:
 - (A) The preparation and sale of certain food grown on the premises or in the State by a producer owned and operated retail food establishment; and

- (B) The sale of logo items related to a producer's agricultural operation; and
- (3) Include agricultural-based commercial operations under the definition of "farming operation" in the Hawaii Right to Farm Act, codified in chapter 165, Hawaii Revised Statutes.

The Hawaii Farm Bureau Federation; Kahuku Farms, Matsuda-Fukuyama Farms, and Kahuku Farmers; and two individuals supported this measure. The Department of Agriculture supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. An individual commented on this measure.

Your Committee has amended this measure by emphasizing that the definition of "farming operation" includes, but is not limited to:

- (1) Agricultural-based commercial operations;
- (2) Noises, odors, dust, and fumes emanating from a commercial agricultural or aquacultural facility or pursuit;
- (3) Operation of machinery and irrigation pumps;
- (4) Ground and aerial seeding and spraying;
- (5) The application of chemical fertilizers, conditioners, insecticides, pesticides, and herbicides; and
- (6) The employment and use of labor.

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. 2375, 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. 2375, S.D. 3, H.D. 2.

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

SCRep. 1503-12 Judiciary on S.B. No. 223

The purpose of this measure is to protect victims of domestic abuse by requiring a police officer to order a person whom the officer has reasonable grounds to believe has physically abused or harmed a family or household member to have no contact with the family or household member for a 24-hour period, or longer if the incident occurs on the weekend, when the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm to the family or household member.

The Hawaii State Commission on the Status of Women, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, Domestic Violence Action Center, and several concerned individuals testified in support of this measure. The Office of the Public Defender provided comments.

Your Committee has amended this measure by requiring, rather than allowing, a police officer to seize all firearms and ammunition that the police officer has reasonable grounds to believe were used or threatened to be used in cases where the officer reasonably believes that physical abuse or harm was inflicted by a person upon a family or household member.

As affirmed by the record of votes of 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. 223, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 223, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1504-12 Judiciary on S.B. No. 1168

The purpose of this measure is to prohibit the use of tobacco products by minors and authorize law enforcement officers to confiscate tobacco products used by minors.

Several individuals testified in support of this measure. The Department of Health testified in support of this measure with amendments. The Coalition for a Tobacco Free Hawaii testified in support of the intent of this measure. The Honolulu Police Department and numerous individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Expanding the authority of law enforcement officers by authorizing them to confiscate any tobacco or tobacco products found in the possession of minors, in addition to those used by minors;
- (2) Defining the terms "tobacco" and "tobacco products" to include electronic cigarettes;
- (3) Defining the term "electronic cigarette"; 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. 1168, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1168, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1505-12 Judiciary on S.B. No. 2703

The purpose of this measure is to ensure that state child support enforcement laws comply with recently enacted federal laws by requiring:

- (1) That the new hire reporting information furnished by employers to the Hawaii Child Support Enforcement Agency include the date on which services for remuneration were first performed by the new hire;
- (2) Employers or unions receiving notice of medical support to transfer the notice within 20 business days to the appropriate plan providing health care coverage; and
- (3) Employers to notify the Hawaii Child Support Enforcement Agency when employment of the responsible parent is terminated.

The Department of the Attorney General supported this bill.

Your Committee has amended this measure 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2703, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2703, S.D. 1, H.D. 1.

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

SCRep. 1506-12 Judiciary on S.B. No. 1500

The purpose of this measure is to save lives, improve the quality of life for those who need organ transplants, and improve the quality of medical education in Hawaii by ensuring that the proper individuals and entities fulfill their obligation to effectuate anatomical gifts. Specifically, this measure requires a recipient to accept or reject an anatomical gift made pursuant to Hawaii's Revised Uniform Anatomical Gift Act, as amended by this measure, regardless of whether another person, including family members of the donor, has made an anatomical gift; unless the anatomical gift is medically unsuitable for transplantation, therapy, research, or education.

The Department of Health testified in support of this measure. The Commission to Promote Uniform Legislation provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1507-12 Judiciary on S.B. No. 2650

The purpose of this measure is to extend enhanced sentencing provisions for promoting a controlled substance in, on, or near schools, school vehicles, or public parks to public housing projects and complexes.

The Hawaii Public Housing Authority of the Department of Human Services, the Department of Public Safety, the Honolulu Police Department, and an individual supported this measure. The Office of the Public Defender and the Drug Policy Forum of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2650, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1508-12 Consumer Protection & Commerce on S.B. No. 2229

The purpose of this measure is to allow pharmacists to administer the influenza vaccine to persons between the ages of 14 and 17.

The Department of Health, Board of Pharmacy, Hawaii Association of Health Plans, Hawaii Medical Service Association, Safeway, Times Supermarkets, Walgreen Co., Ohana Health Plan, and numerous individuals 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 S.B. No. 2229, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1509-12 Legislative Management on S.B. No. 2398

The purpose of this measure is to enhance the licensing and regulation of tattoo artists by, among other things:

- (1) Restricting the sale of tattoo supplies;
- (2) Requiring every tattoo artist license applicant to pass a blood borne pathogen test as a prerequisite for licensure and requiring a person holding a tattoo artist license to pass a blood borne pathogen test every two years;
- (3) Prohibiting body modification or piercing at product or educational demonstrations;
- (4) Prohibiting tattoo trade shows in the State until the Department of Health adopts and implements rules; and
- (5) Establishing a tattoo artist task force to enhance the regulation of tattoo artists and requiring the task force to report its findings and recommendations to the Legislature 20 days prior to the convening of the 2013 Regular Session.

An individual supported this measure. The Department of Health opposed this measure. Two individuals commented on this measure.

Your Committee respectfully requests that the conference committee chairs come to a resolution on the task force.

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. 2398, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Manahan.
(Representative Ward voted no.)

SCRep. 1510-12 Public Safety & Military Affairs on S.B. No. 2909

The purpose of this measure is to focus funding and resources on the State and county public safety answering points that provide emergency services by limiting the scope of the definition of a "public safety agency", for purposes of the enhanced 911 services law, to divisions of the State or county that have the authority to provide firefighting, law enforcement, ambulance, medical, or other emergency services and private entities contracted by a state or county agency to provide these same services.

The Enhanced 911 Board of the State of Hawaii, Department of Accounting and General Services, State Fire Council, Honolulu Fire Department, Fire Department of the County of Hawaii, Police Department of the County of Hawaii, Kauai Fire Department, and Department of Fire & Public Safety of the County of Maui 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 S.B. No. 2909 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1511-12 Consumer Protection & Commerce/Judiciary on S.B. No. 3002

The purpose of this measure is to amend provisions relating to penalties for licensed real estate brokers and salespersons by:

- (1) Clarifying that real estate brokers and salespersons cannot be held liable for misrepresentations based upon good faith reliance on certain specified information; and
- (2) Clarifying that real estate brokers and salespersons cannot be held liable for reliance in good faith and with due care on a disclosure statement that is prepared in accordance with section 508D-9, Hawaii Revised Statutes.

The Hawaii Association of REALTORS, Prudential Locations LLC, and numerous concerned individuals supported this bill. The Real Estate Commission, Regulated Industries Complaints Office, and Hawaii Association for Justice opposed this measure. A concerned individual submitted comments.

After careful consideration, your Committees have amended this bill by:

- (1) Providing that it is the Real Estate Commission and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs that will determine whether the real estate broker or salesperson relied in good faith on information provided by other persons or third parties;
- (2) Changing the effective date to upon its 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. 3002, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3002, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1512-12 Consumer Protection & Commerce on H.R. No. 138

The purpose of this measure is to address the concerns regarding the announced sale of the Tesoro oil refinery operations in Hawaii and the potential economic impact on consumers and the State by:

- (1) requesting the Speaker of the House of Representatives to convene a legislative task force of House members to assess the impact of the potential sale of the Tesoro oil refinery on consumers and the State; and
- (2) that the task force develop economic models that illustrate the potential economic effect that having a single oil refinery operating in the State would have as compared to having at least two oil refineries operating in the State; and
- (3) that the task force also develop an economic model that considers the economic impact to Hawaii consumers and the State if a natural or man-made event causes an oil refinery in the State to temporarily cease production; how petroleum products could be supplied under such a scenario; and the projected impact of such a scenario.

Tesoro Hawaii Corporation provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Ito, Souki and Marumoto.

SCRep. 1513-12 Water, Land, & Ocean Resources on H.R. No. 41

The purpose of this measure is to have the Legislature declare the serpent's head cowry shell as the Hawaii State sea shell.

Several individuals testified in support of this measure. A concerned individual testified in opposition to this measure. The Department of Land and Natural Resources provided comments on 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. 41 and recommends its adoption.

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

SCRep. 1514-12 Water, Land, & Ocean Resources on H.C.R. No. 61

The purpose of this measure is to have the Legislature declare the serpent's head cowry shell as the Hawaii State sea shell.

Several individuals testified in support of this measure. A concerned individual testified in opposition to this measure. The Department of Land and Natural Resources provided comments on 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. 61 and recommends its adoption.

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

SCRep. 1515-12 Water, Land, & Ocean Resources on H.R. No. 126

The purpose of this measure is to authorize the issuance of a 55-year-term, non-exclusive easement to Koolau Properties, LLC, covering a portion of state submerged lands identified as seaward of tax map key (2) 3-8-002:051 situated at Spreckelsville Beach Lots, Wailuku, Maui, for a seawall constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources supported this measure. An individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126 and recommends its adoption.

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

SCRep. 1516-12 Water, Land, & Ocean Resources on H.C.R. No. 162

The purpose of this measure is to authorize the issuance of a 55-year-term, non-exclusive easement to Koolau Properties, LLC, covering a portion of state submerged lands identified as seaward of tax map key (2) 3-8-002:051 situated at Spreckelsville Beach Lots, Wailuku, Maui, for a seawall

constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources supported 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. 162 and recommends its adoption.

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

SCRep. 1517-12 Judiciary on H.C.R. No. 84

The purpose of this measure is to urge the Department of Land and Natural Resources to adopt laws that require written permission from landowners in order for hunters to hunt on private lands and that places of formal hunting be defined in the law.

The Hawaii Farm Bureau Federation, W.H. Shipman Limited, the Land Use Research Foundation of Hawaii, and numerous individuals supported this measure. The Department of Land and Natural Resources commented on this resolution. The Office of Hawaii Affairs opposed this measure.

Your Committee has amended this measure by:

- (1) Revising the title of this resolution by deleting from it the phrase "and to define places of formal hunting";
- (2) Inserting into the first "Whereas" on page one a reference to section 663-10.99, HRS, which involves a limitation of liability on the owners of agricultural land;
- (3) Revising the first BE IT RESOLVED clause by inserting that the Abercrombie Administration consider initiating legislation to require written permission from landowners in order to hunt on private lands;
- (4) Inserting a new BE IT RESOLVED clause that requests that the Administration consider the appropriateness of certain amendments to Section 183D-26, HRS;
- (5) Inserting another new BE IT RESOLVED clause that requests that the Administration consider the appropriateness of certain amendments to Section 708-813, HRS; and
- (6) Revising the last BE IT RESOLVED clause so as to send copies of this Resolution also to the Governor of the State of Hawaii and the Mayors and Councils of the Counties.

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. 84, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 84, H.D. 1.

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

SCRep. 1518-12 Judiciary on H.R. No. 119

The purpose of this measure is to promote the principles enshrined in the Universal Declaration of Human Rights, which guarantees the fundamental rights of all people, by recognizing Hawaii as a Human Rights State.

The American Civil Liberties Union of Hawaii and one concerned individual 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 concurs with the intent and purpose of H.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 119, H.D. 1.

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

SCRep. 1519-12 Judiciary on H.C.R. No. 155

The purpose of this measure is to promote the principles enshrined in the Universal Declaration of Human Rights, which guarantees the fundamental rights of all people, by recognizing Hawaii as a Human Rights State.

The American Civil Liberties Union of Hawaii and one concerned individual 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 concurs with the intent and purpose of H.C.R. No. 155, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 155, H.D. 1.

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

SCRep. 1520-12 International Affairs on H.R. No. 132

The purpose of this measure is to recognize the importance of building a lasting relationship and friendship with Yerevan, Armenia, and its people, to promote cultural understanding and political and economic relations of mutual benefit.

An individual 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. 132 and recommends its adoption.

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

SCRep. 1521-12 International Affairs on H.C.R. No. 172

The purpose of this measure is to recognize the importance of building a lasting relationship and friendship with Yerevan, Armenia, and its people, to promote cultural understanding and political and economic relations of mutual benefit.

An individual 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. 172 and recommends its adoption.

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

SCRep. 1522-12 International Affairs/Tourism on H.R. No. 97

The purpose of this measure is to ease visa restrictions and the visa application approval process for business and tourist travelers from the People's Republic of China by urging the Department of State, Department of Homeland Security, and the Department of Justice to include the People's Republic of China in the Visa Waiver Program.

The Office of Economic Development of the City and County of Honolulu and Hawaii Tourism Authority testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 97 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1523-12 International Affairs/Tourism on H.C.R. No. 129

The purpose of this measure is to ease visa restrictions and the visa application approval process for business and tourist travelers from the People's Republic of China by urging the Department of State, Department of Homeland Security, and the Department of Justice to include the People's Republic of China in the Visa Waiver Program.

The Office of Economic Development of the City and County of Honolulu and Hawaii Tourism Authority testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 129 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1524-12 International Affairs/Tourism on H.R. No. 55

The purpose of this measure is to urge the United States Department of State, the United States Department of Homeland Security, and the United States Attorney General to include Hong Kong in the United States Visa Waiver program and ease visa restrictions and the visa application and approval process for business and tourist travelers with Hong Kong Special Administrative Region passports.

The Hawaii Tourism Authority testified in support of the intent of this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 55 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1525-12 International Affairs/Energy & Environmental Protection on H.R. No. 38

The purpose of this measure is to urge the United Nations to grant Taiwan participation as an observer in the United Nations Framework Convention on Climate Change Conference of the Parties.

Two individuals testified in support of the measure. Aupini O Hawai'i commented on this measure.

Your Committees have amended this measure by:

- (1) Changing its title to be consistent with its intent and to read: "URGING THE UNITED NATIONS TO GRANT TAIWAN PARTICIPATION AS AN OBSERVER IN THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE CONFERENCE OF THE PARTIES"; 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 International Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 38, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 38, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Herkes, Nakashima, Thielen and Ward.

SCRep. 1526-12 International Affairs/Energy & Environmental Protection on H.C.R. No. 59

The purpose of this measure is to urge the United Nations to grant Taiwan participation as an observer in the United Nations Framework Convention on Climate Change Conference of the Parties.

Two individuals testified in support of the measure.

Your Committees have amended this measure by:

- (1) Changing its title to be consistent with its intent and to read: "URGING THE UNITED NATIONS TO GRANT TAIWAN PARTICIPATION AS AN OBSERVER IN THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE CONFERENCE OF THE PARTIES"; 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 International Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 59, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 59, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Herkes, Nakashima, Thielen and Ward.

SCRep. 1527-12 Judiciary on H.C.R. No. 114

The purpose of this measure is to apply to the United States Congress to call a convention for the purpose of proposing the amendments to the United States Constitution enumerated in this Concurrent Resolution pursuant to Article V of the United States Constitution.

Two concerned individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting language calling for the repeal or modification of the Second Amendment of the United States Constitution to strengthen firearms restrictions; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 114, H.D. 1.

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

SCRep. 1528-12 Finance on S.B. No. 1142

The purpose of this measure as received by your Committee is to encourage good agricultural practices, including the safe production, distribution, and consumer handling of food, by:

- (1) Establishing a food safety and security program within the Department of Agriculture; and
- (2) Making an appropriation to the Department of Agriculture for the food safety and security program.

For purposes of a public hearing on this measure, your Committee circulated proposed S.B. No. 1142, S.D. 2, H.D. 1, and notified the public that it would be accepting testimony on the proposal, which among other things:

- (1) Establishes an agricultural practices audit and certification revolving fund;

- (2) Defines "good agricultural practices" and "producer";
- (3) Authorizes the Department of Agriculture to establish a voluntary program to audit and certify that producers are following good agricultural practices; and
- (4) Appropriates funds to the Department of Agriculture for statewide bee hive research.

The Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Kauai County Farm Bureau, Mikilua Farm Bureau Center, Hawaii Crop Improvement Association, Hawaii Cattlemen's Council, Watanabe Vegetable Processing LLC, and several individuals testified in support of the proposed draft. The Department of Budget and Finance and University of Hawai'i at Hilo provided comments on the proposed draft.

Your Committee adopted the proposed draft and amended the 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1142, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1529-12 Finance on S.B. No. 1312

The purpose of this measure is to authorize the Chairperson of the Natural Area Reserves System Commission to designate a member of the Natural Area Reserves System Commission to serve as the Chairperson's representative on the Legacy Land Conservation Commission and allow the members of the Legacy Land Conservation Commission to elect their own chairperson.

The Department of Land and Natural Resources, The Nature Conservancy of Hawaii, Chair of the Natural Area Reserves System Commission, Chair of the Legacy Lands Conservation Commission, and The Trust for Public Land 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1312, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1530-12 Finance on S.B. No. 2816

The purpose of this measure is to improve the efficiency of Hawaii's health care system by authorizing the Department of Health to allow accreditation by the Joint Commission on Accreditation of Healthcare Organizations to substitute for state licensing inspections of hospitals.

The Department of Health, Healthcare Association of Hawaii, Hawaii Health Systems Corporation, and The Queen's Medical Center testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2816, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1531-12 Finance on S.B. No. 2868

The purpose of this measure is allow the Department of Taxation to impose a \$20 fee for a tax clearance application, a \$5 fee to obtain a certified copy of the tax clearance, and additional fees related to the issuance of tax clearances; provided that there is no fee for electronic tax clearance requests.

The Department of Taxation and Hawaii Alliance of Nonprofit Organizations testified in support of this measure. A concerned individual testified in opposition to this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by replacing its contents with the substance of a similar measure, H.B. No. 2606, H.D. 1, which allows the Department of Taxation to impose a \$20 fee for a tax clearance application and a \$5 fee to obtain a certified copy of the tax clearance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2868, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1532-12 Finance on S.B. No. 2967

The purpose of this measure is to better protect public employee rights by creating a new collective bargaining unit (14) for Ocean Safety Officers and Water Safety Officers employed by the State or counties.

The City and County of Honolulu; Mayor of the County of Kauai; Mayor of the County of Maui; Ocean Safety and Lifeguard Services Division of the City and County of Honolulu; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaiian Lifeguard Association; North Shore Lifeguard Association; and numerous concerned individuals supported this measure.

Your Committee has amended this measure by:

- (1) Placing Ocean Safety Officer and Water Safety Officer supervisory employees in the newly created bargaining unit (14);
- (2) Requiring the Hawaii Labor Relations Board to not direct an election in any bargaining unit within which a new bargaining unit with a specified composition is created, rather than specifying that the Board will not direct an election in any newly established bargaining unit within which a valid election has been held in the preceding twelve months or a valid collective bargaining agreement is in force and effect;
- (3) Deleting the required report to the Legislature with information and statutory amendments required to formalize the creation and establishment of the new bargaining unit (14) and the migration of employees to the new bargaining unit without loss of accrued benefits, seniority, and wages;
- (4) Inserting language to protect the rights, benefits, and privileges of Ocean Safety Officers and Water Safety Officers during the transition to the new bargaining unit (14);
- (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 S.B. No. 2967, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2967, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1533-12 Finance on S.B. No. 2784

The purpose of this measure is to appropriate monies from the general fund to the Emergency and Budget Reserve Fund and the Hawaii Hurricane Relief Fund in order to accelerate recapitalization of these reserves.

The Office of the Governor testified in support of this measure. The Department of Budget and Finance provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting language appropriating \$20,000,000 and \$43,700,000, respectively, from the general fund for unspecified fiscal years to recapitalize the Emergency and Budget Reserve Fund;
- (2) Inserting language appropriating unspecified amounts out of the state general revenues for fiscal years 2011-2012 and 2012-2013 to recapitalize the Hawaii Hurricane Relief Fund in place of language appropriating \$27,500,000 for each of two unspecified fiscal years and \$56,000,000 for a third unspecified fiscal year to recapitalize the Hawaii Hurricane Relief Fund;
- (3) Repealing section 237-31(3), Hawaii Revised Statutes, which requires that all general excise tax revenues realized by the State equal to one-half of the total amount appropriated or transferred out of the Hurricane Reserve Trust Fund under sections 4 and 5 of Act 62, Session Laws of Hawaii 2011, be deposited in the Hurricane Reserve Trust Fund in the fiscal years 2013-2014 and 2014-2015;
- (4) Changing the effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2784, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2784, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1534-12 Consumer Protection & Commerce on S.B. No. 2438

The purpose of this measure is to support renewable energy in Hawaii by:

- (1) Requiring the Director of the Hawaii Natural Energy Institute, upon the request of the Public Utilities Commission (PUC), to provide the PUC with an analysis of the technology readiness of a renewable energy project;

- (2) Prohibiting the PUC from approving a proposal or contract with a technology readiness level of 6 or below; and
- (3) Authorizing the PUC to consider a proposal or contract with a technology readiness level above level 6; provided that positive external factors, including cost to consumers, job creation, capital attraction, and increased state tax revenues are found in its final determination.

The PUC, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Pacific Biodiesel Technologies supported this bill. The Department of Business, Economic Development, and Tourism and Blue Planet Foundation supported the intent of this measure. Hawaiian Electric Company submitted comments.

After careful consideration, your Committee has amended this bill by not specifying the technology readiness level:

- (1) At or below which the PUC is prohibited from approving a proposal or contract; and
- (2) Above which the PUC is authorized to consider a proposal or contract; provided that positive external factors, including cost to consumers, job creation, capital attraction, and increased state tax revenues are found in its final determination.

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. 2438, 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. 2438, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, Souki and Marumoto.

SCRep. 1535-12 Consumer Protection & Commerce/Judiciary on S.B. No. 824

The purpose of this measure is to assist motor carriers by 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 or intentional acts or omissions.

The Hawaii Transportation Association; U. Okada & Co., Ltd; Kona Transportation Company Incorporated; Hawaii Transfer Co., Ltd.; Island Movers, Inc.; and Hawaii Logistics Services testified in support of this measure.

Your Committees have amended this measure by:

- (1) Changing the effective date to upon its 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. 824, 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. 824, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1536-12 Judiciary on S.B. No. 2354

The purpose of this measure is to deter agricultural theft by, among other things:

- (1) Including additional detail required upon ownership and movement certification for agricultural commodities;
- (2) Increasing the verification requirements for sellers of agricultural commodities presenting ownership and movement certification to buyers or consignees;
- (3) Converting violations for failure to maintain a certificate of ownership or other written proof of ownership of agricultural commodities into criminal offenses; and
- (4) Making theft of agricultural commodities an offense of theft in the second degree and establishing lack of ownership and movement certificates as prima facie evidence of theft.

The Hawaii Farm Bureau Federation; W. H. Shipman, Ltd.; and several concerned individuals supported this bill. The Department of Agriculture supported the intent of this measure. The Department of the Attorney General provided comments.

Your Committee has amended this measure by:

- (1) Deleting sections 3, 4, 6, and 7 of the bill amending sections 145-25 and 145-27, Hawaii Revised Statutes, and repealing sections 145-26 and 145-28, Hawaii Revised Statutes, respectively;
- (2) Expanding the offense of theft in the second degree to include the theft of all agricultural commodities, rather than just those marketed for commercial purposes; 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. 2354, 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. 2354, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1537-12 Judiciary on S.B. No. 2873

The purpose of this measure is to permanently:

- (1) Exempt secondary actions, limited to the development of infrastructure within an existing public right-of-way or highway, from the environmental impact statements law if certain conditions are met;
- (2) Require applicants to prepare environmental assessments when necessary; and
- (3) Mandate that the Office of Environmental Quality Control determine whether the preparation of the assessment is required by an applicant when there is a question as to which of two or more state or county agencies has the responsibility of determining whether an environmental assessment is required.

The Department of Transportation; Department of Business, Economic Development, and Tourism; Office of Environmental Quality Control; General Contractors Association of Hawaii; NAIOP Hawaii; Land Use Research Foundation of Hawaii; Building Industry Association of Hawaii; and The Chamber of Commerce of Hawaii testified in support of this measure. The Sierra Club Hawaii Chapter testified in opposition to this measure. The Hawaiian Electric Company, Inc.; Hawaii Electric Light Company; and Maui Electric Company provided comments on this measure.

Your Committee finds that this measure will make the current exemption for secondary actions that occur within existing public highways or right-of-ways permanent, which is an extension of Act 87, Session Laws of Hawaii 2009. As such, your Committee finds that certain inconsistencies in the language of this measure as received by your Committee should be amended to better align this bill with Act 87.

Accordingly, your Committee has amended this measure by:

- (1) Deleting "if at the time an application for a secondary action is submitted," from subsection (a) of the new section added to Chapter 343, Hawaii Revised Statutes, relating to exceptions to applicability of the chapter;
- (2) Clarifying that it is the applicant for the primary action who must submit documentation from the appropriate agency confirming that no further discretionary approvals are required in order for the secondary action to be exempt; 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. 2873, 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. 2873, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Luke, McKelvey and Marumoto.

SCRep. 1538-12 Water, Land, & Ocean Resources on S.B. No. 2341

The purpose of this measure is to permit agricultural tourism activities, including overnight accommodations of 21 days or less, in an agricultural district within a county; provided that the activities are permitted under an ordinance of the county regulating agricultural tourism under section 205-5, Hawaii Revised Statutes.

An individual member of the Maui County Council and several individuals supported this measure. The Hawaii Farm Bureau Federation supported the intent of this measure. Windward Ahupuaa Alliance supported this measure with amendments. The Department of Agriculture; the Office of the Mayor of the City and County of Honolulu; the Kuliouou/Kalani Iki Neighborhood Board No. 2; Hawaii's Thousand Friends; the Sierra Club, Hawaii Chapter; and numerous individuals opposed this measure. The Office of Planning and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Permitting agricultural tourism activities, including overnight accommodations of 21 days or less in counties with a population of greater than 100,000 persons, but less than 150,000 persons;
- (2) Requiring that agricultural tourism activities coexist with a bona fide farming operation;
- (3) Defining "bona fide agricultural activity";
- (4) Restoring language that prohibits agricultural tourism activities in the absence of a bona fide farming operation; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the population figures referenced in this measure are based on the 2010 Census.

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. 2341, 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. 2341, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Coffman and Herkes.
(Representatives Cabanilla and Thielen voted no.)

SCRep. 1539-12 Finance on S.B. No. 2712

The purpose of this measure is to improve efficiency in the administration of the State's Medicaid program by:

- (1) Defining the term "medical institution" as it relates to medical liens; and
- (2) Requiring the Department of Human Services, in collaboration with relevant stakeholders, to revise the methodology for determining the level of acuity of nursing facility residents who are Medicaid recipients to set fair and equitable disbursement levels, and to develop a referral system for discharging patients from hospitals, nursing homes, and long-term care facilities based on the patient's acuity level.

The Department of Human Services, Department of the Attorney General, Department of Health, and Pacific Renal Care Foundation 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 S.B. No. 2712, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1540-12 Finance on S.B. No. 2713

The purpose of this measure is to:

- (1) Clarify requirements for Medicaid liens for restitution for injury to a Medicaid recipient by a third party by:
 - (A) Requiring the Department of Human Services to provide to a person who caused injury to a Medicaid recipient a written notice of lien and an itemized list of payments to be reimbursed that identifies the provider of services, the dates of services, amounts billed, amounts paid, and dates of payments; and
 - (B) Creating a presumption of validity for the entire amount of the lien unless a specific line item charge or charges in the lien are contested on a good faith basis;
- (2) Allow a community care foster family home six months to find another Medicaid client when the community care foster family home loses its only Medicaid client; and
- (3) Change the age requirement for nurse aide substitute caregivers at community care foster family homes to 18 years to be consistent with federal law.

The Department of Human Services and Department of the Attorney General 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 S.B. No. 2713, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1541-12 Finance on S.B. No. 2796

The purpose of this measure is to make permanent the decreased death benefit amount for medical and financial assistance recipients implemented by Part II of Act 205, Session Laws of Hawaii 2010.

The Department of Human Services supported this measure. The Department of Health 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. 2796, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1542-12 Finance on S.B. No. 2803

The purpose of this measure is to allow the Department of Human Services to continue to competitively procure child care services at locations specified by the Department by allowing the Department to accept contract proposals from applicants who are not yet licensed to operate a child care program in a specific location as required by law.

The Department of Human Services 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. 2803, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1543-12 Finance on S.B. No. 2808

The purpose of this measure is to make an emergency appropriation to the Department of Human Services to address the funding shortfall in Med-QUEST health care programs as a result of an intradepartmental transfer of funds in fiscal year 2011-2012 and increase in Medicaid enrollment.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 197 to the Legislature, requested immediate consideration and passage of S.B. No. 2808, Making an Emergency Appropriation to the Department of Human Services for Health Care Payments, by the Legislature, citing the need for general funds to address the budget shortfall in the Health Care Payments Program (HMS 401).

The Department of Human Services, Healthcare Association of Hawaii, Hawaii Medical Service Association, and 'Ohana Health Plan 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. 2808 and recommends that it pass Third Reading.

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

SCRep. 1544-12 Finance on S.B. No. 2797

The purpose of this measure is to continue to provide access to psychotropic medications to patients who receive medical assistance coverage. Specifically, this measure continues the requirement that an individual must try generic medications twice unsuccessfully before the individual's medical assistance health plan provides coverage for a brand-name psychotropic prescription medication.

The Department of Health, Department of Human Services, Hawaii Association of Health Plans, Hawaii Medical Service Association, AlohaCare, Ohana Health Plan, United Self Help, and Hawaii Disability Rights Center testified in support of this measure.

Your Committee has amended this measure by 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 S.B. No. 2797, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2797, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 1545-12 Finance on S.B. No. 2810

The purpose of this measure is to provide clarity and consistency to Hawaii's workers' compensation and temporary disability insurance laws and Prepaid Health Care Act with regard to aged recipients and disabled recipients of home- and community- based services and recipients of Department of Human Services' state-funded home- and community-based services. Specifically, this measure amends the definition of "employment" under the workers' compensation law, temporary disability insurance law, and the Prepaid Health Care Act, by excluding from the definition, certain domestic services and day care services authorized by the Department of Human Services when performed by an individual in the employ of a recipient of social service payments.

The Department of Human Services and Department of Labor and Industrial Relations testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to facilitate 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2810, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2810, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 1546-12 Finance on S.B. No. 2833

The purpose of this measure is to increase access to home- and community-based services by extending the exemption for domestic in-home and community-based services for persons with developmental and intellectual disabilities from laws relating to unemployment insurance, workers' compensation, temporary disability insurance, and the Prepaid Health Care Act to such services when the services are provided through state-funded medical

assistance to individuals who are ineligible for Medicaid.

The Department of Human Services, Department of Health, and a concerned individual testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, 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. 2833, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 1547-12 Finance on S.B. No. 3008

The purpose of this measure is to provide an impoverished family court plaintiff or petitioner who cannot locate the individual sought to be served with an alternate means of publication of notice or process, other than the costly method of service by publication in a newspaper; provided that the plaintiff or petitioner files an affidavit attesting to impoverishment and a due and diligent search. Specifically this measure provides that in such cases, service of pleadings and process shall be accomplished by:

- (1) Mailing certified copies of them by registered or certified mail, return receipt requested, to the last known address of the defendant or respondent with directions to deliver to the addressee only;
- (2) Sending certified copies of them to the defendant's or respondent's closest relative, if any; and
- (3) Posting them at a courthouse where they were filed.

The Legal Aid Society of Hawaii testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to continue 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. 3008, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3008, H.D. 3.

Signed by all members of the Committee except Representative Ward.

SCRep. 1548-12 Finance on S.B. No. 2778

The purpose of this measure is to prevent childhood obesity by:

- (1) Establishing a childhood obesity prevention task force to develop and recommend legislation relating to the prevention of childhood obesity; and
- (2) Appropriating funds to be expended by the Department of Health for a study of childhood obesity data and activities related to the prevention of childhood obesity and the promotion of early childhood health.

The Office of the Governor, Department of Health, Office of Hawaiian Affairs, Hawaii Association for the Education of Young Children, and Child & Family Service testified in support of this measure. The American Heart Association and Good Beginnings Alliance provided comments on this measure.

Your Committee notes that the issue of exempting the task force members from the requirements of Chapter 84, Hawaii Revised Statutes, merits further consideration as this measure proceeds through the final stages of the legislative process.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2778, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1549-12 Finance on S.B. No. 2818

The purpose of this measure is to make changes to statutory law regarding the disposition of dead human bodies by:

- (1) Repealing the authority of the Department of Health to deliver or distribute an unclaimed dead human body to a university, hospital, or institution for medical education and research purposes; and
- (2) Clarifying the responsibilities of the person who has possession, charge, or control of an unclaimed dead human body with respect to gathering and providing information to state agencies.

The Department of Health and the Department of Human Services 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. 2818, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1550-12 Finance on S.B. No. 2084

The purpose of this measure is to prohibit an insurer from requiring a doctor's referral for annual covered screening mammograms for insured persons over the age of 40.

Kaiser Permanente, the American Cancer Society, Hawaii Medical Service Association, and Hawaii Association of Health Plans supported this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2084, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2084, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1551-12 Finance on S.B. No. 2101

The purpose of this measure, as received, is to make permanent the general excise tax exemption on funds received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third-party health care providers pursuant to a contract with the United States.

The Department of Taxation; The Chamber of Commerce of Hawaii; Military Officers Association of America, Hawaii Chapter; and TriWest Healthcare Alliance Inc., testified in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 1723, H.D. 1, which extends to December 31, 2015, rather than make permanent, the same general excise tax exemption relating to the TRICARE program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2101, 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. 2101, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1552-12 Finance on S.B. No. 2344

The purpose of this measure is to appropriate funds to be expended by the Office of the Governor for operational expenses relating to the Hawaii Health Authority.

Two individuals supported this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2030, for the purpose of facilitating 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. 2344, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2344, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1553-12 Finance on S.B. No. 2772

The purpose of this measure is to clarify that the transfer of certain functions pertaining to personnel and facilities to the Department of Education by Act 51, Session Laws of Hawaii 2004, does not apply to the Hawaii State Public Library System and its employees.

The Department of Human Resources Development, Department of Accounting and General Services, and Hawaii State Public Library System 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. 2772, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1554-12 Finance on S.B. No. 2540

The purpose of this measure is to assist the Department of Education to more efficiently and effectively use its resources by amending or repealing various sections of Chapter 302A, Hawaii Revised Statutes.

Specifically, this measure amends or repeals statutory sections that are outdated, impede the Department of Education in meeting its core mission, fall under the purview of the Board of Education, are mandated by federal law and do not require codification in state law, or are covered by another section of the Hawaii Revised Statutes, administrative rules, or Board of Education policy.

The Department of Education supported this measure.

Your Committee has amended this measure by:

- (1) Requiring students to attend the school in the service area, rather than complex, in which they reside except under specified circumstances; and
- (2) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2540, 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. 2540, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1555-12 Finance on S.B. No. 2773

The purpose of this measure is to update Chapter 312, Hawaii Revised Statutes, to more accurately reflect the duties and responsibilities of the Board of Education, Hawaii State Public Library System, and State Librarian with respect to the Hawaii State Public Library System.

The Department of Human Resources Development and Hawaii State Public Library System supported 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2773, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1556-12 Consumer Protection & Commerce on S.B. No. 2103

The purpose of this measure is to clarify that the practices of nursing as a licensed practical nurse and as a registered nurse, respectively, include carrying out the orders of a licensed physician assistant practicing with physician supervision and acting as the agent of the supervising physician.

The University of Hawaii School of Nursing and Dental Hygiene, Hawaii State Center for Nursing, Hawaii Medical Association, Hawaii Association of Professional Nurses, American Academy of Physician Assistants, Hawaii Academy of Physician Assistants, Puna Community Medical Center, Hawaii Pacific Health, and numerous concerned individuals supported this bill. The Board of Nursing submitted comments.

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

- (1) Modifying the formal educational qualifications of an advanced practice registered nurse; and
- (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. 2103, 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. 2103, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, Souki and Marumoto.

SCRep. 1557-12 Consumer Protection & Commerce on S.B. No. 2630

The purpose of this measure is to improve community noise control by allowing a liquor commission in a county with a population of 700,000 or greater to establish a pilot program that exclusively employs a dBC sound-level measurement system in accordance with specified standards.

The Liquor Commission of the City and County of Honolulu and Chinatown Gateway Plaza Tenant Association supported this bill.

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

- (1) Allowing a liquor commission in a county with a population of 700,000 or greater to establish a pilot program that employs both a

dBA and a dBC -- not only a dBC -- sound-level measurement 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2630, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2630, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1558-12 Judiciary on S.B. No. 2228

The purpose of this measure is to monitor the sale of products containing pseudoephedrine by, among other things:

- (1) Requiring pharmacies or retailers to maintain a written or electronic log of specified information for each sale of nonprescription products containing pseudoephedrine;
- (2) Requiring pharmacies or retailers after January 1, 2013, to electronically submit the information required for the written or electronic log to the National Precursor Log Exchange prior to completing a sale, and prohibiting pharmacies or retailers from completing the transaction if a stop alert is generated upon the electronic submission; and
- (3) Requiring the Department of Public Safety Narcotics Enforcement Division to implement an electronic tracking system no later than January 1, 2015, in conjunction with the State's existing narcotics tracking system to interface with the National Precursor Log Exchange.

The Hawaii Food Industry Association and Legislative Information Services of Hawaii testified in support of this measure. The Department of Public Safety testified in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Making references to the entities and individuals covered by this measure consistent, including replacing the term "seller" with the term "pharmacy or retailer"; and
- (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. 2228, 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. 2228, S.D. 2, H.D. 2.

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

SCRep. 1559-12 Judiciary on S.B. No. 3001

The purpose of this measure is to prohibit the interisland transfer, transport, or release after transport of wild or feral deer.

The Hawaii Farm Bureau Federation testified in support of this measure. The Sierra Club Hawaii Chapter testified in support of the intent of this measure. The Nature Conservancy, Oahu Invasive Species Committee and Coordinating Group on Alien Pest Species testified in opposition to this measure. The Department of Land and Natural Resources and Humane Society of the United States provided comments on this measure.

Your Committee has amended this measure by:

- (1) Limiting the scope of this measure to apply to a person who engages in all three acts of transferring, transporting, and releasing after transport a wild or feral deer;
- (2) Expanding the entities that may issue a permit authorizing the transfer, transport, and release after transport of a wild or feral deer to include other state departments;
- (3) Exempting non-feral domestic animals as referenced in section 142-68, Hawaii Revised Statutes, from the provisions of this measure;
- (4) Defining "feral" as having escaped or been released from domestication and living in a wild and unconfined state;
- (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 S.B. No. 3001, 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. 3001, S.D. 2, H.D. 2.

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

SCRep. 1560-12 Finance on S.B. No. 2489

The purpose of this measure is to support national security and the armed services by:

- (1) Expanding the purposes for which the Governor and the Governor's designee may call the National Guard into active service;
- (2) Authorizing the Adjutant General to order the National Guard or other militia member into active service for nonemergency purposes that are necessary and attendant to the mission of the Department of Defense; and
- (3) Expanding the rights granted to National Guard members by incorporating the rights granted under federal law, including the Servicemembers Civil Relief Act and the Uniformed Services Employment and Reemployment Rights Act, and extending rights that accrue to National Guard members as a result of an order to military duty to National Guard members who are called to state active duty by the Governor.

The Department of Defense testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2012; and
- (2) 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 S.B. No. 2489, 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. 2489, S.D. 2, H.D. 2.

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

SCRep. 1561-12 Finance on S.B. No. 2261

The purpose of this measure is to:

- (1) Reduce violent crime, drug abuse, and gang activity;
- (2) Improve the quality of life in Hawaii's neighborhoods; and
- (3) Encourage community revitalization across the State,

by permanently establishing the Weed and Seed Program within the Department of Labor and Industrial Relations and appropriating an unspecified amount of general fund revenues to maintain current Weed and Seed Programs and expand the Program into other areas of the State.

The Department of Human Services, the Department of Public Safety, the Honolulu Police Department, and many individuals supported this measure. The Department of Labor and Industrial Relations and the Office of Community Services commented on this measure.

Your Committee has amended this measure by:

- (1) Requiring that the Department of Labor and Industrial Relations submit a report to the Legislature no later than September 1 of each year on the activities of the Weed and Seed Program;
- (2) Changing the effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of accuracy, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2261, H.D. 1.

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

SCRep. 1562-12 Finance on S.B. No. 2776

The purpose of this measure is to implement the recommendations of the Justice Reinvestment Working Group regarding three areas of improvement to Hawaii's criminal justice and corrections system — pretrial process, parole, and payment of restitution — by focusing on incarceration, supervision, and treatment as follows:

- (1) Requiring that an objective pretrial risk assessment be conducted within the first three working days of a person's commitment to a community correctional center;
- (2) Increasing the number of Hawaii Paroling Authority members;
- (3) Requiring the Hawaii Paroling Authority to use a validated risk assessment to determine the person's risk of re-offense and suitability

- for community supervision;
- (4) Reducing recidivism by using effective responses to parole condition violations;
 - (5) Improving the collection of restitution by the Department of Public Safety;
 - (6) Ensuring all felony offenders are supervised for a minimum period of time after their release from incarceration;
 - (7) Requiring that savings realized by reducing the incarcerated population be reinvested within the criminal justice system; and
 - (8) Appropriating funds for Department of Public Safety positions in the State and counties to improve the State's criminal justice system and to increase public safety.

The Governor; the Judiciary; Department of Public Safety; Hawaii Paroling Authority; Crime Victim Compensation Commission; Hawaii State Commission on the Status of Women; Office of Hawaiian Affairs; Office of the Public Defender; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Council of State Governments Justice Center; Drug Policy Forum of Hawaii; American Civil Liberties Union of Hawaii; Community Alliance on Prisons; Hawaii Substance Abuse Coalition; Chaminade University; Mothers Against Drunk Driving; and several individuals supported the measure. Da Kine Bail Bonds opposed the measure. The Department of the Prosecuting Attorney of the City and County of Honolulu, the Sex Abuse Treatment Center, and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Removing language that would have delayed the start of the six-month period of confinement for violating a condition of parole until the paroling authority has revoked the parole of the prisoner;
- (2) Deleting language relating to the allocation of funds for positions in the Department of Public Safety based on a ratio of staff members to the incarcerated population; 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. 2776, 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. 2776, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.
(Representative Ward voted no.)

SCRep. 1563-12 Finance on S.B. No. 2865

The purpose of this measure is to expand the allowed uses of funds deposited into the Federal Reimbursement Maximization Special Fund to include uses identified and approved by the United States Department of Justice.

The Department of Public Safety testified in support of the 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2865, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2865, H.D. 1.

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

SCRep. 1564-12 Finance on S.B. No. 2866

The purpose of this measure is to ensure public safety and reduce recidivism of incarcerated individuals by preparing these individuals for reentry into the community through programs and services that reflect best practices and evidence-based results and provide these individuals with greater opportunities to be rehabilitated. Specifically, this measure, among other things:

- (1) Creates the Offender Reentry Office to oversee the Comprehensive Offender Reentry System and restores the purpose of the intake service centers to screen, evaluate, and classify the admission of persons to community correctional centers; and
- (2) Reconstitutes the Reentry Commission, expands its duties, and extends its repeal date.

The Department of Public Safety, American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, and Community Alliance on Prisons testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2866, 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. 2866, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1565-12 Finance on S.B. No. 2337

The purpose of this measure is to provide limited economic relief to airport concessionaires by providing the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to extend the term of the concession and to modify and amend terms of any concession lease or contract in exchange for revenue-enhancing improvements that are made or paid for by the concession.

Tiare Enterprises, Inc.; Greeters of Hawaii, Ltd.; HMSHost; Airport Concessionaires Committee; and Island Shoppers, Inc. testified in support of this measure. The Office of Hawaiian Affairs testified in opposition to this measure. The Department of Transportation; Airlines Committee of Hawaii; and EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in 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. 2337, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1566-12 Finance on S.B. No. 2402

The purpose of this measure 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 lighting in Hawaii. Specifically, this measure requires the establishment of a starlight reserve strategy by, among other things:

- (1) Requiring that all state agencies comply with shielded lighting fixture requirements beginning on July 1, 2014;
- (2) Prohibiting the sale or installation of new mercury vapor lamps after July 1, 2014;
- (3) Establishing parameters for retrofit work on, or shielding replacement of, existing lighting fixtures to meet the shielding requirements;
- (4) Stipulating conditions and parameters for lights where fully shielded light fixtures are not used;
- (5) Establishing conditions under which installation of fully shielded replacement lighting fixtures for roads and highways shall take place and allowing for partially shielded lights that meet specified requirements to be used;
- (6) Specifying numerous exceptions to the shielded lighting requirements; and
- (7) Exempting counties with a population of less than 100,000 from this section.

The Department of Accounting and General Services; the Department of Business, Economic Development, and Tourism; the Department of Land and Natural Resources; the Department of Transportation; the University of Hawaii; and Historic Hawaii Foundation supported this measure. The Chair of the Starlight Reserve Committee 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. 2402, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1567-12 Finance on S.B. No. 2747

The purpose of this measure is to assist Hawaii in addressing its energy needs and promote the increased use of electric vehicles by simplifying and clarifying current requirements for electric vehicle parking. Among other things, this measure:

- (1) Requires at least one parking space in places of public accommodation with at least 100 parking spaces to be equipped with an electric vehicle charging system and designated for the exclusive use of electric vehicles;
- (2) Allows the space for the electric vehicle to be located anywhere in the parking structure or lot; provided that it does not displace or reduce accessible stalls required by the Americans with Disabilities Act Accessibility Guidelines;
- (3) Allows owners of multiple parking facilities within the State to meet the electric vehicle parking space requirement in the aggregate across all of their owned properties, regardless of distribution;
- (4) Repeals mandatory designated space increases that would have taken effect once registered electric vehicles in the State numbered at least 5,000;
- (5) Defines "electric vehicle", "electric vehicle charging system", and "place of public accommodation"; and

- (6) Delays, for one year, the implementation of warnings given to non-electric vehicles parked in stalls reserved for electric vehicles.

The Department of Business, Economic Development, and Tourism; City and County of Honolulu; Department of Design and Construction of the City and County of Honolulu; Retail Merchants of Hawaii; and Outrigger Enterprises Group testified in support of this measure. The Sierra Club, Hawaii Chapter; Hawaiian Electric Vehicle Network; and one individual testified in opposition to this measure. The Disability and Communication Access Board 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. 2747, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1568-12 Finance on S.B. No. 2874

The purpose of this measure is to assist the Department of Transportation in addressing its operational needs at Hawaii's airports by providing more flexibility in renting land and facilities at Hawaii's airports for revenue generation purposes.

The Department of Transportation and Royal Hawaiian Movers supported this measure. Safari Aviation, Inc.; Jack Harter Helicopters; and two individuals opposed this measure. The Office of Hawaiian Affairs and the Airlines Committee 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 S.B. No. 2874, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1569-12 Finance on S.B. No. 2877

The purpose of this measure is to improve the efficiency of the State Department of Transportation's Harbors Division by repealing the statutory requirement that the Department of Transportation reimburse the City and County of Honolulu for the operation and maintenance of the State fire boat to allow for more economical management and more comprehensive marine incident response and operational capabilities.

The Department of Transportation testified in support of this measure. The Honolulu Fire Department 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. 2877, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1570-12 Finance on S.B. No. 2224

The purpose of this measure is to increase the ability of state and county agencies to collect outstanding debts by:

- (1) Requiring the county Director of Finance to record notices of judgments as an encumbrance payable to the state or a county on any registered motor vehicle in the Director's "tax lien and encumbrance record" book;
- (2) Exempting state and county agencies, under certain conditions, from paying the fee for the recording of an entry in the "tax lien and encumbrance record" book; and
- (3) Allowing a taxpayer to enter into a payment agreement with the Department of Taxation to avoid a lien and encumbrance recordation.

The Department of Taxation and the Department of the Attorney General supported 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2224, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2224, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1571-12 Finance on S.B. No. 2746

The purpose of this measure is to enable the public to more readily access existing laws pertaining to electric vehicles by:

- (1) Codifying incentives for the registration, licensing, parking, and the operation of electric vehicles that were established under Act 290, Session Laws of Hawaii 1997; and
- (2) With respect to the law on electric vehicles, updating the law for clarity, consistency, and enforceability.

The Department of Transportation; Department of Business, Economic Development, and Tourism; a Maui County Council member; and two individuals testified in support of this measure. The Department of Accounting and General Services, Sierra Club-Hawaii Chapter, and a sustainable business corporation commented on this measure.

Your Committee has amended this measure by:

- (1) Establishing the provisions as uncodified session law material rather than as material to be codified into the Hawaii Revised Statutes;
- (2) Repealing the measure on June 30, 2014; 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. 2746, 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. 2746, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representative Ward.

SCRep. 1572-12 Finance on S.B. No. 2872

The purpose of this measure is to allow any utility owner whose facility occupies a state highway right-of-way to provide its share of costs up front to the affected state agency for encumbrance of funds in related contracts by way of an agreement to pay.

The Department of Transportation 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2872, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2872, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 1573-12 Finance on S.B. No. 2946

The purpose of this measure is to aid the State in addressing its current fiscal situation while assisting the Department of Transportation with addressing state highway transportation infrastructure and state airport rental motor vehicle infrastructure needs by:

- (1) Extending the suspension of the rental motor vehicle customer facility charge for an additional four years;
- (2) Extending the increase in the rental motor vehicle surcharge tax made by Act 104, Session Laws of Hawaii 2011, for an additional four years;
- (3) Requiring the Department of Transportation to allocate and transmit the rental motor vehicle surcharge taxes assessed and collected pursuant to section 251-2(a), Hawaii Revised Statutes, to the Director of Finance for deposit into the state treasury as follows:
 - (A) In each of fiscal years 2012-2013 and 2013-2014:
 - (i) An amount equal to \$3 per day per rental transaction shall be deposited into the State Highway Fund;
 - (ii) \$10,000,000 shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund;
 - (iii) \$50,000,000 shall be deposited into the general fund; and
 - (iv) The remainder shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
 - (B) In each of fiscal years 2014-2015 and 2015-2016:
 - (i) An amount equal to \$3 per day per rental transaction shall be deposited into the State Highway Fund;
 - (ii) \$30,000,000 shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund;
 - (iii) \$30,000,000 shall be deposited into the general fund; and
 - (iv) The remainder shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
- (4) Authorizing the issuance of \$500,000,000 in rental motor vehicle customer facility revenue bonds for the enhancement and renovation of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities.

The Department of Budget and Finance and the Department of Transportation testified in support of this measure. The Hertz Corporation and EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii testified in opposition to this measure. The

Department of Taxation, Tax Foundation of Hawaii, and Avis Budget Group provided comments.

Your Committee has amended this measure by:

- (1) Deleting the specific amounts of the rental motor vehicle surcharge tax assessed and collected that are to be deposited into the state treasury by the Director of Finance to the credit of the Rental Motor Vehicle Customer Facility Charge Special Fund and general fund for fiscal years 2012 – 2016; and
- (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. 2946, 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. 2946, S.D. 2, H.D. 2.

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

SCRep. 1574-12 Finance on S.B. No. 2588

The purpose of this measure is to provide victims of sexual abuse additional time to bring a civil action against an individual or entity. Specifically, this measure:

- (1) Extends the statute of limitations to allow individuals subjected to sexual offenses as a minor to bring a civil action after they have reached the age of majority against the individual who committed the offense;
- (2) Provides a two-year window period for a victim of child sexual abuse to bring a civil action against the abuser, even though the statute of limitations period has lapsed;
- (3) Authorizes the court to award the recovery of attorney's fees to the defendant if the sexual abuse accusation was made with no basis in fact and with malicious intent; and
- (4) Requires a plaintiff to file with the court a certificate of merit that shall be sealed and remain confidential and include a notarized statement, provided by a mental health care professional or other specified professional, upon which it can be reasonably concluded the plaintiff was a victim of a sexual offense.

Two concerned individuals supported the measure. The Attorney General and the Hawaii Catholic Conference opposed the measure. The Department of the Corporation Counsel of the City and County of Honolulu, The Sex Abuse Treatment Center, and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Excluding the State and its political subdivisions as legal entities against whom a claim for gross negligence may be brought during the two-year window period; and
- (2) Changing its effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2588, 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. 2588, S.D. 1, H.D. 3.

Signed by all members of the Committee.

SCRep. 1575-12 Finance on S.B. No. 2123

The purpose of this measure is to assist victims of human trafficking by:

- (1) Requiring establishments to place posters providing specific information about human trafficking, including the National Human Trafficking Resource Center Hotline, in a conspicuous place near the entrance or the place where posters are customarily displayed in the establishment;
- (2) Defining the term "establishment", which lists those entities required to display the posters with specified human trafficking information; and
- (3) Establishing fines for those establishments that fail to display the required posters.

Hawaii Family Forum, Hawaii Catholic Conference, Pacific Alliance to Stop Slavery, Polaris Project, and numerous individuals testified in support of this measure. The Department of Labor and Industrial Relations and Harm Reduction Hawaii testified in opposition to this measure. Healthcare Association of Hawaii, Sex Abuse Treatment Center, IMUAlliance, and Outrigger Hotels 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. 2123, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1576-12 Finance on S.B. No. 2318

The purpose of this measure is to adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, which contains guidelines to permit a determination as to which state has jurisdiction in adult guardianship matters.

Specifically, this measure would facilitate determination of jurisdiction when multiple states might be involved with a guardianship or conservatorship of an incapacitated or protected person.

The Executive Office on Aging; Commission to Promote Uniform Legislation; and Alzheimer's Association, Aloha Chapter testified in support of this measure. The Judiciary provided comments.

Your Committee has amended this measure by 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 S.B. No. 2318, 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. 2318, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 1577-12 Finance on S.B. No. 2576

The purpose of this measure is to authorize a person convicted of committing the offense of prostitution to file a motion to vacate the conviction under certain circumstances, and to establish procedures for the motion to discharge. This measure also increases the mandatory fine for the offense of prostitution.

The Pacific Alliance to Stop Slavery, Polaris Project, Equality Now, and numerous individuals testified in support of this measure. The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and Harm Reduction Hawaii testified in opposition to this measure. IMUAlliance provided 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2576, 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. 2576, S.D. 1, H.D. 3.

Signed by all members of the Committee.

SCRep. 1578-12 Finance on S.B. No. 2579

The purpose of this measure is to establish a new chapter in the Hawaii Revised Statutes for the safe harbor of sexually exploited children. In addition, this measure:

- (1) Expands the scope of the domestic violence and sexual assault special fund annual report to the legislature; and
- (2) Establishes that persons who are under eighteen and suspected of or charged with certain offenses relating to prostitution shall not be prosecuted.

Polaris Project, Equality Now, and several individuals supported this measure. The Department of Human Services, the Honolulu Police Department, and Harm Reduction Hawaii opposed this measure. The Department of Health, the Department of the Prosecuting Attorney of the City and County of Honolulu, IMUAlliance, and The Pacific Alliance to Stop Slavery commented on this measure.

Your Committee has amended this measure by:

- (1) Authorizing rather than requiring the Department of Human Services to establish the victim services program, and permitting the Department to take further action to implement the program;
- (2) Changing the date of submittal of the annual reports to the Legislature to September 1 of each year;
- (3) Authorizing, rather than requiring the Department of Human Services to develop a protocol for the interplay between exemption provisions for sexually exploited children established by this measure and other existing child protection statutes;
- (4) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, 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. 2579, S.D. 2, H.D. 3.

Signed by all members of the Committee.

SCRep. 1579-12 Finance on S.B. No. 2751

The purpose of this measure is to protect the future sustainability of the Employees' Retirement System, especially during a period of economic decline or stabilization, by modifying the experience requirements of the members of the Employees' Retirement System Board of Trustees. Specifically, this measure changes the requirement that one member of the three board members representing the citizens of the State of Hawaii who are not public employees be a responsible bank officer by instead requiring that two of the three members have substantial experience providing financial services, including investments, to public, corporate, or private clients.

The Department of Budget and Finance and the Board of Trustees of the Employees' Retirement System supported this measure.

Your Committee notes that consideration should be given as to whether the membership of the Board of Trustees of the Employees' Retirement System should include a pension actuary.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1580-12 Finance on S.B. No. 2214

The purpose of this measure is to promote meaningful discussion during the negotiation process relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Among other things, this measure:

- (1) Clarifies the requirement that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the Hawaii Employer-Union Health Benefits Trust Fund for health benefit plans and group life insurance benefits for active employees by clarifying statutory language and repealing obsolete provisions;
- (2) Repeals the prohibition against using arbitration to resolve impasses or disputes relating to state and county Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (3) Authorizes the arbitration panel to make a final and binding decision on Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (4) Repeals the legislative relief option to determine public sector health benefits contributions when an impasse exists regarding the negotiation of state cost issues; and
- (5) Repeals the prohibition against striking over the issue of public sector health benefits contributions.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and University of Hawaii Professional Assembly testified in support of this measure. The Departments of Budget and Fiscal Services and Human Resources of the City and County of Honolulu testified in opposition to this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by 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 S.B. No. 2214, 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. 2214, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1581-12 Finance on S.B. No. 2220

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

- (1) Establishing fee schedules for inspections, permits, and examinations of boilers, pressure systems, amusement rides, elevators, and kindred equipment;
- (2) Establishing the Boiler and Elevator Special Fund into which will be deposited fees from inspections, permits, and examinations of boilers, pressure systems, amusement rides, elevators, and kindred equipment;
- (3) Authorizing the Director of Labor and Industrial Relations to establish permanent positions in the Boiler and Elevator Inspection Branch;
- (4) Requiring the Department of Labor and Industrial Relations to submit an annual report to the Legislature prior to each regular session, starting with the 2013 Regular Session, on:
 - (A) The status of the elevator and boiler inspection backlog;

- (B) The number of inspections completed for the year; and
 - (C) The effect the increase in fees and the Boiler and Elevator Special Fund have had on the elevator and boiler inspection backlog;
- (5) Appropriating funds for start up funds to be deposited into the Boiler and Elevator Special Fund, with general fund revenues to be paid back and deposited into the general fund within five years of the effective date of this measure; and
 - (6) Appropriating funds out of the Boiler and Elevator Special Fund for the purposes specified in this measure.

The Department of Labor and Industrial Relations; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; ILWU Local 142; Plumbers and Fitters Union, Local 675; General Contractors Association of Hawaii; Pacific Resource Partnership; National Elevator Industry, Inc.; and the International Union of Elevator Constructors, Local 126 testified in support of this measure.

Your Committee has amended this measure by:

- (1) Deleting the specified amounts from the appropriation sections;
- (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. 2220, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1582-12 Finance on S.B. No. 2323

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9) and for state officers and employees excluded from collective bargaining unit (9).

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the measure. The Department of Budget and Finance offered comments on the measure.

Your Committee has amended this measure 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. 2323, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2323, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1583-12 Finance on S.B. No. 2324

The purpose of this measure is to provide a vehicle to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of public employees in collective bargaining units (2), (3), (4), (6), (8), and (13) and their excluded counterparts for fiscal year 2012-2013.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the measure. The Department of Budget and Finance offered comments on the measure.

Your Committee has amended this measure 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. 2324, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2324, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1584-12 Finance on S.B. No. 2528

The purpose of this measure, as received by your Committee, is to more efficiently administer the Hawaii 3Ts school technology laboratories in order to strengthen science, technology, and math education in the State by placing the Hawaii 3Ts School Technology Laboratories Fund under the administration of the Department of Business, Economic Development, and Tourism, rather than the Department of Education.

The Department of Business, Economic Development, and Tourism submitted testimony in support of this measure as it was received by your Committee.

Your Committee has amended this measure by:

- (1) Adding the contents of H.B. No. 1511, H.D. 2, Regular Session of 2012, which directs the University of Hawaii to extend its land lease with the High Technology Development Corporation, under the same terms, for at least 25 years beyond the existing lease's expiration date;
- (2) Changing the effective date to July 1, 2012; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528, 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. 2528, S.D. 2, H.D. 3.

Signed by all members of the Committee.

SCRep. 1585-12 Finance on S.B. No. 2239

The purpose of this measure is to establish and fund a Venture Accelerator Funding Program within the Hawaii Strategic Development Corporation to support organizations that closely integrate entrepreneurial support and capital investment to develop the technology-based, entrepreneurial, and commercial markets in Hawaii.

The Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; Hawaii Venture Capital Association; College of Engineering of the University of Hawaii at Manoa; Hyperspective Studios, Inc.; Forest City Hawaii; Hawaii Angels; The Chamber of Commerce of Hawaii; and numerous 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 S.B. No. 2239, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1586-12 Finance on S.B. No. 3050

The purpose of this measure is to promote economic development in the State through job creation and revenue generation by authorizing the Department of Land and Natural Resources to lease public lands by direct negotiation and without recourse to public auction for the purpose of developing creative media facilities.

The Department of Business, Economic Development, and Tourism commented on this measure. An individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3050, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Giugni and Riviere.

SCRep. 1587-12 Finance on S.B. No. 2748

The purpose of this measure is to:

- (1) Require holders of unclaimed property not held in a safekeeping depository to pay or deliver all property to the Director of Finance upon filing their report to the Director of Finance;
- (2) Specify a maximum fee professional unclaimed property locators may charge;
- (3) Allow an owner the right to assert that an agreement is invalid on grounds other than excessive or unjust compensation and allow the court to award reasonable attorney's fees to an owner who prevails in such an action; and
- (4) Specify that payments of undistributed proceeds or balances that a person is legally entitled to as an heir or devisee of a decedent be paid out of the Unclaimed Property Trust Fund.

The Department of Budget and Finance 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. 2748, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1588-12 Finance on S.B. No. 2842

The purpose of this measure is to make the law relating to the filing of civil actions in housing discrimination cases consistent with the federal law under the Fair Housing Act. Specifically, this measure:

- (1) Allows an aggrieved person to file a civil action in an appropriate court no later than two years after the occurrence or termination of an alleged discriminatory housing practice;
- (2) Directs the Hawaii Civil Rights Commission to issue a right to sue on a complaint filed with the Commission if it is determined that a civil action alleging similar facts has also been filed; and
- (3) Specifies available remedies in a civil action for housing discrimination.

The Department of Labor and Industrial Relations and the Hawaii Civil Rights Commission 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. 2842, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1589-12 Finance on S.B. No. 2859

The purpose of this measure is to improve government efficiency by providing additional tools for state board and commission members and the public to receive and access information. Specifically, this measure:

- (1) Allows board and commission members to hear public testimony and presentations on items listed on an agenda during a scheduled meeting even if that meeting must be cancelled due to lack of quorum or terminated for a technical malfunction if the meeting is held by videoconference, with certain limitations, including deferral of deliberation and decision making to a subsequent and properly-noticed meeting;
- (2) Allows less than a quorum of board and commission members to attend informational meetings or presentations on matters related to official board business, with certain limitations;
- (3) Allows, for a four year period, less than a quorum of board and commission members to discuss official board business via social media; provided that the discussion is continuously accessible for public viewing and participation and meets other requirements; and
- (4) Clarifies that the current statutory written public notice requirement of any regular, special, or rescheduled meeting, or any executive meeting when anticipated in advance is the only means required for providing such notice.

The Department of Human Resources Development; Department of Business, Economic Development, and Tourism; Office of Information Practices; Office of Information Management and Technology; Department of Planning and Permitting of the City and County of Honolulu; and several individual members of the County Council of the County of Maui testified in support of this measure. The Office of the County Attorney of the County of Kauai, Americans for Democratic Action/Hawaii, and a concerned individual testified in opposition to this measure. The Office of Hawaiian Affairs, Common Cause Hawaii, League of Women Voters of Hawaii, Society of Professional Journalists Hawaii Chapter, Hawaii Strategic Development Corporation, and High Technology Development Corporation provided comments.

Your Committee has amended this measure by:

- (1) Deleting the provision that allows, for a four year period, less than a quorum of board and commission members to discuss official board business via social media; and
- (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. 2859, 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. 2859, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1590-12 Finance on S.B. No. 2158

The purpose of this measure is to require that a prisoner be discharged promptly when bail is offered and taken, and to require that law enforcement agencies accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed, including nights, weekends, and holidays to facilitate the prompt release of the prisoner from custody or imprisonment.

The Office of Hawaiian Affairs, Office of the Public Defender, Da Kine Bail Bonds, and Professional Bail Agents of Hawaii testified in support of this measure. The Department of Public Safety and a concerned individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Authorizing rather than requiring law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds at those times when the court is closed; and
- (2) Making the effective date 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. 2158, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2158, H.D. 1.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1591-12 Finance on S.B. No. 2858

The purpose of this measure is to allow a state agency to seek judicial review by a circuit court of a decision rendered by the Office of Information Practices, and clarifies the standard of review the circuit court is required to apply.

The Department of Human Resources Development, Office of Information Practices, and Department of Land and Natural Resources testified in support of this measure. The Office of the Mayor of the City and County of Honolulu, three members of the Maui County Council, Americans for Democratic Action/Hawaii, Common Cause Hawaii, Society of Professional Journalists Hawaii Chapter, Big Island Press Club, and a concerned individual testified in opposition to this measure.

Your Committee has amended this measure 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 S.B. No. 2858, 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. 2858, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1592-12 Finance on S.B. No. 2277

The purpose of this measure is to make permanent the Board of Land and Natural Resources' power to:

- (1) Issue incidental take licenses; and
- (2) Enter into safe harbor agreements and habitat conservation plans.

The Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Land Use Research Foundation of Hawaii; Hawaii Forest Industry Association; General Contractors Association of Hawaii; The Pacific Resource Partnership; Building Industry Association-Hawaii; PAHIO Development, Inc.; Hawaii Farm Bureau Federation; and several concerned individuals supported the measure. Life of the Land; the Conservation Council for Hawai'i; the Sierra Club, Hawaii Chapter; Earthjustice; and the Hanalei Watershed Hui opposed the measure. The Nature Conservancy of Hawaii offered comments.

Your Committee has amended this measure by changing its effective date to June 30, 2012.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277, 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. 2277, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1593-12 Finance on S.B. No. 2785

The purpose of this measure is to establish a regulatory framework for the development, financing, and use of a high-voltage undersea electric transmission cable system that will permit the transmission of power generated on one or more islands of the State to an electric utility system located on another island of the State.

The Governor; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Department of Business, Economic Development and Tourism; Public Utilities Commission; ILWU Local 142; The Chamber of Commerce of Hawaii; General Contractors Association of Hawaii; Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; Pacific Resource Partnership; Windward Ahupua'a Alliance; Hawaii Laborers-Employers Cooperation and Education Trust; Building Industry Association of Hawaii; Castle & Cooke Hawaii; NextEra Energy

Transmission, LLC; Hawaii Interisland Cable, LLC; Blue Planet Foundation; First Wind; Land Use Research Foundation of Hawaii; and several concerned individuals testified in support of this measure.

The Kuli'ou'ou/Kalani Iki Neighborhood Board #2, Environmental Caucus of the Democratic Party of Hawaii, Conservation Council for Hawai'i, Life of the Land, Hawaii's Thousand Friends, Friends of Lana'i, Conservation Council for Hawai'i, Hui Hoomalu i ka Aina, and a multitude of concerned individuals testified in opposition to this measure. The City and County of Honolulu and two concerned individuals provided comments on this measure.

As this measure moves forward, your Committee respectfully requests further consideration and discussion of the purpose of tax policy and related tax expenditures affected by this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2785, 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. 2785, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.
(Representative Riviere voted no.)

SCRep. 1594-12 Finance on S.B. No. 3011

The purpose of this measure is to require the Department of Agriculture to transfer three parcels of land located in Kunia, Oahu, to the Agribusiness Development Corporation.

The Hawaii Farm Bureau Federation supported this measure. The Office of Hawaiian Affairs and the Department of Agriculture opposed this measure. The Department of Land and Natural Resources 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. 3011, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 1595-12 Finance on S.B. No. 2850

The purpose of this measure is to permit the Department of Land and Natural Resources to assume control of any vessel that is grounded on coral reef or in imminent danger of breaking up, which the owner is unable to remove within 24 hours of notification by the Department.

The Ocean Tourism Coalition supported this measure. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Permitting the Department of Land and Natural Resources to assume control of the grounded vessel if the Department has made good faith efforts to provide actual notice of the grounding to the vessel's owner or the owner's representative and the notice is futile; and
- (2) Exempting from these provisions an owner or an owner's representative who has:
 - (A) Received actual notification from the Department of Land and Natural Resources; and
 - (B) Commenced effective salvage operations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2850, 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. 2850, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1596-12 Finance on S.B. No. 2825

The purpose of this measure is to allow authorized health organizations limited access to registry information in the Hawaii Immunization Registry in order to produce immunization assessment reports. Additionally, this measure requires the Department of Health to store in the Hawaii Immunization Registry only minimal demographic information on individuals who have elected to refuse inclusion in the registry.

The Department of Health, Hawaii Association of Health Plans, Hawaii Medical Service Association, AlohaCare, and 'Ohana Health Plan testified in support of this measure. The American Civil Liberties Union of Hawaii 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. 2825, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1597-12 Finance on S.B. No. 2536

The purpose of this measure is to establish a Clean and Sober Home and Halfway House Task Force to, among other things:

- (1) Develop a plan of accountability for clean and sober homes and halfway houses to ensure compliance with occupancy and other requirements;
- (2) Conduct an inventory of clean and sober homes statewide, identifying current occupancy levels, and determining compliance with county zoning laws and tax requirements;
- (3) Balance community concerns with the needs of individuals requiring clean and sober homes and halfway houses; and
- (4) Report to the 2013 Legislature on the scope and nature of the accountability plan for clean and sober homes and halfway houses, the process by which the houses will be monitored, the way in which concerns of the community members are balanced with the concerns of those requiring the support of the homes, and how the homes will be regulated short of direct governmental oversight.

The Hawaii Substance Abuse Coalition supported the measure. The Department of Health offered comments on the measure.

Your Committee has amended this measure by:

- (1) Appropriating an unspecified amount from the general fund to be expended by the Department of Health for the purpose of meeting costs and expenditures for the Clean and Sober Home and Halfway House Task Force and related reports and activities required by 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2536, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2536, H.D. 2.

Signed by all members of the Committee except Representatives Kawakami and Yamashita.

SCRep. 1598-12 Finance on S.B. No. 2709

The purpose of this measure is to allow the Department of Health to disclose, upon request from governmental agencies of the State, the dates of vital events to the agencies that seek to verify information contained in vital statistics records for the purpose of updating official lists.

The Department of Health, Department of Human Services, and Department of the Attorney General testified in support of the 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2709, H.D. 2.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1599-12 Finance on S.B. No. 2766

The purpose of this measure is to update the Insurance Code provisions relating to the regulation and administrative oversight of mutual benefit societies, fraternal benefit societies, and health maintenance organizations by the Insurance Division of the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2766, 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. 2766, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 1600-12 Finance on S.B. No. 2813

The purpose of this measure is to require that all monies received by the Disability and Communication Access Board, including all monies collected as application fees or fees for continuing education units for credentialing of interpreters, be placed into the Disability and Communication Access Board Special Fund to be expended to defray costs of administering the Disability and Communication Access Board.

The Disability and Communication Access Board testified in support of this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2813, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1601-12 Finance on S.B. No. 2820

The purpose of this measure is to amend the duties of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances to allow the Commission to focus on addressing the issue of substance abuse as a public health issue.

The Department of Health and Department of Public Safety 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2820, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2820, H.D. 2.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1602-12 Finance on S.B. No. 2821

The purpose of this measure is to reduce the incidence of preventable deaths of persons with developmental or intellectual disabilities by, among other things:

- (1) Authorizing the Department of Health to conduct multidisciplinary and multiagency mortality reviews of deaths of persons with developmental or intellectual disabilities; and
- (2) Requiring all providers of medical care or other services and State and county agencies to disclose adult death review information to the Department of Health and to those individuals appointed by the Director of Health to participate in the mortality review being conducted, upon written request of the Director of Health.

The Department of Health and State Council on Developmental Disabilities testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the 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 S.B. No. 2821, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2821, H.D. 3.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1603-12 Finance on S.B. No. 2827

The purpose of this measure is to expand the uses of the Trauma System Special Fund in supporting the development and operation of a comprehensive state trauma system, to include the costs to staff and operate the State's Injury Prevention Program.

The Department of Health, Healthcare Association of Hawaii, Injury Prevention Advisory Committee, Keiki Injury Prevention Coalition, The Queen's Health Systems, and Fall Prevention Consortium testified in support of this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2030, to facilitate further discussion.

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

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1604-12 Finance on S.B. No. 2828

The purpose of this measure is to ensure compliance with Part C of the Individuals with Disabilities Education Improvement Act of 2004 requirements regarding the Hawaii Early Intervention Coordinating Council by changing its membership composition and functions.

The Department of Health supported this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2012, and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2828, H.D. 3.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1605-12 Consumer Protection & Commerce/Judiciary on S.B. No. 2412

The purpose of this measure is to promote the prompt payment of subcontractors on both government and private-sector construction projects by, among other things:

- (1) Adopting provisions that encourage timely payments to subcontractors; and
- (2) Providing for interest penalties for late payments.

The Plumbers and Fitters Union, Local 675, and Ironworkers Stabilization Fund supported this bill. The Contractors License Board; Department of Design and Construction of the City and County of Honolulu; Department of Budget and Fiscal Services of the City and County of Honolulu; Hawaiian Electric Company; Hawaii Electric Light Company; Maui Electric Company; Building Industry Association of Hawaii; General Contractors Association of Hawaii; S&M Sakamoto, Inc.; King & Neel, Inc.; LYZ, Inc.; Healy Tibbitts Builders, Inc.; Lindemann Construction Inc.; and Tomco Corp. opposed this measure.

After careful consideration, your Committees have amended this bill by, among other things:

- (1) Deleting the provisions relating to performance bonds;
- (2) Deleting the provisions relating to interest on delayed payments of periodic and final payments to subcontractors, after receipt of same by contractors;
- (3) Deleting the provisions requiring contractors to fully pay subcontractors who complete 100 percent of their subcontracts, under certain circumstances;
- (4) Deleting the provisions relating to the percentage of retainage on payments to the subcontractor by the contractor;
- (5) Deleting the provisions relating to the owner, contractor, and subcontractor concerning allowable partial payment, limitations of retainage, interest on delayed final payment, notice of completion, and acceptance of work;
- (6) Deleting provisions relating to the publishing of the notice of completion of the contracted-for improvements;
- (7) Requiring the contractor to pay the subcontractor within ten days of receiving a qualifying invoice from the subcontractor and providing for interest at the rate of one and one-half percent on delinquent payments;
- (8) Changing the effective date to July 1, 2012; and
- (9) 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. 2412, 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. 2412, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Coffman, Ito, Luke, McKelvey and Ching.

SCRep. 1606-12 Finance on S.B. No. 2288

The purpose of this measure is to ensure the cost effectiveness of renewable energy technology projects by:

- (1) Disallowing a taxpayer to claim a tax credit for renewable energy technologies for installing a renewable energy system for, or entering into a power purchase agreement with, a county, state, or federal agency;
- (2) Applying the renewable energy technologies credit on a per-property rather than a per-system basis; and
- (3) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities.

The Department of Taxation and ProVision Solar, Inc. testified in support of this measure. The Department of Design and Construction of the City and County of Honolulu; Sierra Club, Hawaii Chapter; Kairos Energy Capital, LLC; SunRun; Rising Sun; Forest City Hawaii; SunPower; Solar Energy Industries Association; Hawaii PV Coalition; and Blue Planet Foundation testified in opposition to this measure. The Department of Business, Economic Development, and Tourism 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. 2288, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kawakami.
(Representative Ward voted no.)

SCRep. 1607-12 Finance on S.B. No. 2752

The purpose of this measure is to allow electric utility companies operating within the State to recover all power purchase costs that arise out of power purchase agreements that have been approved by the Public Utilities Commission.

The Public Utilities Commission; the Hawaii Renewable Energy Alliance; Hawaiian Electric Company, Inc.; Maui Electric Company, Limited; Hawaii Electric Light Company, Inc.; and Blue Planet Foundation 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. 2752, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1608-12 Finance on S.B. No. 2768

The purpose of this measure is to conform to unified standards adopted by the National Association of Insurance Commissioners by eliminating the underlying producer license requirement as a prerequisite for applying and obtaining a surplus lines broker license.

In addition, this measure:

- (1) Provides greater clarity and consistency in licensing insurance producers that sell annuity products; and
- (2) Clarifies the licensing requirements for reinsurance intermediaries and removes unnecessary licensing conditions.

The Department of Commerce and Consumer Affairs and National Association of Insurance and Financial Advisors 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. 2768, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Riviere.

SCRep. 1609-12 Finance on S.B. No. 2429

The purpose of this measure is to implement the 2011 recommendations of the Mortgage Foreclosure Task Force and other best practices to address mortgage foreclosures and related issues, including:

- (1) Adding provisions relating to unpaid assessments and release of recorded liens by associations;
- (2) Clarifying the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, by establishing general provisions and provisions for an association alternate power of sale process;
- (3) Clarifying provisions relating to penalties and fines;
- (4) Clarifying provisions relating to public notice of public sale;
- (5) Clarifying provisions relating to unfair or deceptive acts or practices; and
- (6) Making other clarifying and conforming amendments.

The Legal Aid Society of Hawaii and Hawaiian Community Assets testified in support of this measure. The Hawaii Bankers Association; Hawaii

Financial Services Association; Hawaii Credit Union League; Mililani Town Association; and Association of Apartment Owners of The Cliffs at Princeville testified in opposition to this measure. The Department of Commerce and Consumer Affairs; Hawaii Association of REALTORS; Hawaii Chapter of the Community Associations Institute; RCO Hawaii, LLLC; Honolulu Star-Advertiser; and two individuals provided comments.

Your Committee finds that this bill and its companion, House Bill No. 1875, were introduced to facilitate the statutory changes needed to implement the task force's recommendations. As both measures proceeded through the legislative process, the standing committees in both the House of Representatives and the Senate were offered conflicting viewpoints on the merits and potential problems with the technical language of the bills. Accordingly, the stakeholders have continued to meet to find consensus on the best statutory remedies that can be offered at this point in time.

On March 30, 2012, your Committee heard Senate Bill No. 2429, Senate Draft 2. During this public hearing, your Committee received testimony from the Chair of the Task Force stating that after careful deliberation by the stakeholders, a compromise was found. However, because the statutory amendments needed to facilitate this compromise were voluminous, it was unclear whether the bill, as amended, could be drafted and adequately reviewed in time to meet the Second Decking Deadline scheduled for April 5, 2012.

In addition, the Legislature finds that the United States Court of Appeals for the Ninth Circuit opined in *In re: Margery Kanamu-Kalehuanani Kekauoha-Alisa v. Ameriquest Mortgage Company; JPMC Specialty Mortgage, LLC, FKA WM Specialty Mortgage, LLC*, Slip Op. 09-60019 (March 26, 2012), that Hawaii law requires strict compliance with statutory foreclosure procedures. Presently, it is unclear how this decision will impact the compromise among the stakeholders and the provisions of their proposed amendments.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language to facilitate continued discussions among the various stakeholders and ensure a thorough legal and technical review of the statutory amendments offered to the Legislature. It is the intent of your Committee that this measure serve as a vehicle to ensure that the Legislature can work on these issues during Conference. It is also the intent of your Committee that the House of Representatives and the Senate be provided with maximum flexibility during the remainder of the Regular Session of 2012, to facilitate a meaningful resolution to these issues.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2429, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2429, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1610-12 Finance on S.B. No. 2763

The purpose of this measure is to protect Hawaii homeowners by amending the Secure and Fair Enforcement for Mortgage Licensing Act, Chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and to adjust fees in light of new regulatory requirements.

The Department of Commerce and Consumer Affairs testified in support of this measure. Central Pacific Bank testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to facilitate 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, 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. 2763, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1611-12 Finance on S.B. No. 2765

The purpose of this measure is to maintain Hawaii's position as a major captive insurance domicile by updating and streamlining the state's captive insurance company law and ensuring that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

The Department of Commerce and Consumer Affairs and Hawaii Captive Insurance Council testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, 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. 2765, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Riviere.

SCRep. 1612-12 Finance on S.B. No. 2767

The purpose of this measure is to update the Insurance Code to conform with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

The Department of Commerce and Consumer Affairs and Hawaii Insurance Guaranty Association testified in support of this measure. The American Council of Life Insurers, American Insurance Association, Property Casualty Insurers Association of America, and Ringler Associates provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2767, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2767, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Riviere.

SCRep. 1613-12 Finance on S.B. No. 2805

The purpose of this measure is to reduce the number of candidates the Hawaii Public Housing Authority Resident Advisory Board must submit to the Governor for consideration for appointment to the resident member seat on the Hawaii Public Housing Authority Board of Directors.

The Department of Human Services and Hawaii Public Housing Authority 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. 2805, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1614-12 Finance on S.B. No. 2397

The purpose of this measure is to prohibit the counties from requiring the installation or retrofitting of automatic fire sprinklers or an automatic fire sprinkler system in any new or existing detached one- or two-family dwelling unit used for residential purposes and non-residential agricultural and aquacultural buildings or structures outside an urban area, but allows counties to require sprinklers for any new home that requires a variance from access road or fire fighting water supply requirements.

The Hawaii Farm Bureau Federation; General Contractors Association of Hawaii; Building Industry Association; Hawaii Laborers-Employers Cooperation and Education Trust; RMA Sales; Alan Shintani Incorporated; Gentry Homes, Ltd.; and Coalition of Hawaii Engineering & Architectural Professionals testified in support of this measure. The State Fire Council, Honolulu Fire Department, and Hawaii Fire Department of the County of Hawaii testified in opposition to this measure. Complete Construction Services provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2397, 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. 2397, S.D. 1, H.D. 3.

Signed by all members of the Committee.

SCRep. 1615-12 Finance on S.B. No. 2435

The purpose of this measure is to appropriate an unspecified amount of funds for the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to maintain a telephone-based audible information access service through a contract for services with a Hawaii affiliate of a qualifying national organization.

The Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, Disability and Communication Access Board, and several concerned individuals supported the measure.

Your Committee has amended this measure by:

- (1) Requiring the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to develop a program to charge a fee to enable individuals who are not blind, visually-impaired, or print-disabled to access media and television

listings by means of a touch-tone telephone, the Internet, or by downloading the information to a digital talking book or MP3 playing device;

- (2) Deleting the condition that the Vocational Rehabilitation and Services for the Blind Division's contract for services be with a Hawaii affiliate of a qualifying national organization;
- (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 S.B. No. 2435, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2435, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1616-12 Finance on S.B. No. 2779

The purpose of this measure is to streamline and increase access to long-term supports and services for older adults, persons with disabilities, family caregivers, and providers by establishing the Aging and Disability Resource Centers Program with sites in each county to create a single, coordinated system of information and access. This measure also appropriates an unspecified amount in general funds to support the Program.

The Governor; Executive Office on Aging; Elderly Affairs Section of the City and County of Honolulu; Maui County Office on Aging; Policy Advisory Board for Elder Affairs; Disability and Communication Access Board; ILUW Local 142; United Public Workers, AFSCME, Local 646, AFL-CIO; Healthcare Association of Hawaii; Child and Family Service; Hawaii Community Foundation; AARP; Lanakila Pacific; Hawaii Alliance for Retired Americans; Hawaii Island Healthcare Alliance; and many concerned individuals supported this measure. The Hawaii County Office of Aging provided comments.

Your Committee has amended this measure by:

- (1) Changing the implementation of the Aging and Disability Resource Centers Program from mandatory to discretionary;
- (2) Changing the effective date to July 1, 2030, to facilitate 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. 2779, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2779, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1617-12 Finance on S.B. No. 2213

The purpose of this measure is to protect public employees' rights by clarifying that in releasing an employee from the employee's position or discharging an employee from service, the appointing authority shall consider the feasibility of transferring or demoting an employee to another position for which the employee qualifies within the department before discharging the employee due to the employee's failure to meet performance requirements.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments on this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2030, for the purpose of facilitating 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. 2213, 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. 2213, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1618-12 Finance on S.B. No. 2750

The purpose of this measure is to address the Employees' Retirement System's unfunded liability by amending the law regarding the calculation of a member's average final compensation, to prevent pension spiking. Specifically, among other things, this measure:

- (1) Requires a public employee's or former public employee's last state or county employer to pay to the Employees' Retirement System the present value of additional benefits resulting from pension spiking; and
- (2) Limits the amount of compensation to be considered in an Employees' Retirement System member's average final compensation benefit calculation, by excluding from the calculation formula, late career compensation spikes that are attributable to non-base pay compensation, including overtime.

The Employees' Retirement System Board of Trustees and Department of the Attorney General testified in support of this measure. The Honolulu Police Department, Honolulu Fire Department, Hawaii Fire Department, Hawaii Government Employees Association, University of Hawaii Professional Assembly, and State of Hawaii Organization of Police Officers testified in opposition to this measure. The Department of Budget and Finance and Department of Budget and Fiscal Services of the City and County of Honolulu provided comments.

Your Committee has amended this measure 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. 2750, 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. 2750, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1619-12 Finance on S.B. No. 2248

The purpose of this measure is to create a medical release program within the Department of Public Safety for seriously- or terminally-ill, disabled, or elderly inmates who pose a low risk to public safety.

The Office of Hawaiian Affairs, Office of the Public Defender, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, Native Hawaiian Legal Corporation, Na Aha Maluhia, First Unitarian Church of Honolulu, Malu 'Aina, and several individuals testified in support of this measure. The Department of Public Safety and Hawaii Paroling Authority commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the requirement allowing an inmate and an inmate's representative to participate in an administrative hearing and submit medical and other evidence in support of a request for medical release;
- (2) Requiring the Department of Public Safety and Hawaii Paroling Authority to jointly develop appropriate policies and procedures to implement the medical release program, rather than requiring the Department of Public Safety to adopt administrative rules to implement the medical release program;
- (3) Specifying that with regard to the assessment and referral of inmates to the Hawaii Paroling Authority, medical release shall be pursuant to the jointly-established medical release program developed by the Department of Public Safety and Hawaii Paroling Authority;
- (4) Changing its effective date to July 1, 2030, to facilitate 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. 2248, 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. 2248, S.D. 2, H.D. 3.

Signed by all members of the Committee.

SCRep. 1620-12 Finance on S.B. No. 2584

The purpose of this measure is to increase access to the State's Tuition Assistance Program for Hawaii National Guard members who are resident students working toward a degree within the University of Hawaii System by:

- (1) Expanding eligibility to all commissioned officers of the Hawaii National Guard and members working toward a graduate degree; and
- (2) Appropriating an unspecified amount of general revenues to support the Tuition Assistance Program.

The Department of Defense of the State of Hawaii, University of Hawaii System, Oahu Veterans Council, and Hawaii National Guard Enlisted Association testified in support of this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2584, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2584, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1621-12 Finance on S.B. No. 2655

The purpose of this measure is to protect consumers of portable electronics in Hawaii by making portable electronics insurance available for purchase. Specifically, this measure:

- (1) Requires vendors to hold a limited lines license to sell or offer coverage under a portable electronics insurance policy;
- (2) Establishes sanctions for violations;
- (3) Establishes requirements for termination of insurance; and
- (4) Establishes licensing fees.

Asurion supported this measure. The Department of Commerce and Consumer Affairs commented on this measure.

Your Committee has amended this measure by deleting the amount of the licensing fees for the portable electronics limited lines license. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2655, 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. 2655, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1622-12 Finance on S.B. No. 2780

The purpose of this measure, as received by your Committee, is to:

- (1) Fund the State's business and technology transformation initiative by making a general fund appropriation and authorizing the issuance of general obligation bonds to develop and implement an integrated financial and human resource management system for the State;
- (2) Require the Office of Information Management and Technology to submit a report regarding the use of appropriated funds to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013; and
- (3) Require state departments to attempt to sell or donate used office technology and equipment to schools, school districts, nonprofit organizations, or salvage businesses before disposal.

For the purposes of a public hearing on this measure, your Committee circulated proposed S.B. 2780, S.D. 1, H.D. 2, and notified the public that it would be accepting testimony on the proposed draft, which, among other things:

- (1) Directs all departments, with the approval of the governor or the director of finance if so delegated by the governor, to transfer:
 - (A) From any special fund or revolving fund to the shared services technology special fund all or any portion of moneys determined to be in excess of fiscal year 2012 and 2013 requirements for such special fund or revolving fund attributable to personal services savings; and
 - (B) Ten percent of all appropriations attributable to vacant positions to the shared services technology special fund; and
- (2) Requires state departments to attempt to sell or donate used office technology and equipment to schools, school districts, nonprofit organizations, or salvage businesses before disposal.

The Department of Accounting and General Services, Office of Information Management and Technology, Department of Budget and Finance, and Department of Education provided comments on this measure.

Your Committee adopted the proposed draft with the following amendments:

- (1) Changing the effective dates of Part I and Part II to July 15, 2030, and July 1, 2030, respectively, to facilitate 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780, 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. 2780, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1623-12 Finance on S.B. No. 2758

The purpose of this measure is to facilitate compliance with, and the efficient administration of, Hawaii's business registration laws by clarifying or correcting errors, ambiguities, and inconsistencies in Hawaii's business registration laws.

The Department of Commerce and Consumer Affairs, University of Hawaii Professional Assembly, and Hawaii Association of Independent Schools testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2758, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Riviere.

SCRep. 1624-12 Finance on S.B. No. 3062

The purpose of this measure is to enact the Life Settlements Model Act, which establishes consumer protections in life settlement transactions in which the owner of a life insurance policy transfers the death benefit to another person or entity in return for compensation that is more than the policy's cash surrender value but less than its expected death benefit.

The American Council of Life Insurers testified in support of this measure. The Department of Commerce and Consumer Affairs, Office of Information Practices, and National Association of Insurance and Financial Advisors Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that a person may act as a life settlement broker with an owner who is a resident of Hawaii if the person is a life insurance producer who has been duly licensed as a resident insurance producer with a life line of authority in Hawaii or the producer's home state for at least one year and is issued a broker license in Hawaii;
- (2) Clarifying that a provider license issued to a partnership, corporation, or other entity authorizes all members, officers, and designated employees to act as a licensee under the license, if those persons are named in the application and any supplements to the application;
- (3) Deleting the requirement that specified individuals complete fifteen hours of training related to life settlements and life settlement transactions on a biennial basis;
- (4) Changing the fee for all services (including extension of the license) for a regularly licensed life settlement broker to \$150 per year;
- (5) Deleting the annual fees for all services (including extension of the license) for regularly licensed life settlement contract brokers;
- (6) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3062, 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. 3062, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1625-12 Finance on S.B. No. 2939

The purpose of this measure is to provide for the public health, safety, and general welfare of the community by authorizing the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2939, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1626-12 Finance on S.B. No. 2126

The purpose of this measure is to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and Department of Health as they relate to various health care services by transferring to the Office of Health Care Assurance of the Department of Health, the programs of the Department of Human Services relating to:

- (1) Home and community-based case management and community care foster family homes; and
- (2) Adult day care.

The Department of Human Services, Hawaii Alliance for Retired Americans, and United Self Help testified in support of this measure. The Department of Health provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that the adult abuse perpetrator checks conducted determine whether an adult abuse perpetrator is known to the Department

of Human Services;

- (2) Clarifying that the adult abuse perpetrator checks that are conducted relate to a search for the individual's name and birth date in the Department of Human Services' adult protective service file;
- (3) Amending the definition of "day care center" by specifying that it include a family home providing care for two or more adults, rather than two or three adults, to make the statute uniform with county zoning laws that permit a family home licensed as a day care center to provide care up to a specified number of individuals; and
- (4) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2126, 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. 2126, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1627-12 Finance on S.B. No. 2466

The purpose of this measure is to ensure access to health care for Medicaid recipients by establishing a nursing facility sustainability fee and a special fund to receive moneys from the nursing facility sustainability fee in order to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

Hawaii Healthcare Association, Hawaii Long Term Care Association, and an individual testified in support of this measure. The Department of Human Services, Department of Budget and Finance, and Hawaii Health Systems Corporation commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the "Medicare resident days" definition;
- (2) Defining the terms "QUEST", "QUEST expanded access", and "Section 1115 waiver";
- (3) Deleting as a source of revenues for the Nursing Facility Sustainability Program Special Fund, the federal matching funds received by the Department of Human Services;
- (4) Changing the disbursement schedule of revenues from the nursing facility sustainability fee;
- (5) Deleting the specific percentage amount for which the nursing facility sustainability fee can be used for administrative expenses;
- (6) Deleting the Medicare Part A resident days provision from the nursing facility sustainability fee calculation;
- (7) Changing the conditions with respect to nursing facility providers that are subject to and exempt from the nursing facility sustainability fee;
- (8) Requiring nursing facilities to pay the nursing facility sustainability fee in twelve equal installments;
- (9) Changing the due dates for the payment of the nursing facility sustainability fee;
- (10) Clarifying the federal approval provisions with respect to implementation of the Nursing Facility Sustainability Program;
- (11) Decreasing the penalty amount for failing to pay the nursing facility sustainability fee;
- (12) Deleting the requirement regarding the QUEST and QUEST Expanded Access plans use of the rate enhancement to reimburse nursing facilities based on inpatient use of their QUEST and QUEST Expanded Access enrollees;
- (13) Stipulating that the rate enhancement shall first reimburse the Medicaid share of the assessment to each nursing facility, with the remainder being an equal per diem per Medicaid day to each facility;
- (14) Deleting the authority of the State to modify the categories of facilities exempt from the assessment and the rate adjustment provisions;
- (15) Making the payment of rate enhancements retroactive; and
- (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2466, 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. 2466, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Giugni and Kawakami.

SCRep. 1628-12 Finance on S.B. No. 2534

The purpose of this measure is to ensure that students in Hawaii have adequate facilities in which to learn by establishing the School Facilities Special Fund to accept revenue generated from the non-permanent disposition of public school lands and facilities to fund the new construction and upgrade of twenty-first century school facilities and the retrofit and upgrade of existing school facilities.

The Department of Education, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Carpenters Union supported this measure. The Department of Budget and Finance, Office of Hawaiian Affairs, The Pacific Resource Partnership, and Hawaii Laborers-Employers Cooperation and Education Trust provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, 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. 2534, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1629-12 Finance on S.B. No. 2933

The purpose of this measure is to:

- (1) Require the Department of Land and Natural Resources to adopt and enforce stricter rules and regulations that protect ocean users;
- (2) Appropriate moneys for swim zone buoys at Kamaole Beach on Maui; and
- (3) Establish the West Maui Ocean Recreation Management Area Advisory Committee to advise the Department of Land and Natural Resources on issues related to the uses and maintenance of state waters within the West Maui ocean recreation management area.

Ocean Tourism Coalition, Kaanapali Kai Charters, Marine and Coastal Zone Advocacy Council, Na Kupuna O Maui, Trilogy Excursions, two members of the Maui County Council, and numerous individuals testified in support of this measure. The Department of Land and Natural Resources provided comments on this measure

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to facilitate 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933, 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. 2933, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1630-12 Finance on S.B. No. 2876

The purpose of this measure is to assist the Department of Transportation's Harbors Division in addressing the management and operations of its commercial harbor facilities by, among other things:

- (1) Establishing an administrative hearing process for non-criminal violations issued by enforcement officers or harbor agents;
- (2) Stipulating that fines and penalties for non-criminal matters shall be deposited into the Harbor Special Fund;
- (3) Including recreational properties and properties used for the landing of fish within the jurisdiction of the Department of Transportation, and removing references to Kewalo Basin as Kewalo Basin is currently under the jurisdiction of the Hawaii Community Development Authority;
- (4) Clarifying that citations and violations of the traffic code and other criminal statutes shall be issued by law enforcement officers conferred with police powers by the Director of Transportation;
- (5) Authorizing the courts or administrative hearings officers to deprive an individual violating any rule of the Department of Transportation of the privilege of entering the secured area of the port or obtaining an operating or mooring permit for any vessel in state waters for a period of not more than one year;
- (6) Stipulating that an individual deprived of operating or mooring any vessel in state waters that is allowed to resume these activities after the penalty period is completed shall assume the last position on any waiting list for such activities; and

- (7) Requiring commercial harbor tenants and users who violate any federal maritime transportation security law or rule that results in the Department of Transportation being assessed a fine by the United States Coast Guard to reimburse the Department of Transportation for the fine.

The Department of Transportation provided comments on this measure.

Your Committee has amended this measure by:

- (1) Establishing a state harbors civil violations system to process violations of departmental regulations for which administrative penalties have been authorized by law or rules adopted thereunder to address civil matters occurring within the harbors rather than attempting to establish such a system under current criminal enforcement statutes;
- (2) Establishing general administrative penalties provisions that would allow the Department of Transportation to set, charge, and collect administrative fines or bring legal action to recover administrative fees and costs as documented by receipts or affidavit, including attorneys' fees and costs or bring legal action to recover administrative fines, fees, and costs, including attorneys' fees and costs, or payment for damages resulting from a violation of law or rules governing Hawaii's harbors;
- (3) Stipulating that administrative fines shall not exceed \$10,000 for each day of violation;
- (4) Specifying that the State shall retain the right to pursue civil action for a violation of laws or rules governing Hawaii's harbors even if criminal actions have been pursued for the violation, and to pursue criminal action even if civil action has been pursued;
- (5) Clarifying that moneys received by the Department of Transportation from specified rates, fees, fines, and administrative penalties shall be deposited into the Harbor Special Fund;
- (6) Establishing minimum and maximum fines for violations of harbor laws, rules, or lawful commands of certain personnel;
- (7) Stipulating that violations of rules regulating vehicular parking or traffic movement shall be considered traffic infractions and shall be adjudicated as such;
- (8) Establishing graduated fines for the commission of traffic infractions;
- (9) Establishing minimum and maximum fines for each violation of any rule adopted by the Department of Transportation relating to unauthorized discharge, dumping, or abandoning, in any state harbor facility or state waters, of any petroleum product, hazardous material, or sewage in violation of the state water quality standards established by the Department of Health and stipulating that the fines shall not be more than \$10,000 per day of violation;
- (10) Stipulating that any vessel, the agents, owner or crew of which violates any rule of the Department of Transportation shall not be fined more than \$10,000 for each day of violation;
- (11) Clarifying that the Department of Transportation is also authorized to deprive an individual violating any rule of the Department of the privilege of entering the secured area of the port or obtaining an operating or mooring permit for any vessel in state waters for a period of not more than one year;
- (12) Changing its effective date to upon approval; and
- (13) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2876, 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. 2876, S.D. 2, H.D. 3.

Signed by all members of the Committee.

SCRep. 1631-12 Finance on S.B. No. 2506

The purpose of this measure is to consolidate the State non-driver's identification program with the driver's license program under the Department of Transportation. Specifically, this measure, among other things:

- (1) Transfers the responsibility of the program for the issuance of non-driver's identification cards for the State of Hawaii from the Department of the Attorney General to the Director of Transportation; and
- (2) Requires that the non-driver's identification cards be issued by the examiner of drivers in each county.

The Department of Transportation, Department of the Attorney General, and the Judiciary testified in support of this measure. The Department of Customer Services of the Division of Motor Vehicle, Licensing and Permits Administration of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2506, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1632-12 Finance on S.B. No. 3053

The purpose of this measure is to establish and appropriate funds for the Aha Moku Advisory Committee within the Department of Land and Natural Resources to advise the Chairperson of the Board of Land and Natural Resources on issues related to traditional indigenous land and natural resources management practices that will protect the environment, promote sustainability, and preserve Hawaiian culture.

The Aha Moku Advisory Committee and Association of Hawaiian Civic Clubs supported the measure. The Office of Hawaiian Affairs opposed the measure. The Department of Land and Natural Resources and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of 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. 3053, 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. 3053, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1633-12 Finance on S.B. No. 2386

The purpose of this measure is to:

- (1) Require the Native Hawaiian Roll Commission to be responsible for receiving and maintaining verification documents from individuals seeking to be included in the roll of qualified Native Hawaiians;
- (2) Require verification documents to be kept confidential, notwithstanding any other law to the contrary; and
- (3) Prohibit the Native Hawaiian Roll Commission from publishing or releasing any verification documents of any qualified Native Hawaiian on the roll.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Native Hawaiian Roll Commission, and two concerned individuals supported 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 S.B. No. 2386, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1634-12 Finance on S.B. No. 2790

The purpose of this measure is to allow the Department of Hawaiian Home Lands to continue building affordable homes for its beneficiaries by extending the repeal date of the pilot project created by Act 187, Session Laws of Hawaii 2010, that enables the Department to begin housing and other projects without having the full amount of the cost of the projects on hand at the beginning of the project.

The Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, Waianae Kai Homestead Community Association, the Sovereign Moku-puni Council O Molokai, and several individuals supported this measure. Aupuni O Hawaii and an individual opposed this measure.

Your Committee has amended this measure by:

- (1) Repealing the requirement that the Department of Hawaiian Home Lands submit an annual report to the Legislature and the United States Department of the Interior on expenditures from the Native Hawaiian Rehabilitation Fund that are derived from the amounts deposited from commercial and multipurpose project lease extensions;
- (2) Repealing the requirement that the Department of Hawaiian Home Lands deposit 15 percent of all revenues generated from the lease from the time a lease extension is granted into the Native Hawaiian Rehabilitation Fund;
- (3) Adding a provision to the Hawaiian Homes Commission Act that requires the Department of Hawaiian Home Lands to deposit into the Hawaiian Home Administration Account all lease revenues from commercial and multipurpose project leases;
- (4) Repealing the provision in Act 187, Session Laws of Hawaii 2010, that requires the Department of Hawaiian Home Lands to deposit into:
 - (A) The Hawaiian Home Lands Trust Fund all lease revenues collected from commercial and multipurpose project leases; and
 - (B) The Native Hawaiian Rehabilitation Fund 15 percent of all revenues that are derived from the amounts deposited from commercial and multipurpose project lease extensions; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2790, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2790, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1635-12 Finance on S.B. No. 3003

The purpose of this measure is to:

- (1) Allow geothermal resources exploration and geothermal resources development in all state land use districts and all zones of the conservation district; and
- (2) Repeal the geothermal resource subzone provisions in the state land use law.

The Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Innovations Development Group; Pacific Resource Partnership; Indigenous Consultants, LLC; and Ormat Technologies, Inc., supported this measure. The Office of Hawaiian Affairs opposed this measure. The Sierra Club, Hawaii Chapter and an individual commented on this measure.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3003, 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. 3003, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1636-12 Finance on S.B. No. 2981

The purpose of this measure is to allow the Public Utilities Commission to direct electric utilities to include specific scenarios in each utility's integrated resource planning action plan to help the State achieve its clean energy goals by:

- (1) Developing a framework to replace oil-based power generation facilities; and
- (2) Examining certain policies related to the distribution of renewable energy, including the transmission of excess electricity generated from firm or intermittent renewable resources via an undersea cable.

The Blue Planet Foundation, the Hawaii Renewable Energy Alliance, and an individual supported this measure. The Kuliouou/ Kalani Iki Neighborhood Board No. 2 and an individual opposed this measure. The Public Utilities Commission and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, 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. 2981, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1637-12 Finance on S.B. No. 1197

The purpose of this measure is to promote and facilitate the replacement of fossil fuel generated electricity and the implementation of smart-grid management by:

- (1) Authorizing the Public Utilities Commission to establish a grid reliability management rate surcharge to enable an electric utility company to recover operational costs incurred under a power purchase agreement provided that the agreements do not contain:
 - (A) Provisions for rates based on avoided costs; and
 - (B) Provisions relating to excessive curtailment of renewable energy produced except under an emergency; and
- (2) Authorizing the Public Utilities Commission to provide a higher rate of return to an electric utility company for capital investments for transmission, distribution, and grid reliability upgrades installed to support the connection to and integration of new renewable energy based power generation facilities.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Hawaiian Electric Company, and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company opposed this measure. The Public Utilities Commission, the Blue Planet Foundation, Hawaii Renewable Energy Alliance, and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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. 1197, 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. 1197, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1638-12 Finance on S.B. No. 2281

The purpose of this measure is to allow an agency to bypass the preparation of a separate environmental assessment and proceed directly to notice and preparation of an environmental impact statement, if the agency, based on its judgment and experience, determines that an environmental impact statement is likely to be required for a proposed action.

The Office of Environmental Quality Control, Office of Planning, Environmental Council, The Chamber of Commerce of Hawaii, and the Building Industry Association of Hawaii supported this measure. The Department of Transportation and the Office of Hawaiian Affairs 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. 2281, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1639-12 Finance on S.B. No. 2787

The purpose of this measure is to support the stability and reliability of the Hawaii electric system by authorizing the Public Utilities Commission to:

- (1) Develop, adopt, and enforce electric reliability standards and interconnection requirements;
- (2) Contract for the services of a Hawaii Electricity Reliability Administrator to monitor and enforce standards, and perform other technical interconnection-related support functions; and
- (3) Establish the Hawaii Electricity Reliability Surcharge to ensure the reliable operation of the Hawaii electricity system and oversee grid access of the Hawaii electric system.

The Governor; Public Utilities Commission; Department of Business, Economic Development, and Tourism; Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Company; International Longshore and Warehouse Union, Local 142; Blue Planet Foundation; and an 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. 2787, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1640-12 Finance on S.B. No. 2927

The purpose of this measure is to facilitate commercial and residential development of an exceptional level of quality on land adjacent to public transportation stations and centers by creating a process and reducing up-front costs that will encourage projects for neighborhood reinvestment. Specifically, this measure:

- (1) Establishes planning districts and creates a process for developers to apply for residential and commercial exceptional planning projects;
- (2) Establishes the Transit-oriented or Main-street Redevelopment Program;
- (3) Authorizes state and county incentives for exceptional planning projects; and
- (4) Establishes a discretionary review process for the transfer of floor area within the planning district.

The Department of Planning and Permitting of the City and County of Honolulu; an individual member of the County of Hawaii Council; the General Contractors Association of Hawaii; The Pacific Resource Partnership; Hawaii Laborers-Employers Cooperation and Education Trust; the Building Industry Association of Hawaii; the Hawaii Carpenters Union; the Laborers' International Union of North America, Local 368; and Windward Ahapuaa Alliance supported this measure. The Kakaako Makai Community Planning Advisory Council; the Sierra Club, Hawaii Chapter; The Outdoor Circle; Hawaii's Thousand Friends; Life of the Land; and numerous individuals opposed this measure. The Hawaii Housing Finance and Development Corporation, the Department of the Attorney General, The Chamber of Commerce of Hawaii, and the Honolulu Authority for Rapid Transportation 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. 2927, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1641-12 Finance on S.B. No. 580

The purpose of this measure is to protect Hawaii's marine environment by, among other things:

- (1) Requiring the Department of Land and Natural Resources to conduct a review of the effectiveness of two existing marine life conservation districts on Maui and conduct a similar review every five years after the initial review;
- (2) Requiring the Department to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session following the review; and
- (3) Statutorily establishing the Division of Aquatic Resources within the Department.

Alii Holo Kai and Hawaii Nearshore Fishermen testified in support of this measure. The Department of Land and Natural Resources, Department of the Attorney General, Department of Business, Economic Development, and Tourism, and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Deleting references to the Hawaii Administrative Procedure Act, otherwise known as Chapter 91, Hawaii Revised Statutes, as it pertains to the requirement that the Department of Land and Natural Resources hold public meetings and hearings with regard to the review of the effectiveness of the marine life conservation districts on Maui since Chapter 91, Hawaii Revised Statutes, governs the rulemaking process and contested case hearings and would not apply in this case;
- (2) Changing its effective date to July 1, 2030, to facilitate 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. 580, 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. 580, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1642-12 Finance on S.B. No. 490

The purpose of this measure is to provide \$2,000,000 per year for three years to develop and implement initiatives that take advantage of expanded visa programs to increase travel opportunities for international visitors who wish to visit Hawaii.

The Hawaii Tourism Authority provided comments.

Your Committee has amended this measure by:

- (1) Inserting a blank amount for transient accommodations tax revenue allocated for deposit into the tourism special fund;
- (2) Inserting a blank amount to be expended for the development and implementation of programs to increase travel opportunities for international visitors to Hawaii;
- (3) Changing the effective date to July 1, 2030, to facilitate 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. 490, S.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 490, S.D. 3, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1643-12 Finance on S.B. No. 3048

The purpose of this measure is to stimulate new construction and renovation work by creating tax incentives for:

- (1) Employers that hire certain individuals at new or renovated hotel and resort facilities; and
- (2) Large hotel and resort construction and renovation projects.

The Hawaii Tourism Authority; Hawaii Lodging & Tourism Association; Outrigger Hotels and Resorts; Wyndham Vacation Ownership; Starwood Hotels and Resorts; and American Resort Development Association - Hawaii testified in support of this measure. The Department of Taxation and General Contractors Association of Hawaii testified in opposition to this measure. The Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and Pacific Resource Partnership provided comments.

Your Committee has amended this measure by deleting its contents and replacing them with language that helps to stimulate the travel and tourism industry by providing an income tax credit for qualified hotel facility construction and renovation, located in Hawaii, for taxable years beginning on January 1, 2013, and ending on December 31, 2018; provided that it does not include the construction or renovation costs for which another credit was previously claimed.

This measure, as amended, also:

- (1) Makes permanent the additional two percent tax on the gross rental or gross rental proceeds derived from furnishing transient accommodations; and
- (2) Takes effect upon its approval.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3048, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3048, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1644-12 Finance on S.B. No. 2739

The purpose of this measure is to authorize the Small Business Regulatory Review Board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with its earlier determination or does not address the public's concerns.

The Hawaii Association of Public Accountants, Hawaii Farm Bureau Federation, and a few individuals supported this measure. The Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Department of Human Services, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, and Department of Agriculture opposed this measure. The Department of Business, Economic Development, and Tourism and Department of Taxation 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. 2739, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1645-12 Finance on S.B. No. 745

The purpose of this measure 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 an individual supported the measure.

Your Committee has amended this measure by:

- (1) Deleting the contents of this measure and replacing same with provisions that extend the lapsing date of the special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC, pursuant to Act 165, Session Laws of Hawaii 2007, to build a seawater air conditioning district cooling system on Oahu; and
- (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. 745, 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. 745, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1646-12 Finance on S.B. No. 2226

The purpose of this measure is to make specific changes to Hawaii's tax law. Specifically, among other things, this measure:

- (1) Prohibits penalties for substantial understatements or misstatements and for erroneous claims for refund or credit from being added to tax underpayments on which certain other penalties have already been imposed;
- (2) Requires the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the

State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller;

- (3) Specifies that the definition of "engaged in business in the State" is presumed to include sellers, including affiliates of sellers within the meaning of section 1504 of the Internal Revenue Code; and
- (4) Exempts certain sellers engaged in business in the State from the collection of use taxes if they did not actually engage in referrals or other activities to maintain the seller's market within the State.

The Department of Taxation, Retail Merchants of Hawaii, Walgreen Co., and CHUN, KERR, DODD, BEAMAN & WONG, a Limited Liability Law Partnership testified in support of this measure. The Tax Foundation of Hawaii; Hawaii Association of REALTORS; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Deleting the provision that prohibits penalties for substantial understatements or misstatements from being added to tax underpayments on which certain other penalties have already been imposed;
- (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 S.B. No. 2226, 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. 2226, S.D. 2, H.D. 2.

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

SCRep. 1647-12 Finance on S.B. No. 2238

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers providing information that is the basis for a Department of Taxation administrative or judicial action for violations of tax laws;
- (2) Prohibit penalties for substantial understatements or misstatements and for erroneous claims for refund or credit from being added to tax underpayments on which certain other penalties are already imposed; and
- (3) Mandate that nonprofit organizations receive 90 days notice before the denial of general excise tax benefits and to exempt from personal liability persons having control of certain amounts held in trust for nonprofit organizations.

The Hawaii Alliance of Nonprofit Organizations testified in support of this measure. The Department of Taxation, Tax Foundation of Hawaii, Chun, Kerr, Dodd, Beaman, & Wong, and a concerned individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the whistleblower award language to conform to the language of Section 7623(a) of the Internal Revenue Code;
- (2) Deleting certain statutory references to ensure that the prohibition of imposing certain civil penalties from being added to tax underpayments on which certain other penalties are already imposed will not prevent criminal prosecution in cases of fraud or willful failure to collect and pay over any tax imposed by title 14; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2238, 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. 2238, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1648-12 Finance on S.B. No. 2457

The purpose of this measure is to improve efficiency in the state procurement process by:

- (1) Requiring the State Procurement Office to keep statistics on solicitations and awards protested for the purpose of improving procurement procedures;
- (2) Temporarily allowing the governor or a mayor to exempt a procurement for a construction or design-building contract under the governor or mayor's jurisdiction from protest and administrative review;

- (3) Requiring, as a condition of the exemption, that bids and proposals, but not trade secrets or other proprietary data, be released for public inspection;
- (4) Imposing time limits on rendering administrative and judicial review decisions;
- (5) Limiting protests to those circumstances where damages are a minimum specified amount based on the contract value; and
- (6) Requiring the posting of a protest bond, to be forfeited if the protesting party does not prevail.

The Building Industry Association of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, and General Contractors Association of Hawaii testified in support of this measure. The State Procurement Office; Office of Administrative Hearings of the Department of Commerce and Consumer Affairs; Department of Transportation; Department of Budget and Fiscal Services of the City and County of Honolulu; S & M Sakamoto, Inc.; LYZ, Inc.; Waltz Engineering, Inc.; and Ralph S. Inouye Co., Ltd. provided comments on this measure.

Your Committee has amended this measure by:

- (1) Allowing the time limits for the Chief Procurement Officer or a designee, prior to an administrative hearing, to settle or resolve a protest or to issue a written decision to uphold or deny the protest to be extended for reasonable cause by the Chief Procurement Officer;
- (2) Changing the effective date to June 30, 2012; 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. 2457, 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. 2457, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1649-12 Finance on S.B. No. 2947

The purpose of this measure is to:

- (1) Establish a monetary award from the collected proceeds for whistleblowers whose information leads to a Department of Taxation administrative or judicial action;
- (2) Allow the Director of Taxation to appoint an administrative appeals officer to administer the expedited appeals and dispute resolution program;
- (3) Prohibit certain penalties from being added to tax underpayments on which other specified penalties are already imposed;
- (4) Require all advertisements and solicitations for transient accommodations and all operator- or plan manager-maintained websites regarding transient accommodations to display the registration identification number or a website address to a website containing the number; and
- (5) Require operators of transient accommodations who reside out-of-state or on an island other than the one on which the transient accommodations are located to include contact information for an agent who resides on the island on which the transient accommodations are located.

Rental by Owner Awareness Association, South Maui Condos Owner Direct Rental Network, and numerous individuals testified in opposition to this measure. The Department of Taxation, Tax Foundation of Hawaii, Hawaii Association of REALTORS, Exclusive Getaways, and several individuals provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the whistleblower award language to conform to the language of Section 7623(a) of the Internal Revenue Code;
- (2) Deleting certain statutory references to ensure that the prohibition of imposing certain civil penalties from being added to tax underpayments on which certain other penalties are already imposed will not prevent criminal prosecution in cases of fraud or willful failure to collect and pay over any tax imposed by title 14; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2947, 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. 2947, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1650-12 Finance on S.B. No. 2745

The purpose of this measure is to focus state and county resources on climate change, a major area of statewide concern, by establishing climate change adaptation priority guidelines in the Hawaii State Planning Act.

The Governor and University of Hawaii System supported this bill. The Department of Planning and Permitting of the City and County of Honolulu, Marine and Coastal Zone Advocacy Council, Building Industry Association of Hawaii, and American Planning Association-Hawaii Chapter opposed this measure. The Office of Planning, County of Hawaii Planning Department, Windward Ahupua'a Alliance, The Nature Conservancy, and Land Use Research Foundation of Hawaii provided comments.

Your Committee has amended this measure by reverting to the Senate Draft 1 by:

- (1) Deleting the requirement that the governing body or planning commission or department of each county take into account a predicted sea level rise of one foot by 2050 when reviewing certain permit applications; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

This measure was further amended by:

- (1) Changing its effective date to July 1, 2030, and
- (2) Making additional technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745, 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. 2745, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1651-12 Finance on S.B. No. 2001

The purpose of this measure is to amend the Hawaii State Planning Act to:

- (1) Include promoting the development of indigenous renewable energy resources located on public trust land as a source of firm power;
- (2) Ensure that the development of indigenous renewable energy resources on public trust land directly benefits native Hawaiians and public beneficiaries of the trust;
- (3) Require all public land trust lands to be held in trust for a Native Hawaiian government upon the establishment of such a government; and
- (4) Require consultation and public input from the Native Hawaiian community and the general public when developing projects with public land trust lands.

This measure also repeals the Public Land Development Corporation.

The Innovations Development Group testified in opposition to this measure. The Department of Land and Natural Resources, Public Land Development Corporation, General Contractors Association of Hawaii, Building Industry Association of Hawaii, and Windward Ahupua'a Alliance provided comments.

Your Committee has amended this measure by:

- (1) Deleting the provision that would ensure that the development of indigenous renewable energy resources on public trust land directly benefits native Hawaiians and the public beneficiaries of the trust as a policy of the State;
- (2) Deleting the requirement that all public land trust lands be held in trust for a Native Hawaiian government upon the establishment of such a government;
- (3) Deleting the provision repealing the Public Land Development Corporation;
- (4) Changing its effective date to July 1, 2030, to facilitate 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. 2001, 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. 2001, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1652-12 Finance on S.B. No. 2822

The purpose of this measure is to protect Hawaii's health and environment by establishing, within the Department of Health, the Hawaii Electric Device Recycling Task Force to make recommendations for a workable recycling program for electric devices and household batteries.

The Department of Health, Retail Merchants of Hawaii, Reynolds Recycling, Consumer Electronics Association, and TechNet testified in support of this measure. The National Electrical Manufacturers Association testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision that included household batteries as part of the focus of the task force in making recommendations for a recycling program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2822, 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. 2822, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1653-12 Finance on S.B. No. 3006

The purpose of this measure is to help protect Hawaii's environment from the blight of abandoned tires by:

- (1) Establishing the Motor Vehicle Tire Surcharge; and
- (2) Requiring the Director of Health to convene a task force to study ways to prevent or control the problem of abandoned tires littering the environment.

The Department of Health and numerous concerned individuals supported this bill. The Hawaii Automobile Dealers Association opposed this measure.

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

- (1) Deleting the Motor Vehicle Tire Surcharge; and
- (2) Changing the 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. 3006, 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. 3006, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1654-12 Finance on S.B. No. 2335

The purpose of this measure is to process special management area use permits concurrently with an application for tentative subdivision approval in counties with a population of less than 500,000 but more than 160,000.

The Planning Department of the County of Hawaii and the Office of Hawaiian Affairs opposed the measure. The Office of Planning offered comments on the measure.

Your Committee has amended this measure by:

- (1) Removing the county population component from the proviso in the definition of "development" and replacing it with, counties that may automatically approve tentative subdivision applications as a ministerial act within a fixed time of the submission of a plat map, unless the director takes specific action;
- (2) Changing its effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2335, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2335, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1655-12 Finance on S.B. No. 2678

The purpose of this measure is to provide state support toward preservation of the site of the World War II internment and prisoner of war camp in Honouliuli by, among other things:

- (1) Requiring the Department of Land and Natural Resources to establish a Honouliuli park site project advisory group to develop recommendations to leverage county, state, federal, and private funding for an educational resource center at the Honouliuli site; and
- (2) Appropriating funds for the Honouliuli park site project advisory group.

The Japanese Cultural Center of Hawaii, Hawaii Confinement Sites Committee of the Japanese Cultural Center of Hawaii, Hawaii Civil Rights Commission, Japanese American Citizens League-Honolulu Chapter, and a concerned individual supported the measure. The Department of Land and Natural Resources offered comments on the measure.

Your Committee has amended this measure by:

- (1) Specifying the composition of the advisory group and requiring the advisory group to elect a chairperson from among its members; and
- (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. 2678, 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. 2678, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1656-12 Finance on S.B. No. 2782

The purpose of this measure, as received by your Committee, is to protect the precious natural resources of our island state by:

- (1) Appropriating funds to the Department of Land and Natural Resources for the immediate protection of priority watershed forests to replenish Hawaii's water supplies and provide many other fundamental benefits to Hawaii's environmental health; and
- (2) Statutorily establishing the Division of Aquatic Resources under the Department of Land and Natural Resources.

For the purposes of a public hearing on this measure, your Committee circulated Proposed S.B. No. 2782, S.D. 2, H.D. 2 and notified the public that it would be accepting testimony on the proposal, which is substantially the same as the measure as received by your Committee as described above, and also establishes the Emergency Environmental Workforce. The Emergency Environmental Workforce will aid the rebuilding of Hawaii's economy and environment by providing to those who are currently unemployed or underemployed due to slow economic recovery, short-term employment consisting of maintaining state watersheds and eradicating invasive species.

Testimony was received for both the measure as received and the proposed draft.

The Board of Water Supply of the City and County of Honolulu, a Maui County Council Member, and one concerned individual testified in support of the measure as received by your Committee. Mauna Kea Recreational Users Group, and one concerned individual testified in opposition to the measure as received by your Committee. The Conservation Council for Hawaii; Coordinating Group on Alien Pest Species; Alexander & Baldwin, Inc.; and one concerned individual provided comments on the measure as received by your Committee.

The Governor testified in support of the proposed draft. The Research Corporation of the University of Hawaii, Hawaii Chapter of the Sierra Club, and two concerned individuals testified in opposition to the proposed draft. The Department of Land and Natural Resources; Commission on Water Resource Management; Department of Agriculture; Office of Hawaiian Affairs; Oahu Invasive Species Committee; Maui Invasive Species Committee; The Nature Conservancy of Hawaii; Trust for Public Land; West Maui Mountains Watershed Partnership; Global Island Partnership; Three Mountain Alliance; Conservation Council for Hawaii; Coordinating Group on Alien Pest Species; Alexander & Baldwin, Inc.; and two concerned individuals provided comments on the proposed draft.

Your Committee considered the merits of both S.B. No. 2782, S.D. 2, H.D. 1 as received by your Committee, and Proposed S.B. No. 2782, S.D. 2, H.D. 2, and upon careful consideration, adopted Proposed S.B. No. 2782, S.D. 2, H.D. 2 with the following amendments:

- (1) Changing the 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. 2782, 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. 2782, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1657-12 Finance on S.B. No. 2774

The purpose of this measure is to help lower printing, workload, and delivery costs associated with government publications by reducing the number of copies required to be deposited with the State Publications Distribution Center and requiring that every state and county agency notify the Center when electronic publications are made available.

This measure also requires the Chief Information Officer to review the requirements necessary to implement a program to make all state and county agency publications available for online distribution.

The Office of Information Management and Technology and the Hawaii State Public Library System supported this measure. The Department of Planning and Permitting of the City and County of Honolulu provided comments.

Your Committee has amended this measure by:

- (1) Requiring that the Chief Information Officer consult with the counties when reviewing the necessary requirements to implement an online distribution program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2774, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2774, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1658-12 Finance on S.B. No. 2789

The purpose of this measure is to improve the public education system by requiring, among other things:

- (1) The Department of Education to include additional specified performance indicators in the annual statewide assessment program required under Act 51, Session Laws of Hawaii 2004;
- (2) The Department of Education to include a consistent performance management program, including an evaluation component for teachers and educational officers, in the accountability system required under Act 51, Session Laws of Hawaii 2004; and
- (3) That the evaluation result in an annual rating of each employee's performance, be conducted at least once in each school year, and be on the basis of professional practice and contribution to student learning and growth.

This measure also establishes a three-year mandatory probation period with specified conditions for all teachers entering the service of the Department of Education for the first time.

The Governor, Department of Education, Hui for Excellence in Education, and two concerned individuals supported this bill. The Hawaii State Teachers Association and several concerned individuals opposed this measure. The Office of Hawaiian Affairs and IMUAlliance provided comments.

Your Committee has amended this measure by:

- (1) Substituting the Board of Education for the Department of Education as the entity responsible for:
 - (A) Implementing the comprehensive system of educational accountability;
 - (B) Establishing, in terms of credit hours earned or their equivalent in specified professional development activity, the requirement that teachers and administrators engage in continuous professional growth and development; and
 - (C) Defining evaluation criteria, assigning responsibilities for the application of the criteria, including evaluator training, and identifying uses for evaluation results;
- (2) Changing its effective date to July 1, 2012; 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. 2789, 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. 2789, S.D. 2, H.D. 2.

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

SCRep. 1659-12 Finance on S.B. No. 2116

The purpose of this measure is to facilitate the implementation of the recommendations of the Charter School Governance, Accountability, and Authority Task Force by:

- (1) Requiring the Board of Education to contract for an Implementation and Transition Coordinator to assist with the implementation of S.B. No. 2115, Regular Session 2012, which reorganizes the charter school governance structure; and
- (2) Making an unspecified appropriation to support the Coordinator position.

The Office of Hawaiian Affairs and Hawaii Business Roundtable supported this measure. A concerned individual opposed this measure. The State Procurement Office, Charter School Administrative Office, and Hawaii Public Charter Schools Network provided 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 S.B. No. 2116, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2116, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1660-12 Finance on S.B. No. 2535

The purpose of this measure is to help ensure that students across the State receive quality instructional time by:

- (1) Requiring the Department of Education to develop multiple bell schedules for elementary, middle, and high schools and allowing individual schools the discretion to implement one of the available schedules for each grade level;
- (2) Clarifying the definition of "student instructional hours"; and
- (3) Repealing the general requirement that all public schools, except charter schools and multi-track public schools, include 1,080 student instructional hours for the 2016-2018 school years.

The Department of Education, Scholastic Scheduling Solutions, and Hui for Excellence in Education supported this measure. The Hawaii State Teachers Association and two concerned individuals opposed this measure. ImuAlliance and the Hawaii School Bus Association provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that that the requirement that all public secondary schools, except charter schools and multi-track public schools, must include 990 student instructional hours in the school year will begin with the 2014-2015 school year and apply to subsequent school years;
- (2) Requiring the Board of Education, rather than the Department of Education, to develop the bell schedules required by this measure;
- (3) Requiring the Board to consider additional specified factors that may affect scheduling requirements when developing the bell schedules required by this 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2535, 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. 2535, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1661-12 Finance on S.B. No. 2545

The purpose of this measure is to ensure that all children in the State have access to high quality early learning programs by, among other things:

- (1) Establishing the Executive Office on Early Learning;
- (2) Establishing the Early Learning Advisory Board and repealing the Early Learning Council;
- (3) Establishing the Pre-plus Program within the Executive Office on Early Learning;
- (4) Requiring the Executive Office on Early Learning to report to the Legislature prior to the 2013 Legislative session on the status of an implementation plan for the development of the Keiki First Steps program; and
- (5) Appropriating \$500,000 in general revenues to establish the Executive Office on Early Learning.

The Governor, Department of Education, Department of Health, Department of Human Services, Workforce Development Council, Early Learning Council, Hui for Excellence in Education, Good Beginnings Alliance, Aloha United Way, Imua Alliance, and several concerned individuals supported this measure. The Office of Information Practices, Office of Hawaiian Affairs, Hawaii Association for the Education of Young Children, BeMyVoice! Hawaii, and three concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Amending the professional training requirements for the Director of the Executive Office on Early Learning;
- (2) Clarifying that the Director is responsible for a public-private comprehensive early childhood system;
- (3) Requiring that the Early Learning Advisory Board be an independent voice for children's health, safety, development, and learning;
- (4) Providing a three-year term for the representative of head start provider agencies and a two-year term for the representative of Hawaiian medium early learning providers on the Early Learning Advisory Board;
- (5) Removing language requiring members of the Early Learning Council to serve as the initial members of the Early Learning Advisory Board until the expiration of their terms;
- (6) Making unspecified the appropriation amount;
- (7) Changing its effective date to July 1, 2030, to encourage further 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, 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. 2545, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1662-12 Finance on S.B. No. 2769

The purpose of this measure is to make homeowners insurance and motor vehicle insurance premium information more readily available to the public by, among other things:

- (1) Requiring all homeowners and motor vehicle insurers to provide their insurance premium information, upon the Insurance Commissioner's request, to the Insurance Commissioner within 30 days of the request;
- (2) Requiring the Insurance Commissioner to publish annually on the official website of the Department of Commerce and Consumer Affairs' Insurance Division, a list of all homeowners and motor vehicle insurers with representative annual premiums for their insurance; and
- (3) Authorizing the Insurance Commissioner to adjust the rates for any class of insurance for any insurer if the Insurance Commissioner finds that the rates are excessive, inadequate, or unfairly discriminatory.

This measure also includes advisory organizations in the rate filings and regulation process under Article 14, Chapter 431, Hawaii Revised Statutes, relating to rate regulation.

The Department of Commerce and Consumer Affairs testified in support of this measure. American Insurance Association, Property Casualty Insurers Association of America, Hawaii Insurers Council, and Liberty Mutual Insurance testified in opposition to this measure. State Farm Insurance Companies commented on 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2769, 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. 2769, S.D. 2, H.D. 3.

Signed by all members of the Committee.

SCRep. 1663-12 Finance on S.B. No. 2804

The purpose of this measure is to address homelessness in the State by:

- (1) Establishing the Hawaii Interagency Council on Homelessness to, among other things:
 - (A) Serve as the statewide homelessness planning and policy development entity;
 - (B) Formulate a unified plan to address homelessness in all counties, including developing short- and long-term statewide strategies and plans to end homelessness, considering collaborative homelessness initiatives of other states as possible models for state and local programs, and reducing duplication among homeless assistance programs;
 - (C) Facilitate the acquisition of federal funding for homeless programs; and
 - (D) Report to the Governor, Legislature, and Mayors on its progress, including the statewide plan to address homelessness; and
- (2) Requiring the Department of Human Services to conduct a study on the feasibility of establishing safe havens for persons who are

homeless in the State.

The Office of Hawaiian Affairs, Partners In Care, Hawaii Catholic Conference, and Leeward Housing Coalition testified in support of this measure. The Department of Human Services, Department of Health, Hawaii Youth Services Network, Catholic Charities Hawaii, and the Interim Vice-Chair of the Hawai'i Interagency Council on Homelessness commented on 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 clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804, 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. 2804, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1664-12 Finance on S.B. No. 2568

The purpose of this measure is to establish and appropriate funds for the Return-to-Home Program, which is a voluntary homeless assistance program to assist eligible homeless individuals in returning to their home state if there is a support network available and able to receive them.

A few individuals supported this measure.

Your Committee has amended this measure by:

- (1) Permitting rather than requiring the Department of Human Services to establish the Return-to-Home Program; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2568, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2568, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1665-12 Finance on S.B. No. 3025

The purpose of this measure is to clarify that the issuance of affordable housing credits by the counties to the Department of Hawaiian Home Lands applies to the issuance of credits for each single-family residence, multi-family unit, other residential unit, or if allowed under the county's affordable housing program, vacant lot, developed by the Department of Hawaiian Home Lands, under specified conditions and requirements.

Two concerned individuals supported the measure. The Kauai County Housing Agency opposed the measure. The Department of Hawaiian Home Lands, Department of the Attorney General, and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Retaining language requiring the affordable housing credit to be transferable and to be issued on a one-unit for one-unit basis;
- (2) Requiring, rather than authorizing, that the affordable housing credits be issued for each single-family residence, multi-family unit, or other residential unit, or if allowed under the county's affordable housing programs, vacant lot, developed by the Department of Hawaiian Home Lands;
- (3) Deleting specific conditions and requirements in which affordable housing credits may be issued, such as for-sale units or lots and land leased in perpetuity, qualifying criteria for the county's affordable housing programs, and income level of the purchaser;
- (4) Deleting language that required the credit to apply only to Department of Hawaiian Home Lands households earning 120 percent or lower of the respective county median income;
- (5) Retaining the words "market price" and deleting the word "affordable" as it relates to the residential and non-residential developments;
- (6) Providing that county-wide and project-specific housing class, use, or type requirements, among other requirements already stated in the measure, shall not be applied to impair, restrict, or condition the county's obligation to apply the credits in full satisfaction of "all county requirements";
- (7) Changing the effective date to upon its approval; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with

the intent and purpose of S.B. No. 3025, 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. 3025, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1666-12 Finance on S.B. No. 2737

The purpose of this measure is to amend the State's Sunshine Law to allow board and commission meetings to be conducted by any form of interactive conference technology that permits interaction by audio, or audio and visual means, provided that:

- (1) All members of the board and the public are able to interact with each other at least by audio communications;
- (2) The public is given notice of all the public locations at which board members will be participating in the meeting and that the public may participate in the meeting at those locations; and
- (3) An agenda item shall not be considered if any meeting location is connected by audio-only technology and copies of visual aids brought or required to consider that item are not available at all meeting locations within 15 minutes after audio-only technology is used.

The Department of Business, Economic Development, and Tourism; Department of Planning and Permitting of the City and County of Honolulu; and High Technology Development Corporation testified in support of this measure. The Department of the Attorney General and Office of Information Practices provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to facilitate further 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 S.B. No. 2737, 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. 2737, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1667-12 Finance on S.B. No. 650

The purpose of this measure is to propose an amendment to the Hawaii State Constitution to authorize the Chief Justice of the Hawaii Supreme Court to appoint judges who have retired upon attaining the age of seventy years to serve as temporary judges in courts no higher than the level they reached prior to retirement and for terms not to exceed three months per appointment.

The Judiciary 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. 650, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1668-12 Finance on S.B. No. 2056

The purpose of this measure is to require a defendant's probation officer to provide information to the court regarding whether or not the defendant has complied with the conditions of the defendant's probation prior to the court granting the defendant early discharge from probation.

The Judiciary testified in support of this measure. The Department of Public Safety testified in opposition to this measure.

Your Committee has amended this measure 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. 2056, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2056, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1669-12 Finance on S.B. No. 2941

The purpose of this measure is to:

- (1) Extend the income tax credit for qualified research activities for an additional five years and to add extensive reporting requirements related to the tax credit;
- (2) Allow aerospace high technology parks to be considered a permitted land use in an agricultural land use district; and
- (3) Require an extension of the land lease for the High Technology Development Corporation by the University of Hawaii.

The Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; Pacific International Space Center for Exploration Systems; NovaSol; Cardax Pharmaceuticals, Inc.; and an individual testified in support of this measure. The University of Hawaii testified in opposition to this measure. The Department of the Attorney General, Department of Taxation, Office of Planning, Hawaii Strategic Development Corporation, High Technology Development Corporation, and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the section of the measure that extends the income tax credit for qualified research activities for an additional five years and adds extensive reporting requirements related to the tax credit;
- (2) Permitting an aerospace high technology park in the state land use agricultural district by special permit, rather than as a specified permissible use in the district;
- (3) Inserting language that authorizes the establishment of aerospace high technology enterprise zones and designates pilot aerospace high technology enterprise zones on the island of Hawaii;
- (4) Requiring the Department of Business, Economic Development, and Tourism, in consultation with the Department of Taxation, to submit a report to the Legislature by December 31 of each year, beginning in 2012, regarding the implementation of the pilot aerospace high technology enterprise zones in Hawaii county;
- (5) Changing the effective date of this measure to July 1, 2012; and
- (6) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, 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. 2941, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1670-12 Finance on S.B. No. 2236

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with the planning, permitting, designing, constructing, equipping, and operating of broadband infrastructure at locations throughout the State.

The Department of Business, Economic Development, and Tourism; High Technology Development Corporation; ClearCom, Inc.; ControlPoint Surveying, Inc.; Referentia Systems Inc.; Mid-State Consultants, Inc.; and an individual testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure. Hawaiian Telcom and Oceanic Time Warner Cable commented on this measure.

Your Committee has amended this measure by:

- (1) Expanding the scope of part VI of Chapter 39A, Hawaii Revised Statutes, to allow special purpose revenue bond financing for telecommunications projects;
- (2) Reauthorizing the special purpose revenue bonds under this measure to be issued under part VI of Chapter 39A, Hawaii Revised Statutes;
- (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. 2236, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2236, H.D. 2.

Signed by all members of the Committee.

SCRep. 1671-12 Finance on S.B. No. 2030

The purpose of this measure is to authorize the procurement officer to expand the scope of work in a bid for a listed subcontractor within five working days of bid opening, with certain conditions, and to permit the reinstatement of certain subcontractors' licenses before an award is granted.

The General Contractors Association of Hawaii; Building Industry Association of Hawaii; Healy Tibbitts Builders, Inc.; TOMCO Corp.; LYZ, Inc.; Heartwood Pacific, LLC; S & M Sakamoto, Inc.; and King & Neel, Inc. testified in support of this measure. Hawaii Building and Construction Trades Council, AFL-CIO testified in opposition to this measure. The State Procurement Office; Subcontractors Association of Hawaii; and one individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2030, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1672-12 Finance on S.B. No. 2235

The purpose of this measure is to:

- (1) Require the State and the counties to approve, approve with modification, or disapprove all broadband-related permits within 60 business days; and
- (2) Provide that if no action is taken, the application will be deemed approved on the 61st business day.

Sandwich Isles Communications, Inc., testified in support of this measure. The Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Office of Planning; Public Utilities Commission; Hawaiian Telcom; Verizon; AT&T; Hawaiian Electric Company; Hawaii Electric Light Company; and Maui Electric Company commented on this measure.

Your Committee has amended this measure by:

- (1) Stipulating that with respect to any State or county project relating to the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology, prior to any public notice or public hearing required under law, the owner or owners of a property within a radius of 50 yards of the project shall be notified of the project;
- (2) Requires a public utility to use reasonable best efforts to comply with all applicable safety and engineering requirements relating to the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology; 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. 2235, 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. 2235, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1673-12 Finance on S.B. No. 2958

The purpose of this measure is to appropriate moneys as a grant pursuant to Chapter 42F, Hawaii Revised Statutes, for Kapiolani Medical Center for Women and Children to implement a peripheral blood stem cell/apheresis program.

Hawaii Pacific Health, Healthcare Association of Hawaii, and an individual testified in support of this measure. The Department of the Attorney General and the Department of Health commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the specified amount from the appropriation; and
- (2) Changing its effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, 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. 2958, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1674-12 Finance on S.B. No. 2320

The purpose of this measure is to provide essential home- and community-based services for Hawaii's elderly population by:

- (1) Establishing a home- and community-based services program within the Executive Office on Aging; and

- (2) Appropriating funds:
- (A) For the Home- and Community-Based Services Program and the Healthy Aging Partnership Program; and
- (B) To provide funds for grants, pursuant to Chapter 42F, Hawaii Revised Statutes, for senior centers and for the Alzheimer's Association, Aloha Chapter, for a wanderer's registration service to protect individuals with Alzheimer's disease, and for other Alzheimer's disease-related services and programs.

The Maui County Office on Aging; Department of Community Services of the City and County of Honolulu; Policy Advisory Board for Elder Affairs; Hawaii Government Employees Association AFSCME Local 152, AFL-CIO; ILWU Local 142; Lanikila Pacific; Healthcare Association of Hawaii; AARP; Alzheimer's Association, Aloha Chapter; Child & Family Service; Hawaii Community Foundation; Waikiki Community Center; Hawaii Alliance for Retired Americans; Catholic Charities Hawaii; Goodwill Industries of Hawaii, Inc.; Hawaii Renewable Energy Alliance; Partners in Development Foundation; and numerous individuals testified in support of this measure. The Department of Human Services, Executive Office on Aging, Director of the Hawaii County Office on Aging, and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Changing references from the "home- and community-based services program" to the "Kupuna Care Program";
- (2) Authorizing, rather than requiring, the Executive Office on Aging to establish the Kupuna Care Program and to provide the program in every county as a function of the aging and disability resource centers;
- (3) Specifying that the appropriation for the home- and community-based services program is for the Kupuna Care Program; and
- (4) Changing its effective date to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2320, 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. 2320, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1675-12 Finance on S.B. No. 2383

The purpose of this measure is to support health care services by extending to June 30, 2018, the authorization to issue special purpose revenue bonds to assist The Queen's Health Systems with the renovation and expansion of its health care facilities.

The Queen's Health System 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. 2383, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1676-12 Finance on S.B. No. 2434

The purpose of this measure is to amend Hawaii's health insurance exchange law by, among other things:

- (1) Requiring the Hawaii Health Connector to conduct an assessment before establishing a program to serve individual and small group markets;
- (2) Establishing a Navigator Program and specifying qualifications and restrictions for navigators;
- (3) Setting forth provisions regarding public proceedings, notice, and records of Hawaii Health Connector Board open meetings, and provisions regarding proceedings and notice of Hawaii Health Connector Board executive meetings;
- (4) Amending the composition and terms of the Hawaii Health Connector Board; and
- (5) Clarifying the role of the Department of Human Services in determining Medicaid eligibility.

Faith Action for Community Equity, Hawaii Coalition for Health, AARP, Americans for Democratic Action/Hawaii, Hawai'i Primary Care Association, League of Women Voters of Hawaii, American Cancer Society, United Self Help, and several individuals testified in support of this measure. The Executive Director of the Hawaii Health Connector, Hawaii Association of Health Plans, Healthcare Association of Hawaii, Kokua Council, 'Ohana Health Plan, Hawaii Medical Service Association, Kaiser Permanente Hawaii, Consumers for Fairness, and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Allowing the submittal of testimony via the website of the Hawaii Health Connector Board for board open meetings;
- (2) Deleting provisions relating to the executive meetings and emergency meetings of the Hawaii Health Connector Board;

- (3) Requiring the Hawaii Health Connector Board to file an electronic as well as physical copy of its public notices for public inspection;
- (4) Specifying the items required to be on the agenda of a public notice;
- (5) Requiring minutes of the Hawaii Health Connector Board to be made available online within 30 days after a meeting, or 6 days prior to the next meeting, whichever comes first;
- (6) Requiring the Insurance Commissioner to approve qualified Hawaii Health Insurance Exchange plans that are in compliance with transparency requirements;
- (7) Requiring the Hawaii Health Connector to report on the status of the Hawaii Health Insurance Exchange, upcoming federal deadline requirements, and its fulfillment of federal deadline requirements, to the Legislature prior to the convening of each regular session;
- (8) Increasing the membership of the Hawaii Health Connector Board and the number of consumers on the Hawaii Health Connector Board;
- (9) Specifying the number of consumers, employers, insurers, and providers on the Hawaii Health Connector Board;
- (10) Changing its effective date to upon its approval; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2434, 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. 2434, S.D. 1, H.D. 3.

Signed by all members of the Committee.

SCRep. 1677-12 Finance on S.B. No. 2632

The purpose of this measure is to reduce the Land Court recording and registration backlog by:

- (1) Requiring new fee time share interests to be recorded in the Bureau of Conveyances system instead of Land Court system;
- (2) Streamlining the process for updating certificates of title for remaining fee time share interests; and
- (3) Allowing the Bureau of Conveyances to charge a fee for the recording of time share interest deeds.

Wyndham Vacation Ownership and the American Resort Development Association testified in support of this measure. The Judiciary, Department of Land and Natural Resources, Title Guaranty of Hawaii, Inc.; and SVO Pacific, Inc., provided comments.

Your Committee has amended this measure by:

- (1) Adding the definition of "date and time of deregistration" to clarify when a fee time share interest ceases to be registered with the Land Court and becomes recorded or recordable with the Bureau of Conveyances;
- (2) Deleting language from the definition of "fee time share interest" that treated certain timeshare interests as leasehold, rather than fee interests;
- (3) Deleting multiple references to the requirement that a certificate of title for a fee time share interest be recorded in the regular system;
- (4) Clarifying that if a single certificate of title describes timeshare and non-timeshare interests, a new certificate of title shall be issued to the owner of the non-timeshare interest upon petition to the Land Court;
- (5) Requiring that the first time a fee time share interest is recorded in the Bureau of Conveyances, that the deed and other voluntary instruments affecting the fee must state the certificate of title number by which the owner acquired the interest;
- (6) Deleting the provision allowing the Bureau of Conveyances to charge a fee for the recording of time share interests deeds;
- (7) Changing the effective date to July 1, 2030; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2632, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2632, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1678-12 Finance on S.B. No. 2424

The purpose of this measure is to facilitate the implementation of the professional employer organization regulations established by Act 129, Session Laws of Hawaii 2010. Specifically, this measure, among other things:

- (1) Establishes the Professional Employer Organization Special Fund;
- (2) Prohibits the use by an entity of the terms "professional employer organization", "PEO", "staff leasing company", "registered staff leasing company", "employee leasing company", "administrative employer", or other similar name unless the entity is registered and in compliance with statutory requirements and the rules and regulations of the Director of Labor and Industrial Relations (Director);
- (3) Requires each registered professional employer organization to provide written notice within 30 days to the Department of Labor and Industrial Relations (Department) of any judgment, award, or disciplinary sanction imposed against the organization for violating a statutory provision in an action brought by any state or federal regulatory agency and provides for a penalty for non-compliance;
- (4) Requires professional employer organizations to file the organization's current mailing address with the Department;
- (5) Authorizes the Director to deny, suspend, revoke, or deny renewal of registration of any professional employer organization or to impose a penalty under certain conditions;
- (6) Establishes various fees for applicants for registration as a professional employer organization to be effective until amended by the Director by rule adopted pursuant to Chapter 91, Hawaii Revised Statutes (HRS);
- (7) Establishes a method for calculating the number of covered employees of a professional employer organization;
- (8) Gives additional responsibilities and duties to the Director regarding the registration and regulation of professional employer organizations;
- (9) Establishes requirements for professional employer agreements between a professional employer organization and its client company;
- (10) Establishes various penalties for non-compliance with the professional employer organization law;
- (11) Provides a hearings process for professional employer organizations applicable to cases in which the Director denies, suspends, revokes, or denies renewal of registration, or proposes to impose a penalty on a professional employer organization, and provides for judicial review by the circuit court;
- (12) Clarifies an existing general excise tax exemption relating to professional employer organizations in the Tax Code;
- (13) Amends various definitions in Chapters 209E and 373L, HRS, for the purpose of consistency;
- (14) Creates a protocol for the acceptance of electronic filings;
- (15) Provides a method for professional employer organizations consisting of fewer than 100 full-time or part-time employees to calculate their number of employees for purposes of determining bond requirements;
- (16) Specifies that bonds posted shall be financial guaranty type bonds and not performance type bonds;
- (17) Requires the surety to give the Director 45 days prior written notice of cancellation of the bond;
- (18) Amends bond level requirements for professional employer organizations and specifies that bonds must be issued by an A-rated surety, rather than a federally-insured lending institution;
- (19) Stipulates that the surety shall remain obligated for any claims against the bond after cancellation or expiration of the bond; provided that:
 - (A) The surety was provided written notice of such claim during the six month period immediately following the cancellation or expiration of the bond; and
 - (B) The claim accrued, but only for the amount accrued, before the expiration or cancellation of the bond;
- (20) Stipulates that, with respect to bonds:
 - (A) The Director, or any person claiming to have sustained damage resulting from noncompliance of a professional employer organization with statutory requirements, may bring an action on the bond to recover such damage;
 - (B) The surety may fulfill its obligation under the bond by depositing the penal sum of the bond with the Director;
 - (C) Upon receiving any sum from the surety, the Director may deduct all money due to the State of Hawaii resulting from the noncompliance of the professional employer organization;
 - (D) Any remaining balance shall be held by the Director for the benefit of all other persons damaged by the noncompliance of the professional employer organization and that the Director may deposit such balance with a court of competent jurisdiction in order to resolve competing claims; and

- (E) After all claims are finally resolved or settled, any remaining balance from the bond proceeds shall be returned to the surety;
- (21) Repeals Chapter 373K, HRS, relating to professional employment organizations, which contains conflicting or duplicative provisions;
- (22) Allows the Director to establish three .5 full-time permanent positions; and
- (23) Appropriates funds to the Department.

The Department of Labor and Industrial Relations, Tax Foundation of Hawaii, and ALTRES, Inc., 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 S.B. No. 2424, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1679-12 Finance on S.B. No. 2671

The purpose of this measure is to improve the efficiency and effectiveness of the Hawaii Labor Relations Board by:

- (1) Clarifying that the Hawaii Labor Relations Board can appoint attorneys, paralegals, and other personnel to provide necessary services; and
- (2) Authorizing an attorney employed by the Hawaii Labor Relations Board on a part-time or contract basis to represent the Board in litigation, draft legal documents, and perform other necessary legal services.

The Department of Labor and Industrial Relations and 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. 2671, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1680-12 Finance on S.B. No. 2110

The purpose of this measure is to help preserve Hawaii's historical film, videotape, and audiovisual materials and increase access to such materials by designating 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i as the official state archive for moving images and to establish a special fund for its support.

The University of Hawaii at West Oahu and many concerned individuals supported this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2110, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1681-12 Finance on S.B. No. 2695

The purpose of this measure is to require the Department of Agriculture to collaborate with other institutions to implement a livestock feed feasibility pilot project, and to authorize the Director of Finance to issue \$1,000,000 in general obligation bonds for the pilot project; provided that the funds from the proceeds are matched dollar for dollar by an appropriation from the Agricultural Development and Food Security Special Fund.

The Department of Agriculture, Hawaii Farm Bureau Federation, and several individuals testified in support of this measure. The Department of Budget and Finance provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Making general revenues the funding source for the appropriation; and
- (3) Changing the effective date of this measure to July 1, 2030, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2695, 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. 2695, S.D. 2, H.D. 2.

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

SCRep. 1682-12 Finance on S.B. No. 2378

The purpose of this measure is to focus conservation efforts under the Legacy Lands Program. Specifically this measure, among other things:

- (1) Requires as a condition of receiving state funds that state and county agencies provide a conservation easement, an agricultural easement, or a deed restriction to an appropriate land conservation organization, or natural resource conservation government agency that runs with the land, is recorded, ensures the long-term protection of the land, and preserves the interest of the State. Further the Board of Land and Natural Resources (BLNR) must be at least a partial owner of the conservation easement;
- (2) Requires, as a condition of public funding, that nonprofit land conservation organizations receiving funds provide full or partial ownership of the conservation easement to an appropriate natural resource conservation government agency and the BLNR;
- (3) Allows the BLNR to grant exemptions from the easement requirements; and
- (4) Requires applications for land conservation funds to include the project's public benefit and the results of the consultations with specified state departments and agencies regarding the maximization of public benefits of the project, if practical.

The Department of Land and Natural Resources supported this measure. The Nature Conservancy and The Trust for Public Land commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, for the purpose of facilitating 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2378, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2378, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1683-12 Finance on S.B. No. 755

The purpose of this measure is to promote economic development by temporarily removing regulatory restrictions to the expeditious construction of certain state and county projects. Specifically, this measure:

- (1) Temporarily exempts airport structures and improvements from the special management area permit and shoreline setback variance requirements when the structures and improvements are necessary to comply with Federal Aviation Administration regulations;
- (2) Temporarily authorizes the Department of Land and Natural Resources and the Department of Transportation, with the approval of the Governor, to exempt department projects from the special management area permit and shoreline setback variance requirements;
- (3) Exempts all work involving submerged lands used for state commercial harbor purposes from any permit and site plan review requirements for lands in the conservation district; and
- (4) Temporarily authorizes a more streamlined process for exempting state and county projects from the environmental review process of Chapter 343, Hawaii Revised Statutes (HRS), and reduces the deadline for challenging the lack of an environmental assessment for a state or county project.

The Department of Transportation, Land Use Research Foundation of Hawaii, General Contractors Association of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, Pacific Resource Partnership, and several concerned individuals testified in support of this measure. The Office of Environmental Quality Control, Environmental Council, Office of Hawaiian Affairs, Sierra Club of Hawaii, Life of the Land, Hawaii Audubon Society, Kaka'ako Makai Community Planning Advisory Council, Outdoor Circle, Hui Ho'okipa Network, Aloha Analytics, and several individuals opposed this measure. The Department of Land and Natural Resources; the Office of Planning of the Department of Business, Economic Development, and Tourism; the Environmental Center of the University of Hawaii at Manoa; The Chamber of Commerce of Hawaii; the Building Industry Association of Hawaii; the Oahu Council of the Association of Hawaiian Civic Clubs; and a few individuals commented on this measure.

Your Committee notes that each part of this measure creates different mechanisms by which to reduce redundancies in state government while continuing to provide safeguards that protect the environment and address impacts on historic and cultural resources. Accordingly, your Committee addresses each part separately.

PART II

The purpose of Part II of this measure is to temporarily exempt airport structures and improvements from the special management area (SMA)

permit and shoreline setback variance (SSV) requirements when the structures and improvements are necessary to comply with Federal Aviation Administration (FAA) regulations.

Your Committee notes that the SMA and SSV fall under Chapter 205A, HRS, which is administered by the Office of Planning (OP) of the Department of Business, Economic Development, and Tourism. Accordingly, your Committee highlights the testimony of the OP, which supports Part II of this measure for the following reasons:

- (1) FAA permits and licenses are identified on the National Oceanic and Atmospheric Administration (NOAA) approved list of Federal Licenses and Permits Subject to Federal Consistency Certification in accordance with 15 C.F.R. 930.53. The FAA permits and licenses for construction and operation of airports are subject to Hawaii Coastal Zone Management (CZM) Program federal consistency review;
- (2) The requirements of the National Environmental Policy Act (NEPA) and Environmental Impact Statements (EIS) Chapter 343, HRS, apply to structures and improvements relating to airports. As the lead agency of the Hawaii CZM Program, OP will continue to review and comment on NEPA and EIS documents in that regard; and
- (3) Section 3 of this measure, which amends section 261-4, HRS, provides the Department of Transportation with sufficient authority to plan, design, and construct airports, subject to Hawaii CZM Program federal consistency review **without sacrificing special controls on developments within an area along the shoreline to avoid permanent loss of valuable costal resources.** (emphasis added)

Notwithstanding the unequivocal support by the OP for Part II, your Committee finds that a multitude of additional environmental laws and regulations that are more thorough, onerous, and rigorous will continue to be required, even if airport structures and improvements are temporarily exempted from SMA and SSV requirements. Specifically, your Committee finds that the environmental laws may include, but are not limited to:

- (1) Federal Clean Water Act and Clean Air Act requirements as administered by the State Department of Health, i.e. section 401 (water quality certification);
- (2) Federal Water Pollution Control Act;
- (3) All requirements, rules, and regulations of the Army Corps of Engineers, including section 404 of the Clean Water Act and section 10 of the Rivers and Harbors Act;
- (4) Federal Comprehensive Environmental Response, Compensation and Liability Act (CERLA);
- (5) Federal Endangered Species Act;
- (6) Federal Fish and Wildlife Coordination Act;
- (7) National Environmental Policy Act;
- (8) All requirements, rules, and regulations of the Environmental Protection Agency;
- (9) Federal Aviation Administration Regulations;
- (10) Federal National Historic Preservation Act;
- (11) Federal Marine Protection, Research and Sanctuaries Act;
- (12) Federal Pollution Prevention Act; and
- (13) All other state or local regulatory requirements that include but are not limited to Chapters 6E, 46, 174C, 342B, 342D, 342E, and 342F, HRS, and the preparation of a cultural impact assessment as required under Chapter 343, HRS.

Therefore, your Committee finds that notwithstanding the exemption from SMA and SSV, both federal and state permits will still apply, ensuring that the proper environmental reviews occur.

PART III

Your Committee notes that the purpose of this part is to temporarily authorize the heads of the Department of Land and Natural Resources and the Department of Transportation, with the governor's approval, to exempt their department projects from the SMA permit and SSV requirements.

Your Committee notes that notwithstanding the exemptions from SMA and SSV in this part, the actions shall be subject to:

- (1) Environmental impact statement laws, codified in Chapter 343, HRS;
- (2) Consultation with the Office of Conservation and Coastal Lands (OCCL); and
- (3) Consultation with OP.

Your Committee further notes that OCCL is charged with regulating activity in conservation districts and along the shoreline and must review projects against various criteria, including compatibility with surrounding land uses.

Your Committee finds that a multitude of additional environmental laws and regulations will continue to be required, even if projects falling

under the jurisdiction of the Department of Transportation and the Department of Land and Natural Resources are temporarily exempted from SMA and SSV. Specifically, your Committee finds the following laws that will address impacts to the environment, cultural, and historic resources to include, but not be limited to:

- (1) Federal Clean Water Act and Clean Air Act requirements as administered by the State Department of Health, i.e. section 401 (water quality certification);
- (2) Federal Water Pollution Control Act;
- (3) All requirements, rules, and regulations of the Army Corps of Engineers, including section 404 of the Clean Water Act and section 10 of the Rivers and Harbors Act;
- (4) Federal Comprehensive Environmental Response, Compensation and Liability Act (CERLA);
- (5) Federal Endangered Species Act;
- (6) Federal Fish and Wildlife Coordination Act;
- (7) National Environmental Policy Act;
- (8) All requirements, rules, and regulations of the Environmental Protection Agency;
- (9) Federal Aviation Administration Regulations;
- (10) Federal National Historic Preservation Act;
- (11) Federal Marine Protection, Research and Sanctuaries Act;
- (12) Federal Pollution Prevention Act; and
- (13) All other state or local regulatory requirements that include but are not limited to Chapters 6E, 46, 174C, 342B, 342D, 342E, and 342F, HRS, and the preparation of a cultural impact assessment as required under Chapter 343, HRS.

Finally, your Committee highlights that section 343-5(f), HRS, explicitly states:

Whenever an action is subject to both the National Environmental Policy Act of 1969 (Public Law 91-190) and the requirements of this chapter, the office and agencies shall cooperate with federal agencies to the fullest extent possible to reduce duplication between federal and state requirements. Such cooperation, to the fullest extent possible, shall include joint environmental impact statements with concurrent public review and processing at both levels of government. Where federal law has environmental impact statement requirements in addition to but not in conflict with this chapter, the office and agencies shall cooperate in fulfilling these requirements so that one document shall comply with all applicable laws.

The legislative history of section 343-5(f), HRS, states, "S.B. No. 1591, H.D.1 [enacted as Act 197, Session Laws of Hawaii 1979] also makes substantive amendments to **reduce the duplication of effort which occurs at the State, County and Federal levels of government when the environmental review requirements of both the National Environmental Policy Act and chapter 343 apply to the same project.** Under the provisions of this bill, State and County agencies are required to cooperate to the fullest extent possible with Federal agencies **in order to expedite the review process.**" (emphasis added)

Your Committee highlights that based upon the legislative history of section 343-5(f), HRS, the Legislature recognized there would be redundancy and duplication between the federal, state, and county environmental review process and to the extent there was overlap, state and county reviews could be waived to expedite the review process. The legislative history clearly justifies the exemptions from Chapter 343, HRS, in Part III of this measure.

PART IV

Your Committee finds that the purpose of Part IV of this measure is to exempt all work involving submerged lands used for state commercial harbor purposes from any permit and site plan review requirements for lands in the conservation district.

Your Committee emphasizes that the type of work which would be conducted falls under the commercial harbors only and includes work such as underwater pier work, maintenance cleaning, and dredging of harbors to accommodate larger ships or barges. To protect the submerged lands in the conservation district area, your Committee finds that numerous federal safeguards contain more rigorous and thorough review and exceed what is required under the permit and site plan approvals for submerged lands in the conservation district within the Department of Transportation's commercial harbors system.

These federal safeguards include, but are not limited to:

- (1) Federal Clean Water Act and Clean Air Act requirements as administered by the State Department of Health, i.e. section 401 (water quality certification);
- (2) Federal Water Pollution Control Act;
- (3) All requirements, rules, and regulations of the Army Corps of Engineers, including section 404 of the Clean Water Act and section 10

- of the Rivers and Harbors Act;
- (4) Federal Comprehensive Environmental Response, Compensation and Liability Act (CERLA);
 - (5) Federal Endangered Species Act;
 - (6) Federal Fish and Wildlife Coordination Act;
 - (7) National Environmental Policy Act;
 - (8) All requirements, rules, and regulations of the Environmental Protection Agency;
 - (9) Federal Aviation Administration Regulations;
 - (10) Federal National Historic Preservation Act;
 - (11) Federal Marine Protection, Research and Sanctuaries Act;
 - (12) Federal Pollution Prevention Act; and
 - (13) All other state or local regulatory requirements that include but are not limited to Chapters 6E, 46, 174C, 342B, 342D, 342E, and 342F, HRS, and the preparation of a cultural impact assessment as required under Chapter 343, HRS.

Your Committee emphasizes that when the Department of Transportation conducts work on submerged lands, section 404 of the Army Corps of Engineers is implicated and requires a 404 permit for fill work. The 404 permit further triggers the National Environmental Policy Act requirement.

PART V

Your Committee finds that the purpose of Part V is to temporarily authorize a more streamlined process for exempting state projects from the environmental review process of Chapter 343, HRS. Your Committee emphasizes that this part does not statutorily expand the types of state projects that are exempt under the existing provisions of Chapter 343, HRS, or pertinent implementing rules.

Your Committee finds that the Governor, with the assistance of public officers and employees, may prepare a list of state projects that are exempt under Chapter 343, HRS. To ensure public participation notwithstanding the exemption from Chapter 343, HRS, at the Governor's request, the appropriate office shall provide public notice of the list of exemptions and any amendments through the periodic bulletin prescribed in section 343-3, HRS. In addition, the list of exempted state projects established by the Governor shall be repealed on June 30, 2015; provided that the Governor may extend the exemption for any projects identified on the list for which construction has commenced but not concluded by June 30, 2015, after the repeal of this part. Your Committee emphasizes that the exemption in this part is not perpetual, but will be extended only to accommodate completion of projects commenced before June 30, 2015.

Finally, your Committee highlights that section 343-5(f), HRS, explicitly states:

Whenever an action is subject to both the National Environmental Policy Act of 1969 (Public Law 91-190) and the requirements of this chapter, the office and agencies shall cooperate with federal agencies to the fullest extent possible to reduce duplication between federal and state requirements. Such cooperation, to the fullest extent possible, shall include joint environmental impact statements with concurrent public review and processing at both levels of government. Where federal law has environmental impact statement requirements in addition to but not in conflict with this chapter, the office and agencies shall cooperate in fulfilling these requirements so that one document shall comply with all applicable laws.

Accordingly, so long as NEPA and the Hawaii Environmental Policy Act do not conflict, this part comports with section 343-5(f), HRS.

Your Committee has amended this measure by:

- (1) Deleting the provision authorizing the Department of Transportation, with the Governor's approval, to exempt any state project from the special management area permit requirements and the shoreline setback requirements of Chapter 205A, HRS;
- (2) Temporarily authorizing a more streamlined process for exempting only state projects from the environmental review process of Chapter 343, HRS;
- (3) Authorizing the Governor to consult with public officers and employees deemed appropriate by the Governor when establishing the list of state projects exempt from the need to prepare an environmental assessment due to their likely minimal or no significant effects on the environment;
- (4) Deleting the requirement that any judicial proceeding concerning an agency's action regarding the lack of an environmental assessment be initiated within 60 days of the agency's decision to carry out the action or determination that an environmental assessment is not required; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 755, 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. 755, S.D. 2, H.D. 3.

Signed by all members of the Committee.
(Representatives Riviere and Ward voted no.)

SCRep. 1684-12 Finance on S.B. No. 2742

The purpose of this measure is to change the composition of the Hawaii Community Development Authority Board to nine voting members for the community development districts in Kakaako, Kalaeloa, and Heeia, and to allow for certain members to designate a voting representative if they are unable to attend a meeting.

The Department of Planning and Permitting of the City and County of Honolulu supported the measure. The Hawaii Community Development Authority and the Department of the Attorney General offered comments on the measure.

Your Committee has amended this measure by:

- (1) Removing the Director of the City and County of Honolulu Department of Planning and Permitting from the Hawaii Community Development Authority Board (Board);
- (2) Retaining the Director of Transportation as an ex officio, voting member of the Board;
- (3) Specifying that the Chairperson of the Hawaiian Homes Commission shall serve as an ex officio, voting member of the Board for the Kalaeloa Community Development District only;
- (4) Clarifying that the cultural expert on the Board is not an ex officio member;
- (5) Specifying that of the three county members of the Board for each designated community development district, two shall represent small businesses and one shall reside within the specified boundaries of each respective district;
- (6) Adding the contents of H.B. No. 2482, H.D. 1 (2012), which extends the Hawaii Community Development Authority's authority to lease all or a portion of the real or personal property constituting a project in the Kakaako Community Development District, without public notice for sealed bids;
- (7) Changing its effective date to upon approval; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2742, 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. 2742, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1685-12 Finance on S.B. No. 3010

The purpose of this measure is to ensure public safety and to expedite the rehabilitation and replacement of certain state-owned bridges by providing the Department of Transportation, and any of the Department's contractors, with temporary exemptions from certain specified requirements.

General Contractors Association of Hawaii testified in support of this measure. The Office of Environmental Quality Control of the Department of Health; Office of Planning of the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; Sierra Club Hawaii Chapter; and several concerned individuals testified in opposition to this measure. The Department of Transportation, Department of Land and Natural Resources, and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Adding the rehabilitation of the Franklin D. Roosevelt Bridge on Kamehameha Highway on the island of Oahu as an additional project exempted from the specified requirements;
- (2) Changing the effective date to July 1, 2012; 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. 3010, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3010, S.D. 2, H.D. 1.

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

SCRep. 1686-12 Finance on S.B. No. 1276

The purpose of this measure, as received by your Committee, is to update the Insurance Code, Chapter 431, Hawaii Revised Statutes (HRS), and

the laws relating to the Hawaii Hurricane Relief Fund, Chapter 431P, HRS, and mutual benefit societies, Chapter 432:1, HRS.

Prior to the public hearing, a Proposed House Draft 2 (Proposed H.D. 2) was circulated for public review and comment. The purpose of the Proposed H.D. 2 is to attempt to provide affordable health care to the people of Hawaii in a fiscally responsible manner by:

- (1) Prohibiting any state entity from establishing a basic health program, as contemplated by section 1331 of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended, without the enactment of state legislation that explicitly authorizes or directs the establishment and operation of such a program; and
- (2) Authorizing the Insurance Division of the Department of Commerce and Consumer Affairs to prepare a comprehensive study on the feasibility of establishing a basic health program in Hawaii.

The Office of the Governor, Department of Commerce and Consumer Affairs, and AlohaCare supported the Proposed H.D. 2. The Hawaii Primary Care Association and Ohana Health Plan opposed the Proposed H.D. 2. The Department of Human Services and Faith Action for Community Equity submitted comments.

After careful consideration, your Committee has amended this bill by adopting the Proposed H.D. 2.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, 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. 1276, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1687-12 Finance on S.B. No. 2798

The purpose of this measure is to require all commercial health care insurers operating in Hawaii to provide the State with a quarterly report listing their members for a cross-reference check of prospective and current Medicaid beneficiaries to secure the integrity of the Medicaid program and ensure that Medicaid is the payor of last resort.

The Department of Human Services supported this measure. The Hawaii Medical Service Association commented on this measure.

Your Committee has amended this measure by:

- (1) Adding language to the purpose section of the measure acknowledging the importance of supplying the State with such information on a timely basis, but noting the need to preserve confidentiality by transmitting this private information through an independent, highly secured data messaging and transmission system;
- (2) Deleting language requiring private health insurers to provide information regarding only coverage for certain individuals to the State upon request, and inserting terms expanding the requirement to reach coverage information for all members of private health insurers;
- (3) Requiring private health insurers, beginning in 2014, to provide a report listing their members to an independent third party entity no more than quarterly, and requiring the third party to match the report with one submitted by the Department of Human Services and provide the Department with information for medical assistance recipients;
- (4) Requiring the Department of Human Services to include private health insurers in evaluating the qualifications of potential third party entities and determining the minimum data fields for matching;
- (5) Changing its effective date to upon its 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2798, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2798, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1688-12 Finance on S.B. No. 2800

The purpose of this measure is to increase efficiency in child care licensing by exempting from licensing by the Department of Human Services any child care program already licensed by the Department of Education and any kindergarten, school, or child care program already licensed by the Charter School Review Panel, Hawaii Council of Private Schools, or any federal agency.

This measure also exempts from licensing by the Department of Human Services child care programs for children under five years of age conducted by the counties under specified conditions.

The Department of Human Services and Hawaii Association of Independent Schools supported this bill. The Hawaii Association for the Education of Young Children opposed this measure.

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 S.B. No. 2800, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2800, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 1689-12 Finance on S.B. No. 2394

The purpose of this measure is to promote consumer protection by accomplishing the following:

- (1) Protecting military service members and their dependents from abusive lending practices by allowing the Director of Commerce and Consumer Affairs to enforce certain federal laws relating to fraud, deception, and similar practices;
- (2) Establishing under the Hawaii Housing and Finance Development Corporation (HHFDC) a Distressed Residential Properties Program (Program) to assist Hawaii homeowners who face foreclosure on their mortgages by, among other things:
 - (A) Establishing a Distressed Residential Properties Program Special Fund (Special Fund);
 - (B) Allowing the Special Fund to be used to purchase, in whole, or in part, existing loans of distressed residential properties;
 - (C) Allowing HHFDC to issue revenue bonds in amounts not exceeding \$25,000,000 to be deposited into the Special Fund;
 - (D) Requiring HHFDC to submit to the Legislature at least 20 days prior to the convening of each Regular Session a report on the number of loans purchased and the disposition of the loans by HHFDC;
 - (E) Setting forth eligibility requirements for homeowners who wish to participate in the Program; and
 - (F) Establishing terms and conditions of qualified mortgages.

The Oahu Veterans Council; the Military Officers Association of America, Hawaii Chapter; IMUAlliance; Faith Action for Community Equity; and several individuals supported this measure. The Hawaii Association of REALTORS, Hawaii Credit Union League, the Hawaii Financial Services Association, and the Hawaii Bankers Association opposed this measure. The Office of Consumer Protection, the Hawaii Housing Finance and Development Corporation, the Department of the Attorney General, the Department of Budget and Finance, The Chamber of Commerce of Hawaii, and Legal Aid Society of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Elaborating upon the preamble in Part II of the measure, to declare that:
 - (A) The mortgage crisis has skewed the land market and placed into question the title to residential real property in the State, which has jeopardized the health, welfare, and safety of Hawaii's citizens;
 - (B) Part II is intended to protect the health, safety, and welfare of Hawaii's citizens;
 - (C) The exercise of the power of eminent domain under Part II is a public use in accordance with the Fifth Amendment of the United States Constitution and Article I, section 20, of the Constitution of the State of Hawaii;
 - (D) The exercise of the power of eminent domain under Part II is in accord with the State's authority to take private property for a public use, as asserted in *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229 (1984) and reaffirmed in *Kelo v. City of New London, Connecticut*, 545 U.S. 469 (2005);
 - (E) Section 101-71, Hawaii Revised Statutes, permits the State to take private personal property used in connection with real property for public use so long as just compensation is paid; and
 - (F) A mortgage debt constitutes private personal property used in connection with real property;
- (2) Deleting a provision that would prohibit property subject to legislative approval of sale or gift of land in accordance with section 171-64.7, Hawaii Revised Statutes, from being eligible to participate in the Program;
- (3) Lowering to \$10,000,000 the amount of revenue bonds that HHFDC is authorized to issue in order to carry out the purposes of Part II;
- (4) Requiring that the application for the Program shall include an authorization for HHFDC to pull an applicant's credit records related to the mortgage loan account and share its contents with authorized third parties;
- (5) Extending the time period for HHFDC to review an application for the Program to sixty days;
- (6) Clarifying that sales of property under the Program are exempt from legislative approval;
- (7) Increasing the mortgage servicing fee to one percent of the amount loaned to the purchaser;
- (8) Authorizing the Attorney General, for loans purchased from lenders subject to a federal multistate consent judgment in the matter of *United States of America et al v. Bank of America Corp., J.P. Morgan Chase & Co., Wells Fargo & Company, Citigroup Inc. and Ally*

Financial Inc., to monetize certain credits available to lenders under the terms of the judgment for purposes of discounting the value of loans purchased by HHFDC pursuant to part II of this measure;

- (9) Appropriating an unspecified amount of general funds to carry out the purposes of this measure;
- (10) Appropriating an unspecified amount of general obligation bonds to carry out the purposes of this measure;
- (11) Changing the effective date to July 1, 2030, to facilitate further discussion; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394, 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. 2394, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representative Kawakami.
(Representative Riviere voted no.)

SCRep. 1690-12 Finance on S.B. No. 2115

The purpose of this measure is to strengthen Hawaii's charter school system by adopting the recommendations of the Charter School Governance, Accountability, and Authority Task Force and establishing new provisions governing charter schools and charter school governance and administration.

Kamehameha Schools and Hawaii Business Roundtable supported this bill. Many concerned individuals opposed this measure. The Department of Education, Department of the Attorney General, Charter School Administrative Office, State Procurement Office, Office of Hawaiian Affairs, Hawaii State Teachers Association, Hawaii Public Charter Schools Network, Hawaii Educational Policy Center, League of Women Voters of Hawaii, Common Cause Hawaii, and several concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Making unspecified the minimum annual per pupil contribution matching ratio required of nonprofit organizations managing and operating a conversion charter school;
- (2) Making unspecified the total required contribution amounts for school years 2012-2021 for nonprofit organizations managing and operating a conversion charter school;
- (3) Making unspecified the maximum percentage amount of federal grants and subsidies a charter school is required to pay the Department of Education as reimbursement for administrative services related to the federal grants and subsidies;
- (4) Making unspecified the maximum percentage amount of supplemental federal grants a charter school is required to pay the Department of Education as reimbursement for administrative services related to the supplemental federal grants;
- (5) Making unspecified the maximum percentage amount of the annual charter school general fund allocation that may be withheld for the operational expenses of the Charter School Administrative Office;
- (6) Changing its 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 S.B. No. 2115, 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. 2115, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1691-12 International Affairs on H.R. No. 133

The purpose of this measure is to recognize the relationship between Hawaii and Istanbul, Turkey; build upon this friendship; and promote the cultural, educational, political, and economic relations between the people of Hawaii and Istanbul, Turkey.

An individual testified in support of this measure.

Your Committee recognizes that the relationship between Hawaii and the city of Istanbul, Turkey is important. However, your Committee notes that the focus of this measure applies to building a relationship between Hawaii and the province of Istanbul, Turkey.

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. 133 and recommends its adoption.

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

SCRep. 1692-12 International Affairs on H.C.R. No. 173

The purpose of this measure is to recognize the relationship between Hawaii and Istanbul, Turkey; build upon this friendship; and promote the cultural, educational, political, and economic relations between the people of Hawaii and Istanbul, Turkey.

An individual testified in support of this measure.

Your Committee recognizes that the relationship between Hawaii and the city of Istanbul, Turkey is important. However, your Committee notes that the focus of this measure applies to building a relationship between Hawaii and the province of Istanbul, Turkey.

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. 173 and recommends its adoption.

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

SCRep. 1693-12 International Affairs/Tourism on H.R. No. 130

The purpose of this measure is to urge the United States Congress to enact the Visa Improvements to Stimulate International Tourism to the United States of America Act, H.R. 3341, 2011.

The Hawai'i Tourism Authority testified in support of this measure.

It is your Committees' understanding that the Visa Improvements to Stimulate International Tourism to the United States of America Act reduces travel barriers for international visitors by, among other things, expediting visa filings for applicants and issuing visas for foreign investors, thus serving as an incentive for tourism and travel to the United States.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 130 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey, Ching and Marumoto.

SCRep. 1694-12 International Affairs/Tourism on H.C.R. No. 170

The purpose of this measure is to urge the United States Congress to enact the Visa Improvements to Stimulate International Tourism to the United States of America Act, H.R. 3341, 2011.

The Hawai'i Tourism Authority testified in support of this measure.

It is your Committees' understanding that the Visa Improvements to Stimulate International Tourism to the United States of America Act reduces travel barriers for international visitors by, among other things, expediting visa filings for applicants and issuing visas for foreign investors, thus serving as an incentive for tourism and travel to the United States.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 170 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey, Ching and Marumoto.

SCRep. 1695-12 International Affairs/Tourism on H.R. No. 98

The purpose of this measure is to urge the United States Congress to propose and support the inclusion of the Philippines in the Visa Improvements to Stimulate International Tourism to the United States of America Act (VISIT USA Act).

Hawaii Tourism Authority testified in support of this measure.

Your Committees note that the VISIT USA Act establishes a five-year multiple entry visa for specified countries, but does not include the Philippines. Including the Philippines in the VISIT USA Act will strengthen economic, educational, cultural, and other ties between the Philippines and the United States.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 98 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1696-12 International Affairs/Tourism on H.C.R. No. 130

The purpose of this measure is to urge the United States Congress to propose and support the inclusion of the Philippines in the Visa Improvements to Stimulate International Tourism to the United States of America Act (VISIT USA Act).

Hawaii Tourism Authority testified in support of this measure.

Your Committees note that the VISIT USA Act establishes a five-year multiple entry visa for specified countries, but does not include the Philippines. Including the Philippines in the VISIT USA Act will strengthen economic, educational, cultural, and other ties between the Philippines and the United States.

As affirmed by the records of votes of the members of your Committees on International Affairs and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 130 and recommend its adoption.

Signed by all members of the Committee except Representatives McKelvey and Ching.

SCRep. 1697-12 Economic Revitalization & Business/Energy & Environmental Protection on H.R. No. 156

The purpose of this measure is to ensure the management and financial integrity of the deposit beverage container recycling program and associated special fund before increasing the non-refundable deposit beverage container fee.

Specifically, this measure urges the Department of Health to refrain from imposing any increase to the non-refundable deposit beverage container fee until the Auditor has completed an updated management and financial audit of the deposit beverage container program.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association; Retail Merchants of Hawaii; Coca-Cola Bottling Company of Hawaii; Ito En (USA) Inc.; KYD Inc.; Marukai Corporation; and Pepsi Beverages Company Hawaii. Your Committee received testimony in opposition of this measure from the Department of Environmental Management, County of Hawaii and two individuals.

Your Committee finds that under the deposit beverage container recycling program, the Department of Health has collected approximately \$400,000,000 in fees and deposits from Hawaii consumers, yet has operated with little external oversight of the program and associated special fund. The November 2005 audit of the program concluded that the Department had failed to establish a financial accounting system to ensure that transactions are properly recorded and reported and that assets are safeguarded. The 2005 audit further concluded that the program lacked numerous internal controls over cash receipts and disbursements and financial reporting which created opportunities for potential abuse.

Your Committee notes that although section 342G-107, Hawaii Revised Statutes, requires an audit of the program every even-numbered year, the Legislature has not received audits for 2006, 2008, and 2010 to refute the findings of the 2005 audit.

Your Committee further finds that an audit should be conducted of the program to ensure the management and financial integrity of the program prior to imposing more financial burdens on consumers by increasing the amount of the non-refundable deposit beverage container fee.

Your Committee has amended this measure by:

- (1) Clarifying the language regarding the action urged to be taken by the Department of Health; and
- (2) Specifying that the Auditor's audit be conducted in accordance with section 342G-107, Hawaii Revised Statutes.

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 concur with the intent and purpose of H.R. No. 156, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 156, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Evans, Har, Ito, Nishimoto and Tokioka.

SCRep. 1698-12 Economic Revitalization & Business/Energy & Environmental Protection on H.C.R. No. 202

The purpose of this measure is to ensure the management and financial integrity of the deposit beverage container recycling program and associated special fund before increasing the non-refundable deposit beverage container fee.

Specifically, this measure urges the Department of Health to refrain from imposing any increase to the non-refundable deposit beverage container fee until the Auditor has completed an updated management and financial audit of the deposit beverage container program.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association; Retail Merchants of Hawaii; Coca-Cola Bottling Company of Hawaii; Ito En (USA) Inc.; KYD Inc.; Marukai Corporation; and Pepsi Beverages Company Hawaii. Your Committee received testimony in opposition of this measure from the Department of Environmental Management, County of Hawaii and two individuals.

Your Committee finds that under the deposit beverage container recycling program, the Department of Health has collected approximately \$400,000,000 in fees and deposits from Hawaii consumers, yet has operated with little external oversight of the program and associated special fund. The November 2005 audit of the program concluded that the Department had failed to establish a financial accounting system to ensure that transactions are properly recorded and reported and that assets are safeguarded. The 2005 audit further concluded that the program lacked numerous internal controls over cash receipts and disbursements and financial reporting which created opportunities for potential abuse.

Your Committee notes that although section 342G-107, Hawaii Revised Statutes, requires an audit of the program every even-numbered year, the Legislature has not received audits for 2006, 2008, and 2010 to refute the findings of the 2005 audit.

Your Committee further finds that an audit should be conducted of the program to ensure the management and financial integrity of the program prior to imposing more financial burdens on consumers by increasing the amount of the non-refundable deposit beverage container fee.

Your Committee has amended this measure by:

- (1) Clarifying the language regarding the action urged to be taken by the Department of Health; and
- (2) Specifying that the Auditor's audit be conducted in accordance with section 342G-107, Hawaii Revised Statutes.

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 concur with the intent and purpose of H.C.R. No. 202, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 202, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Evans, Har, Ito, Nishimoto and Tokioka.

SCRep. 1699-12 Legislative Management on H.C.R. No. 141

The purpose of this measure is to request the Director of Commerce and Consumer Affairs to create a task force to prevent future instances of animal cruelty by large—scale commercial dog breeders and to protect the public from purchasing sick and unhealthy dogs.

The Hawaiian Humane Society, Aloha Labradors and Kona Poodles, Aloha State Sporting Dog Association, American Kennel Club, Cavalier King Charles Spaniel Club of Hawaii, Chihuahua Club of Hawaii, Dachshund Club of Hawaii, Golden Retriever Club of Hawaii, Hawaii Hulacat Club, Hawaiian Chinese Shar-Pei Club, Hawaiian Herding Dog Association, Hawaiian Kennel Club, Hawaiian Terrier Association, Kealoha Kennels, Kerry Blue Terrier Club of Hawaii, Koolau Pets, Leeward Training Club of Hawaii, The Pet Hale, Terriers in Paradise-Hawaii, Shetland Sheepdog Club of Hawaii, Obedience Training Club of Hawaii, Siberian Husky Club of Hawaii, West Oahu Kennel Club, Windward Hawaiian Dog Fanciers Association, and many concerned individuals supported the measure. The Department of Commerce and Consumer Affairs and the Humane Society of the United States offered comments on the measure.

Your Committee has amended this measure by:

- (1) Adding to the task force one representative from the Department of Agriculture and the Department of the Attorney General; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 141, H.D. 1.

Signed by all members of the Committee.

SCRep. 1700-12 Finance on H.R. No. 5

The purpose of this measure is to recognize that the United States Constitution only protects rights of natural persons.

As affirmed by the record of votes 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. 5, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.
(Representative Marumoto voted no.)

SCRep. 1701-12 Finance on H.C.R. No. 5

The purpose of this measure is to recognize that the United States Constitution only protects rights of natural persons.

As affirmed by the record of votes 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. 5, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.
(Representative Marumoto voted no.)

SCRep. 1702-12 Finance on H.R. No. 9

The purpose of this measure is to request the City and County of Honolulu to review its policies regarding street and road widening with regard to their impact on 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. 9 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1703-12 Finance on H.C.R. No. 13

The purpose of this measure is to request the City and County of Honolulu to review its policies regarding street and road widening with regard to

their impact on 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. 13 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1704-12 Finance on H.R. No. 13

The purpose of this measure is to urge the United States Department of Veterans Affairs and the Hawaii Office of Veterans Services to develop comprehensive programs and services to address the needs of women veterans.

As affirmed by the record of votes 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. 13 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1705-12 Finance on H.C.R. No. 19

The purpose of this measure is to urge the United States Department of Veterans Affairs and the Hawaii Office of Veterans Services to develop comprehensive programs and services to address the needs of women veterans.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1706-12 Finance on H.R. No. 16

The purpose of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Lahaina, Maui, for maintenance and repair or existing deck and improvements.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 16 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1707-12 Finance on H.C.R. No. 23

The purpose of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Lahaina, Maui, for maintenance and repair or existing deck and improvements.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 23 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1708-12 Finance on H.C.R. No. 24

The purpose of this measure is to approve the sale of leased fee interest in 593 Kuliouou Road, Honolulu, 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. 24 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1709-12 Finance on H.C.R. No. 25

The purpose of this measure is to approve the sale of leased fee interest in 619 Kuliouou Road, Honolulu, 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. 25 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1710-12 Finance on H.C.R. No. 26

The purpose of this measure is to approve the sale of the leased fee interest in 644 Hokiokio Place, Honolulu, 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. 26 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1711-12 Finance on H.C.R. No. 27

The purpose of this measure is to approve the sale of the leased fee interest in 2314 10th Avenue, Honolulu, 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. 27 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1712-12 Finance on H.C.R. No. 28

The purpose of this measure is to approve the sale of the leased fee interest in 41-557 Kamanaaina Place, Waimanalo, 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. 28 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1713-12 Finance on H.C.R. No. 29

The purpose of this measure is to approve the sale of the leased fee interest in 2949 Ala Ilima Street, No. 303, Honolulu, 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. 29 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1714-12 Finance on H.C.R. No. 30

The purpose of this measure is to approve the sale of the leased fee interest in 95-031 Kuahelani Avenue, No. 242, Mililani, 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. 30 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1715-12 Finance on H.C.R. No. 31

The purpose of this measure is to approve the sale of the leased fee interest in 95-017 Kuahelani Avenue, No. 321, Mililani, 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.31 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1716-12 Finance on H.C.R. No. 32

The purpose of this measure is to request the Governor's Office to conduct a study on the efficacy of combining state government health policy, planning, and purchasing in a single agency in order to advance transformation of Hawaii's healthcare system and universal access to all.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 32, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1717-12 Finance on H.R. No. 17

The purpose of this measure is to request the Department of Health to convene a task force to examine the impact of all-terrain vehicle accidents on children.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 17, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1718-12 Finance on H.C.R. No. 33

The purpose of this measure is to request the Department of Health to convene a task force to examine the impact of all-terrain vehicle accidents on children.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1719-12 Finance on H.C.R. No. 41

The purpose of this measure is to request the auditor to perform a sunrise analysis of the regulation of profession of music therapy.

As affirmed by the record of votes 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. 41 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1720-12 Finance on H.C.R. No. 50

The purpose of this measure is to request the Governor to recognize local Koreans by directing the placement of a commemorative plaque designating the former site of the Korean Christian Institute.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1721-12 Finance on H.C.R. No. 51

The purpose of this measure is to request the Governor to recognize local Koreans by directing the placement of a commemorative plaque designating the former site of the Korean Boarding School for Boys and the Korean Methodist Church.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1722-12 Finance on H.R. No. 36

The purpose of this measure is to urge the Hawaii Army National Guard to provide emergency transport services by helicopter to individuals from leeward Oahu and communities in the immediate vicinity who require immediate trauma care.

As affirmed by the record of votes 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. 36 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1723-12 Finance on H.C.R. No. 56

The purpose of this measure is to urge the Hawaii Army National Guard to provide emergency transport services by helicopter to individuals from leeward Oahu and communities in the immediate vicinity who require immediate trauma care.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1724-12 Finance on H.C.R. No. 77

The purpose of this measure is to urge the United States Congress to support and establish a national broadband network.

As affirmed by the record of votes 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. 77 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1725-12 Finance on H.R. No. 57

The purpose of this measure is to support efforts by non-governmental organizations that assist in finding opportunities and solutions to address homelessness 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. 57 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1726-12 Finance on H.C.R. No. 82

The purpose of this measure is to support efforts by non-governmental organizations that assist in finding opportunities and solutions to address homelessness 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. 82 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1727-12 Finance on H.R. No. 59

The purpose of this measure is to request the Board of Education and Department of Education to comply in full with the findings and recommendations of the office of the auditor's management audit of the Department of Education's Hawaiian Studies Program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1728-12 Finance on H.C.R. No. 85

The purpose of this measure is to request the Board of Education and Department of Education to comply in full with the findings and recommendations of the office of the auditor's management audit of the Department of Education's Hawaiian Studies Program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1729-12 Finance on H.R. No. 60

The purpose of this measure is to urge the United States National Register of Historic Places to recognize Mokauea Island as a cultural and educational resource and include Mokauea Island on the National Register of Historic Places.

As affirmed by the record of votes 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 Ichiyama, Jordan and Kawakami.

SCRep. 1730-12 Finance on H.C.R. No. 86

The purpose of this measure is to urge the United States National Register of Historic Places to recognize Mokauea Island as a cultural and educational resource and include Mokauea Island on the National Register of Historic Places.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1731-12 Finance on H.C.R. No. 98

The purpose of this measure is to request the State Office of Solid Waste Management to develop a plan of initiatives for improved reuse and recycling of green waste by working with the counties to address each county's unique needs according to their geography, population, and unique industry make-up.

As affirmed by the record of votes 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. 98, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1732-12 Finance on H.C.R. No. 99

The purpose of this measure is to request the Department of the Attorney General to work with stakeholders and appropriate agencies to create an efficient tracking method for deoxyribonucleic acid (DNA) rape kits.

As affirmed by the record of votes 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. 99, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1733-12 Finance on H.R. No. 73

The purpose of this measure is to request the Department of Agriculture to implement an incentive program to promote the purchase of Hawaii-grown agricultural commodities.

As affirmed by the record of votes 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. 73 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1734-12 Finance on H.C.R. No. 101

The purpose of this measure is to request the Department of Agriculture to implement an incentive program to promote the purchase of Hawaii-grown agricultural commodities.

As affirmed by the record of votes 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 Ichiyama, Jordan and Kawakami.

SCRep. 1735-12 Finance on H.R. No. 75

The purpose of this measure is to express support for the Department of Agriculture's efforts to stimulate the state's agriculture industry, increase and diversify agricultural output, and promote food security.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1736-12 Finance on H.C.R. No. 103

The purpose of this measure is to express support for the Department of Agriculture's efforts to stimulate the state's agriculture industry, increase and diversify agricultural output, and promote food security.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1737-12 Finance on H.C.R. No. 104

The purpose of this measure is to urge the University of Hawaii to designate the Magoon Research and teaching facility site for the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 104 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1738-12 Finance on H.C.R. No. 107

The purpose of this measure is to urge the creation of an exploratory committee to consider the establishment of an international aviation training center at the Hilo International Airport and an advanced aviation degree training program at the University of Hawaii at Hilo.

As affirmed by the record of votes 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. 107 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1739-12 Finance on H.C.R. No. 108

The purpose of this measure is to request the Department of Health to conduct a review and make recommendations on the removal of marine debris created by the 2011 tsunami in Japan.

As affirmed by the record of votes 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. 108 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1740-12 Finance on H.R. No. 94

The purpose of this measure is to encourage and request a report on socially responsible investments.

As affirmed by the record of votes 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. 94 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1741-12 Finance on H.C.R. No. 123

The purpose of this measure is to encourage and request a report on socially responsible investment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1742-12 Finance on H.C.R. No. 140

The purpose of this measure is to request the Director of the Office of Aerospace Development to coordinate comments and identify a lead entity to prepare a proposal, on behalf of the state, for Hawaii to be selected as one of the federal aviation administration's six unmanned aircraft system test sites.

As affirmed by the record of votes 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. 140, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1743-12 Finance on H.R. No. 95

The purpose of this measure is to request the Department of Transportation to conduct a study of vehicle immobilization as a sanction for operating a motor vehicle with a license revoked or suspended for operating a vehicle under the influence of an intoxicant.

As affirmed by the record of votes 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 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1744-12 Finance on H.C.R. No. 124

The purpose of this measure is to request the Department of Transportation to conduct a study of vehicle immobilization as a sanction for operating a motor vehicle with a license revoked or suspended for operating a vehicle under the influence of an intoxicant.

As affirmed by the record of votes 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 Ichiyama, Jordan and Kawakami.

SCRep. 1745-12 Finance on H.R. No. 107

The purpose of this measure to request the Governor of the State of Hawaii and the Hawaii Sister-State Commission to approve the establishment of a sister-state relationship between the State of Hawaii and the Province of Bali, Indonesia.

As affirmed by the record of votes 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. 107, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1746-12 Finance on H.C.R. No. 145

The purpose of this measure is to request the Governor of the State of Hawaii and the Hawaii Sister-State Commission to approve the establishment of a Sister-State relationship between the State of Hawaii and the province of Bali, Indonesia.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1747-12 Finance on H.C.R. No. 152

The purpose of this measure is to request the Department of Human Resources Development to convene a task force to examine management policies regarding the use of overtime by state and county employees.

As affirmed by the record of votes 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. 152, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1748-12 Finance on H.R. No. 118

The purpose of this measure is to request the Department of Health to develop a state action plan to combat chronic obstructive pulmonary disease in the state.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 118 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1749-12 Finance on H.C.R. No. 154

The purpose of this measure is to request the Department of Health to develop a state action plan to combat chronic obstructive pulmonary disease in the state.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1750-12 Finance on H.C.R. No. 163

The purpose of this measure is to urge the Department of Land and Natural Resources and the Public Land Development Corporation, with the assistance of the County of Hawaii, to conduct a study on the establishment of a public-private partnership to develop and improve the East Hawaii area of Hawaii County.

As affirmed by the record of votes 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 Ichiyama, Jordan and Kawakami.

SCRep. 1751-12 Finance on H.R. No. 139

The purpose of this measure is to request a report of all state department expenditures relating to energy conservation contracts and power purchase agreements.

As affirmed by the record of votes 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, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1752-12 Finance on H.C.R. No. 178

The purpose of this measure is to request a report of all state department expenditures relating to energy conservation contracts and power purchase agreements.

As affirmed by the record of votes 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. 178, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1753-12 Finance on H.R. No. 147

The purpose of this measure is to request the establishment of a task force to examine state regulation of the harvesting of Hawaiian sandalwood.

As affirmed by the record of votes 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. 147, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1754-12 Finance on H.C.R. No. 190

The purpose of this measure is to request the establishment of a task force to examine state regulation of the harvesting of Hawaiian sandalwood.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1755-12 Finance on H.C.R. No. 192

The purpose of this measure is to request the Department of Health and Department of Public Safety to convene a task force to develop a plan for the design, development, construction, and operation of a secure forensic facility.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1756-12 Finance on H.R. No. 155

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to determine financing mechanisms to assist private parking lot owners with the costs associated with providing parking stalls and charging units for electric vehicles.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 155 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1757-12 Finance on H.C.R. No. 201

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to determine financing mechanisms to assist private parking lot owners with the costs associated with providing parking stalls and charging units for electric vehicles.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1758-12 Finance on H.R. No. 157

The purpose of this measure is to request the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety complex at Puunene, Maui.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1759-12 Finance on H.C.R. No. 203

The purpose of this measure is to request the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui regional public safety complex at Puunene, Maui.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 203 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1760-12 Finance on H.R. No. 167

The purpose of this measure is to urge the United States House of Representatives Armed Service Committee and Subcommittee on military personnel to act favorably on H.R. 2148 and to report the bill to the United States House of Representatives for further action.

As affirmed by the record of votes 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. 167 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1761-12 Finance on H.C.R. No. 216

The purpose of this measure is to urge the United States House of Representatives Armed Services Committee and Subcommittee on Military Personnel to act favorably on H.R. 2148 and to report the bill to the United States House of Representatives for further action.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1762-12 Finance on H.R. No. 4

The purpose of this measure is to urge the Governor and the Legislature of the State of Hawaii to preserve the counties' share of the transient accommodations tax.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 4, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1763-12 Finance on H.R. No. 116

The purpose of this measure is to request the Department of Transportation and the City and County of Honolulu to inspect, clean, and fix the drainage system in East Honolulu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1764-12 Finance on H.R. No. 74

The purpose of this measure is to request the Chairperson of the Board of Agriculture to convene an agriculture policy task force to review agriculture policies from other states that may be effective in Hawaii to assist the development of the local agriculture industry.

For the purposes of a public hearing on this measure, your Committee circulated a proposed draft and notified the public that it would be accepting testimony on the proposal, which:

- (1) Changes the title of the measure to read: "REQUESTING THE STATE LIBRARIAN TO CONVENE A TASK FORCE ON THE USE OF PUBLIC LIBRARY FACILITIES FOR CONCESSIONS.";
- (2) Requests the State Librarian to convene a task force on the use of public library facilities for concessions;
- (3) Requests the task force to address issues that have arisen as a result of the requirements of section 312-3.8, Hawaii Revised Statutes, and consider how funds raised through concessions using public library facilities are apportioned and administered; and
- (4) Requests the task force to submit a report of its findings and recommendations for legislation to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Hawaii State Public Library System testified in support of this measure.

Your Committee adopted the proposed draft and further amended the measure by specifying that each non-affiliate of the Friends of the Library of Hawaii receive a certified copy of 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 concurs with the intent and purpose of H.R. No. 74, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 74, H.D. 1.

Signed by all members of the Committee except Representatives Giugni, Ichiyama, Kawakami, C. Lee, Morikawa and Riviere.

SCRep. 1765-12 Finance on H.C.R. No. 102

The purpose of this measure is to request the Chairperson of the Board of Agriculture to convene an agriculture policy task force to review agriculture policies from other states that may be effective in Hawaii to assist the development of the local agriculture industry.

For the purposes of a public hearing on this measure, your Committee circulated a proposed draft and notified the public that it would be accepting testimony on the proposal, which:

- (1) Changes the title of the measure to read: "REQUESTING THE STATE LIBRARIAN TO CONVENE A TASK FORCE ON THE USE OF PUBLIC LIBRARY FACILITIES FOR CONCESSIONS.";
- (2) Requests the State Librarian to convene a task force on the use of public library facilities for concessions;
- (3) Requests the task force to address issues that have arisen as a result of the requirements of section 312-3.8, Hawaii Revised Statutes, and consider how funds raised through concessions using public library facilities are apportioned and administered; and
- (4) Requests the task force to submit a report of its findings and recommendations for legislation to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Hawaii State Public Library System, Friends of the Library of Hawai'i, and many concerned individuals testified in support of this measure.

Your Committee adopted the proposed draft and further amended the measure by specifying that each non-affiliate of the Friends of the Library of Hawaii receive a certified copy of 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 concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 102, H.D. 1.

Signed by all members of the Committee except Representatives Giugni, Ichiyama, Kawakami, C. Lee, Morikawa and Riviere.

SCRep. 1766-12 Finance on H.R. No. 115

The purpose of this measure is to convene a Manoa Road Task Force to discuss ownership, maintenance, and repair responsibility of the portion of Manoa Road leading up to the Lyon Arboretum.

Testimony in support of this resolution was received from the District 6 Honolulu Councilmember, the University of Hawaii at Manoa, Kakilepo, LLC, and an individual. The Department of Land and Natural Resources 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 concurs with the intent and purpose of H.R. No. 115 and recommends its adoption.

Signed by all members of the Committee except Representatives Giugni, Ichiyama, Jordan, Kawakami, C. Lee, Morikawa and Riviere.

SCRep. 1767-12 Finance on H.C.R. No. 153

The purpose of this measure is to convene a Manoa Road Task Force to discuss ownership, maintenance, and repair responsibility of the portion of Manoa Road leading up to the Lyon Arboretum.

Testimony in support of this concurrent resolution was received from the District 6 Honolulu Councilmember, the University of Hawaii at Manoa, Kakilepo, LLC, and an individual. The Department of Land and Natural Resources 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 concurs with the intent and purpose of H.C.R. No. 153 and recommends its adoption.

Signed by all members of the Committee except Representatives Giugni, Ichiyama, Jordan, Kawakami, C. Lee, Morikawa and Riviere.

SCRep. 1768-12 Finance on H.R. No. 143

The purpose of this measure is to request that the Governor direct all state departments to comply with the United States Office of Management and Budget's Statistical Policy Directive No. 15.

Testimony in support of this resolution was received from the Office of Hawaiian Affairs.

As affirmed by the record of votes 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. 143 and recommends its adoption.

Signed by all members of the Committee except Representatives Giugni, Ichiyama, Jordan, Kawakami, C. Lee, Morikawa and Riviere.

SCRep. 1769-12 Finance on H.C.R. No. 185

The purpose of this measure is to request that the Governor direct all state departments to comply with the United States Office of Management and Budget's Statistical Policy Directive No. 15.

Testimony in support of this concurrent resolution was received from the Office of Hawaiian Affairs.

As affirmed by the record of votes 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 Giugni, Ichiyama, Jordan, Kawakami, C. Lee, Morikawa and Riviere.

SCRep. 1770-12 Finance on H.R. No. 121

The purpose of this measure is to request a study on the feasibility and benefits of establishing certification and licensure fees to support certain Department of Human Services' 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. 121 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1771-12 Finance on H.C.R. No. 157

The purpose of this measure is to request a study on the feasibility and benefits of establishing certification and licensure fees to support certain Department of Human Services' 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. 157 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1772-12 Finance on H.R. No. 123

The purpose of this measure is to request the Department of Human Services to conduct a study on the state's compliance with the Patient Protection and Affordable Care Act with emphasis on Medicaid program integrity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 123 and recommends its adoption.

Signed by all members of the Committee except Representatives Ichiyama, Jordan and Kawakami.

SCRep. 1773-12 Finance on H.C.R. No. 159

The purpose of this measure is to request the Department of Human Services to conduct a study on the state's compliance with the Patient Protection and Affordable Care Act with emphasis on Medicaid program integrity.

As affirmed by the record of votes 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 Ichiyama, Jordan and Kawakami.

SCRep. 1774-12 Legislative Management on H.C.R. No. 183

The purpose of this measure is to request the Auditor to perform a financial and performance audit of the Department of Commerce and Consumer Affairs and to submit a report of the results, including any necessary proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Community Media Producers Association, NewsWire Hawaii, and an individual member of the Honolulu City Council supported the measure. The Department of Commerce and Consumer Affairs offered comments on the measure.

Your Committee has amended this measure by deleting the contents reflecting legislative findings and inserting new language that:

- (1) Narrows the scope of the requested financial and performance audit to focus on the Cable Television Division of the Department of Commerce and Consumer Affairs;
- (2) Reflects the findings of the Legislature that the performance audit of the Department of Commerce and Consumer Affairs funded by a 2011 appropriation and currently in progress does not meet the Legislature's expectations for quality or for appropriate expenditure of public funds;
- (3) Requests the Department of Commerce and Consumer Affairs to suspend any further expenditure of funds for a contracted performance audit of PEG organizations under the jurisdiction of the Cable Television Division; and
- (4) Makes technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee.

SCRep. 1775-12 Legislative Management on H.C.R. No. 177

The purpose of this measure is to request the Legislative Reference Bureau to:

- (1) Assess the impact of the Patient Protection and Affordable Care Act on the proposal in Senate Bill No. 2631, S.D. 2, Regular Session of 2012, to require insurance coverage for the diagnosis and treatment of autism spectrum disorders by insurers;
- (2) Analyze the cost of providing insurance coverage for autism spectrum disorders in Hawaii;
- (3) Report information on the recommended clinical guidelines made by medical societies for the treatment of autism spectrum disorders; and
- (4) Provide information on the reported clinical effectiveness of treatments for autism spectrum disorders that are covered by insurance in states that mandate coverage for autism treatments.

The State Council on Developmental Disabilities, Autism Speaks, Hawaii Disability Rights Center, Special Education Advisory Council, and several individuals supported this concurrent resolution. The Hawaii Medical Service Association supported this measure with amendments. The Legislative Reference Bureau offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Expanding the scope of the measure to include an assessment of the impact that an autism spectrum disorder coverage mandate would have on programs financed by the State to include programs such as the Hawaii Employer-Union Health Benefits Trust Fund and QUEST programs;
- (2) Expanding the list of organizations from which to report information on recommended clinical guidelines to include the United States Surgeon General, the National Institute of Mental Health, and the National Research Council; 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. 177, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No.

177, H.D. 2.

Signed by all members of the Committee.

SCRep. 1776-12 Legislative Management on H.R. No. 7

The purpose of this measure is to request the Auditor to assess the social and financial effects of requiring health insurance coverage for fertility preservation procedures for persons of reproductive age who have been diagnosed with cancer and will undergo treatment that may adversely affect fertility as further described by H.B. No. 2105 (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 concurs with the intent and purpose of H.R. No. 7 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1777-12 Legislative Management on H.C.R. No. 9

The purpose of this measure is to request the Auditor to assess the social and financial effects of requiring health insurance coverage for fertility preservation procedures for persons of reproductive age who have been diagnosed with cancer and will undergo treatment that may adversely affect fertility as further described by H.B. No. 2105 (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 concurs with the intent and purpose of H.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1778-12 Consumer Protection & Commerce on H.C.R. No. 58

The purpose of this measure is to support the use of renewable energy in Hawaii by, among other things, requesting that the Public Utilities Commission (PUC):

- (1) Direct that the integrated resource plans of electric utilities examine a strategy that replaces existing fossil fuel-based electricity generation plants with renewable energy resources;
- (2) Direct that the integrated resource plans of investor-owned electric utilities:
 - (A) Examine a strategy that develops excess firm or intermittent electricity to be transmitted between islands, including plans to develop undersea electricity transmission cable to support transmission of electricity between the islands; and
 - (B) Consider other renewable energy resources;
- (3) Examine:
 - (A) Its avoided cost calculation methodology;
 - (B) Ways to maximize the use of distributed generation, including an examination of the appropriateness of current circuit penetration threshold levels for the interconnection of distributed generation resources;
 - (C) The increased use of energy efficiency programs and technology to meet the goals of the energy-efficiency portfolio standards under section 269-96, Hawaii Revised Statutes;
 - (D) Ways to minimize the curtailment of renewable energy resources; and
 - (E) Ways to modernize the state's electrical grids; and
- (4) Include findings, recommendations, and any proposed legislation in its 2013 and 2014 annual reports.

The PUC, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported this measure.

Your Committee finds that wave energy should be further considered and explored as a form of renewable energy for Hawaii.

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. 58, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Luke, McKelvey, Souki and Ching.

SCRep. 1779-12 Consumer Protection & Commerce on H.C.R. No. 165

The purpose of this measure is to help combat the scourge of fetal alcohol spectrum disorder by:

- (1) Urging alcohol retailers and premises licensed under chapter 281, Hawaii Revised Statutes, to post a sign in or about the premises that reads:

"WARNING: Women should not drink alcoholic beverages during pregnancy because of the risk of birth defects and fetal alcohol spectrum disorder. Conditions associated with fetal alcohol spectrum disorder include physical, mental, behavioral, and learning disabilities."; and
- (2) Requesting the Department of Health (DOH) to continue its efforts to provide statewide training on fetal alcohol spectrum disorder prevention, identification, and interventions.

DOH, March of Dimes, and Healthy Mothers Healthy Babies 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 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 Cabanilla, Carroll, Luke, McKelvey, Souki and Ching.

SCRep. 1780-12 Water, Land, & Ocean Resources on H.C.R. No. 169

The purpose of this measure as received by your Committee is to urge the county councils to develop and implement community concerns councils in their counties to serve rural communities within their respective jurisdictions with a population of 10,000 or less.

For the purposes of a public hearing on this measure, your Committee circulated Proposed H.C.R. 169, H.D. 1, entitled "HOUSE CONCURRENT RESOLUTION URGING THE ESTABLISHMENT OF KOREATOWN AND DEVELOPMENT OF A MASTER PLAN FOR THE DEVELOPMENT OF A KOREATOWN," and notified the public that it would be accepting testimony on the proposal which:

- (1) Urges the establishment of a Koreatown; and
- (2) Urges the Office of Planning in coordination with the Department of Planning and Permitting of the City and County of Honolulu to develop a master plan for the development of a Koreatown, which includes:
 - (A) Area boundaries;
 - (B) Incentives to promote and perpetuate further investment with Korea;
 - (C) A museum and cultural center highlighting Korea's contributions in culture, music, fashion, art and society in Hawaii and the world and including statues of Korean leaders from Hawaii; and
 - (D) Specialized design plans to reflect Korean architecture; and
- (3) Requests the Office of Planning to submit a report of its findings and recommendations, including proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2013.

The Consulate General of the Republic of Korea, the Korean Culture Center, and several individuals supported the Proposed H.C.R. 169, H.D. 1. The Office of Planning and the Department of Planning and Permitting of the City and County of Honolulu opposed the Proposed H.C.R. 169, H.D. 1.

Your Committee intended to adopt Proposed H.C.R. 169, H.D. 1; however it inadvertently passed the measure as received by your Committee without amendments. Your Committee further intends to pursue the adoption of Proposed H.C.R. 169, H.D. 1 through a floor amendment.

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. 169 and recommends its adoption.

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

SCRep. 1781-12 Agriculture on S.C.R. No. 135

The purpose of this measure is to express support for the Department of Agriculture's efforts to stimulate the State's agriculture industry, increase and diversify agriculture output, and promote food security.

The Department of Agriculture, Department of Business, Economic Development and Tourism, Office of Planning, Hawaii Farm Bureau Federation, and various individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Evans, Nishimoto and Marumoto.

SCRep. 1782-12 Transportation on S.C.R. No. 97

The purpose of this measure is to request the Insurance Commissioner to convene a working group to explore the creation of a web services-

based database program to track uninsured motorists.

The City and County of Honolulu Department of Customer Services, Property Casualty Insurers Association of America (PCI) and GEICO supported the measure. The Department of Commerce and Consumer Affairs and State Farm Insurance supported the intent. One individual opposed the measure and one individual offered comments.

Your committee finds that there is no statewide motor vehicle registration database and no agency in the State that currently monitors uninsured motorists. This measure would request the convening of a working group to study the feasibility of establishing a program to track uninsured motorists and enforce penalties or sanctions against violators.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Luke, Saiki and Takumi.

SCRep. 1783-12 Transportation on S.C.R. No. 49

The purpose of this measure is to request that the Department of Transportation form a working group to expeditiously resolve the issue of roads in limbo in Maui County.

The Department of Transportation and a council member of the Maui County Council supported the measure. The Department of Land and Natural Resources offered comments.

The origin of this problem apparently arose from the 1963 amendment to section 142-1, HRS, since redesignated as section 264-1, HRS, which created two categories of public highways – State highways, under the jurisdiction of the Department of Transportation, and County highways which comprise all remaining highways. The State claims that under this law all non-state roadways were transferred from the State to the various counties and are now the responsibility of the respective counties. The counties maintain that a highway does not become a county highway unless it is accepted or adopted as such by the county council, and will not take any responsibility for roadways not accepted in this fashion. As a result the counties did not accept all the roadways transferred to them by the State and these roads remain "in limbo". As a result these "roads in limbo" often fall into disrepair since neither the State nor the County will accept responsibility for their maintenance.

Recently in an East Maui community the Hanawana Land Bridge collapsed stranding dozens of residents. The Hanawana Land Bridge was part of a "road in limbo". Your committee feels that due to this long standing dispute between the State and Counties the time has come to resolve their differences for the greater good of Maui's and the State's residents.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Luke, Saiki and Takumi.

SCRep. 1784-12 Transportation on S.C.R. No. 59

The purpose of this measure is to request that the Governor proclaim July 13, 2012 as "Collector Car Appreciation Day".

From the Tin Lizzies (Model T Fords) through the Dusenbergs and Cords of the 1930s, the hot rods of the 1950s, muscle cars of the 1970s to the Gremlins, Pintos and the sampans of Hilo, car lovers have been collecting, preserving and exhibiting cars for decades. In Hawaii local car shows are usually around holidays such as Memorial Day, July 4th and Labor Day when you can browse a wide variety of makes and models. To recognize the many people in Hawaii who restore classic automobiles either as a hobby or a business and do so with pride and great enthusiasm, your Committee requests that the Governor proclaim July 13, 2012 as "Collector Car Appreciation Day."

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, Luke, Saiki and Takumi.

SCRep. 1785-12 Hawaiian Affairs on S.C.R. No. 74

The purpose of this measure is to urge the counties to preserve property tax exemptions for kuleana lands.

The Office of Hawaiian Affairs, Waimanalo Hawaiian Homes Association, and two concerned individuals supported the 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 S.C.R. No. 74 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1786-12 Hawaiian Affairs on S.C.R. No. 151

The purpose of this measure is to facilitate the preservation and repair of Hawaiian fishponds and to provide an opportunity to increase supplies

of certain fish which will make Hawaii more food-secure and will increase sustainable economic development opportunities for rural communities. Specifically, this measure:

- (1) Urges the Department of Land and Natural Resources, Department of Health, and Office of Planning to streamline the permitting process for the restoration of Hawaiian fishponds;
- (2) Requests these departments and office to collaborate with community organizations and Native Hawaiian aquaculturalists to consider certain criteria and rules to facilitate the restoration of Hawaiian fishponds; and
- (3) Requests the Department of Land and Natural Resources, Department of Health, and Office of Planning to submit their recommendations and draft legislation for a streamlined permit process for the restoration of Hawaiian fishponds to the 2013 Legislature.

The Office of Hawaiian Affairs, Department of Health, Kuliouou/Kalani Iki Neighborhood Board #2, Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club of Kona, Livable Hawaii Kai Hui, Waimanalo Hawaiian Homes Association, Oahu Council of the Association of Hawaiian Civic Clubs, eleven individual students from Moanalua High School, and several concerned individuals supported the measure. The Department of Land and Natural Resources supported the intent of the measure.

Your Committee notes that streamlining the permitting process for the restoration of Hawaiian fishponds is an ongoing process with the Department of Land and Natural Resources and encourages additional community input, especially from the Native Hawaiian community, as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, S.D. 1, and recommends that it be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

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

SCRep. 1787-12 Hawaiian Affairs/Culture & the Arts on S.C.R. No. 116

The purpose of this measure is to approve the selection of Daniel Kahikina Akaka to be inducted into the Aloha Order of Merit.

The Office of Hawaiian Affairs, Oahu Council of the Association of Hawaiian Civic Clubs, Waimanalo Hawaiian Homes Association, Association of Hawaiian Civic Clubs, two members of the Maui County Council, and several concerned individuals supported the 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. 116 and recommend its adoption.

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

SCRep. 1788-12 Energy & Environmental Protection on H.R. No. 151

The purpose of this measure is to request the Department of Taxation, with the cooperation of the Department of Business, Economic Development, and Tourism, to conduct a study on the feasibility of offering a solar hot water heating system tax credit.

Prior to holding a public hearing on this measure, a proposed H.R. No. 151 H.D. 1 (Proposed Draft) was prepared and made available for public review. The Proposed Draft deletes the contents of the measure and inserts:

- 1) a new title: REQUESTING AN UPDATE OF THE HAWAII ENERGY POLICY FORUM'S REPORT ON LIQUEFIED NATURAL GAS OPTIONS FOR THE STATE;
- 2) language that requests an update of HEPF's report on Evaluating Liquefied Natural Gas Option for the State of Hawaii; and
- 3) language that requests that copies of the report be transmitted to the Chairperson of the Public Utilities Commission. The administrator of the Hawaii State Energy Office, Chair of the Hawaii Energy Policy Forum, and the executive director of the Research Corporation of the University of Hawaii.

The Hawaii Energy Policy Forum submitted comments on this measure.

Your committee notes that, as expressed in the comments of the Hawaii Energy Policy Forum, no funding for this report update is provided for by this measure, but that the Hawaii Energy Policy Forum is currently seeking the required funds. If no funds are found, your committee recommends that this measure be held in its next committee.

Your committee took action by adopting the Proposed Draft.

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. 151, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 151, H.D. 1.

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

SCRep. 1789-12 Culture & the Arts on S.C.R. No. 57

The purpose of this measure is to request that the State Foundation on Culture and the Arts to establish a working group to develop recommendations and report to the 2013 Legislature regarding the administrative placement of the State Foundation on Culture and the Arts to build upon the current mission of the State Foundation on Culture and the Arts and incorporate Department of Business, Economic Development, and Tourism expertise and support for:

- (1) Leveraging public-private financing;
- (2) Developing a strategic plan to expand Hawaii's cultural, heritage, and arts organizations to provide visitors with the Hawaiian cultural experience; and
- (3) Developing a sustainable funding model to support increased investment in cultural, heritage, and arts programming throughout the State; and
- (4) Recommending changes to State Foundation on Culture and the Arts programs and infrastructure; and
- (5) Collaborating with interested stakeholders from cultural, heritage, and arts agencies, including the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Hawaii Tourism Authority; Office of Hawaiian Affairs; and Bishop Museum.

Your Committee received testimony in support of this measure from the Department of Accounting, Department of Business, Economic Development & Tourism and the Department of Land & Natural Resources. Your Committee received comments on this measure from the State Foundation on Cultural and the Arts.

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 S.C.R. No. 57, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

SCRep. 1790-12 Labor & Public Employment on S.C.R. No. 34

The purpose of this measure is to improve government efficiency and address financial accountability by requesting the Auditor to conduct audits of State department operations that result in high non-base compensation of State employees, pay for not working, and salary overpayments.

The Department of Accounting and General Services, Department of Public Safety, Department of Human Resources Development, Department of Health, and a concerned individual testified in support of this measure. The Department of Transportation provided comments.

Your Committee has amended this measure by:

- (1) Stating that the issue of "pension spiking" has an unfavorable effect on employees who do not adhere to this practice;
- (2) Specifying that the Auditor review abuse of sick leave rather than excessive use of sick leave;
- (3) Clarifying that the review of such practices as failure to report to work nevertheless resulting in current compensation and leave credits and in future favorable impact on pensions show the impact on pensions for the individuals involved in this practice;
- (4) Stipulating that the Auditor also include as part of the audit a review of efforts being made to resolve the issues causing salary overpayments;
- (5) Amending the title to read: "REQUESTING THE AUDITOR TO CONDUCT AUDITS OF STATE DEPARTMENT OPERATIONS THAT RESULT IN HIGH NON-BASE COMPENSATION OF STATE EMPLOYEES, PAY FOR NOT WORKING, AND SALARY OVERPAYMENTS"; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, as amended herein, and recommends that it be referred to the Committees on Finance and Legislative Management in the form attached hereto as S.C.R. No. 34, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Saiki and Takumi.

SCRep. 1791-12 Higher Education/Economic Revitalization & Business on S.C.R. No. 36

The purpose of this measure is to support Hawaii's film and television production industry by requesting the Department of Business, Economic Development, and Tourism, in cooperation with the University of Hawaii, Kapiolani Community College, and the Hawaii Tourism Authority, to develop a plan to examine the long-term uses of the Hawaii Film Studio Diamond Head campus.

This measure also requests that the plan consider the impacts to adjacent neighborhoods and solicit community input and examine the feasibility of expanding the Hawaii Film Studio Diamond Head campus to accommodate increased production activity.

The Department of Business, Economic Development, and Tourism and Kapiolani Community College supported this measure. A concerned individual provided comments.

Your Committees acknowledge the concerns about the impact of the film studio on the surrounding community. Accordingly, your Committees emphasize that if the Department of Business, Economic Development, and Tourism moves forward with this plan, it should be certain to obtain and seriously consider the input of the surrounding communities.

In addition, your Committees note that there are concerns about the adequacy of the facilities at the Hawaii Film Studio Diamond Head campus and suggest that to truly support the burgeoning film and television industry in the State, a second large-scale studio is necessary. Should the State be successful in building a second studio, your Committees propose that the Diamond Head campus be used for workforce development, which may be a more appropriate use for the facility given the surrounding community.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 36, S.D. 2, and recommend that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Saiki, Tokioka, Ching and Pine.

SCRep. 1792-12 Energy & Environmental Protection/International Affairs on S.C.R. No. 162

The purpose of this measure is to urge Hawaii's congressional delegation to request that the director of the Office of Global Change of the United Nations Framework Convention on Climate Change that the United States host the 2015 United Nations Climate Change Conference in Honolulu, Hawaii.

The Department of Land and Natural Resources, the Office of Planning, the Windward Ahupua'a Alliance, and one individual offered testimony in support of this measure.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 162, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Har, Herkes, Nishimoto, Tokioka and Ward.

SCRep. 1793-12 International Affairs/Energy & Environmental Protection on S.C.R. No. 73

The purpose of this measure is to urge the United Nations to grant Taiwan participation as an observer in the United Nations Framework Convention on Climate Change Conference of the Parties.

An individual testified in support of this measure.

Your Committees have amended this measure by:

- (1) Changing its title to be consistent with its intent and to read: "URGING THE UNITED NATIONS TO GRANT TAIWAN PARTICIPATION AS AN OBSERVER IN THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE CONFERENCE OF THE PARTIES"; 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 International Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 73, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 73, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Har, Herkes, Nishimoto, Tokioka, Marumoto and Ward.

SCRep. 1794-12 Economic Revitalization & Business on S.C.R. No. 137

The purpose of this measure is to request that the Director of the Office of Aerospace Development, in consultation with the Hawaii Aerospace Advisory Committee, coordinate comments from interested parties and identify a lead entity to prepare a proposal, on behalf of the State, to the Federal Aviation Administration for Hawaii to be selected as an unmanned aircraft system test site.

For the purpose of a public hearing on this measure, your Committee circulated a proposed draft and notified the public that it would be accepting testimony on the proposal, which:

- (1) Changes the title of the measure to read: "SENATE CONCURRENT RESOLUTION REQUESTING THE OFFICE OF AEROSPACE DEVELOPMENT TO DEVELOP AND PROMOTE A PARTNERSHIP IN AEROSPACE WITH THE STATE OF ALASKA TO EXPAND AND DIVERSIFY BOTH STATES' ECONOMIES AND THE UNITED STATES SPACE PROGRAM";
- (2) Requests the Office of Aerospace Development to research, identify, and evaluate opportunities for collaboration with the State of Alaska in responding to recent requisitions by the National Aeronautics and Space Administration, the Federal Aviation Administration, and the United States military to develop regional test sites to advance our national assets and capabilities in next generation aviation, commercial space launch, and both robotic and human missions beyond low-Earth orbit;

- (3) Requests the Office of Aerospace Development to consult with appropriate representatives of both the Hawaii and Alaska state administrations and legislatures, the United States aerospace industry, the United States military, the Federal Aviation Administration, and the National Aeronautics and Space Administration; and
- (4) Requests the Office of Aerospace Development, in consultation with the Hawaii State Aerospace Advisory Committee, to recommend opportunities for such collaboration to the Governor and the Legislature, as well as appropriate mechanisms and timetables to facilitate these partnerships.

The Department of Business, Economic Development, and Tourism and the Pacific International Space Center for Exploration Systems testified in support of the measure.

The Lieutenant Governor of the State of Alaska and one individual commented on the measure.

Your Committee finds that both the State of Hawaii and the State of Alaska are currently engaged in a broad range of aerospace-related activities pertaining to satellite communications, environmental remote sensing, robotics, renewable energy, and space launch. Your Committee also finds that both the State of Hawaii and State of Alaska are actively pursuing new technologies and capabilities with the potential to advance next generation aviation, commercial space launch, and future robotic and human missions beyond low-Earth orbit. These efforts are, in many cases, complementary and, if combined, could significantly expand local economies in both states, while enhancing our national space program. Your Committee believes that the type of collaboration proposed in this measure would enhance each state's ability to respond to and support national efforts in the development of aerospace technologies.

Your Committee adopted the proposed draft and further amended the measure by:

- (1) Replacing the term "Kodiak Island" with "Kodiak Launch Complex"; and
- (2) Adding the Lieutenant Governor of the State of Alaska to the list of parties to receive a certified copy of 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 concurs with the intent and purpose of S.C.R. No. 137, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Nishimoto, Tsuji, Marumoto and Pine.

SCRep. 1795-12 Hawaiian Affairs/Culture & the Arts on S.C.R. No. 109

The purpose of this measure is to honor President Grover Cleveland for his support of the Hawaiian Monarchy and efforts to preserve the Hawaiian Kingdom, by requesting the:

- (1) State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii to name a state or county property in his name; and
- (2) State Foundation on Culture and the Arts to commission, purchase, or partner with another entity to create or obtain a work of art, whether visual or literary, in his name.

The State Foundation on Culture and the Arts and the Association of Hawaiian Civic Clubs supported the 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. 109, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Mizuno, Yamane and Pine.

SCRep. 1796-12 Hawaiian Affairs on S.C.R. No. 63

The purpose of this measure is to request the Auditor to conduct a fiscal audit of the Kaho'olawe rehabilitation trust fund. The measure also requests that the audit include a determination of whether the trust fund is being used:

- (1) In compliance with state laws and any applicable grant agreements; and
- (2) To effectuate the purposes of Chapter 6K, Hawaii Revised Statutes, relating to the Kahoolawe Island Reserve, including the performance of duties and responsibilities of the Kaho'olawe Island Reserve Commission.

Two concerned individuals supported the 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 S.C.R. No. 63, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Mizuno, Yamane and Pine.

SCRep. 1797-12 Hawaiian Affairs on S.C.R. No. 87

The purpose of this measure is to promote the Hawaiian language in the State's educational system. Specifically, this measure:

- (1) Requests the University of Hawaii, with the assistance of the Department of Education and other educational organizations, to review the State's funding for current English as a Second Language instruction and activities and Hawaiian language programs and to determine any differences in funding; and
- (2) Requests the University of Hawaii to report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

The Office of Hawaiian Affairs, Department of Education, Association of Hawaiian Civic Clubs, and a concerned individual supported the 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 S.C.R. No. 87, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Mizuno, Yamane and Pine.

SCRep. 1798-12 Finance on S.C.R. No. 40

The purpose of this measure is to address problems that have arisen in the process of government procurement of goods and services from nonprofit organizations in Hawaii.

Your Committee received written comments in support of this measure from the Building Industry Association, the Chamber of Commerce of Hawaii, Goodwill Industries of Hawaii, Inc., and the Hawaii Alliance of Nonprofit Organizations. The State Procurement Office submitted written comments on this measure.

Your Committee has amended the measure to incorporate recommendations of the State Procurement Office, by:

- (1) Replacing "contract" with "planning" on page 3, line 35.
- (2) Adding Department of Accounting and General Services and the Department of the Attorney General on page 3, lines 41-42.
- (3) Replacing "streamline the procurement process" with "streamline the contracting process" on page 4, lines 5-6.

A conforming amendment was made by adding the Attorney General to the list receiving certified copies of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni and Ward.

SCRep. 1799-12 Finance on S.C.R. No. 49

The purpose of this measure is to request the Department of Transportation to form a working group to expeditiously resolve the issue of roads in limbo in Maui County.

Your Committee has amended the measure by:

- (1) Replacing "roads in limbo in Maui County" with "roads in limbo statewide" in the title of the measure.
- (2) Replacing "roads in limbo in Maui County" with "roads in limbo statewide" in the body of 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 concurs with the intent and purpose of S.C.R. No. 49, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 49, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni and Ward.

SCRep. 1800-12 Hawaiian Affairs on S.C.R. No. 155

The purpose of this measure is to urge the Kaho'olawe Island Reserve Commission to require each stewardship program conducting activities on the Kaho'olawe Island Reserve to obtain liability and property damage insurance and list the State as an additional insured.

The Maui County representative of the Kaho'olawe Island Reserve Commission and a concerned individual supported the measure. Kohe Mālamalama O Kanaloa/Protect Kaho'olawe Fund supported the measure with amendments.

Your Committee respectfully notes that as this measure moves through the legislative process to the Committee on Finance that the committee be aware of a proposed amendment to this measure to provide the correct date of an accident involving a Protect Kaho'olawe Ohana access participant and clarify that the boat was not contracted, but was rather provided by a volunteer of the Protect Kaho'olawe Ohana and that this boat was registered with the

Kaho'olawe Island Reserve Commission.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Mizuno, Yamane and Pine.

SCRep. 1801-12 Legislative Management on S.C.R. No. 90

The purpose of this measure is to request:

- (1) The Legislative Reference Bureau to update its 2003 report analyzing the major problems faced by commercial lessees by incorporating an economic analysis to determine if there is a nexus between the existence of high lease rents in Hawaii and the stagnation of Hawaii's economy; and
- (2) The Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and the Economic Research Organization at the University of Hawaii at Manoa to conduct the economic analysis.

Citizens for Fair Valuation and many concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Small Landowners Association opposed 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. 90, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Ward.

SCRep. 1802-12 Education on S.C.R. No. 77

The purpose of this measure is to request the Board of Education and Department of Education to establish a statewide resource development program to create endowments within each complex area in the State.

The Department of Education and the IMUAlliance supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, Chang, Mizuno, Saiki, Takai and Fontaine.

SCRep. 1803-12 Education on S.C.R. No. 79

The purpose of this measure is to request the Board of Education and Department of Education to collaborate with parent organizations to establish, implement, and monitor statewide policies for family engagement in the public schools.

The Department of Education, Hawaii Education Matters, HE'E Coalition and the Hawaii State PTSA supported this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, Chang, Mizuno, Saiki, Takai and Fontaine.

SCRep. 1804-12 Education on S.C.R. No. 80

The purpose of this measure is to request the Department of Education to conduct research on the correlation between children who are late-born and the high school drop-out rate.

This measure also requests that the Department of Education submit a report of its findings and recommendations no later than twenty days prior to the convening of the Regular Session of 2013.

The Early Learning Council and the Hawaii Association for the Education of Young Children supported this measure. The Department of Education provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, Chang, Mizuno, Saiki, Takai and Fontaine.

SCRep. 1805-12 Education on S.C.R. No. 122

The purpose of this measure is to request the Board of Education and State Librarian to develop a strategic plan to optimize the use of state public library facilities.

This measure also requests that the Board of Education and State Librarian report their findings and recommendations to the Legislature no later than twenty days prior to the Regular Session of 2013.

The Hawaii State Public Library supported this measure. A concerned individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, Chang, Mizuno, Saiki, Takai and Fontaine.

SCRep. 1806-12 Education on S.C.R. No. 120

The purpose of this measure is to request the Board of Education and the Department of Education to apply for a waiver of the No Child Left Behind requirements for 2014.

This measure also requests the Board of Education and the Department of Education to update the Legislature on the status of the waiver application and conduct an informational briefing on the status of the waiver during the 2013 Regular Session.

The IMUAlliance supported this measure. The Department of Education provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 120, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, Chang, Mizuno, Saiki, Takai and Fontaine.

SCRep. 1807-12 Transportation on S.C.R. No. 140

The purpose of this measure is to urge the Honolulu Authority for Rapid Transit (HART) to determine cost-effective and revenue-generating ridership levels for the rail transit system.

The Honolulu Authority for Rapid Transportation (HART) provided comments.

Your committee finds that more definitive information on the number of riders per day is needed to determine the cost-effectiveness and revenue-generation potential of the Honolulu Rapid Transit project.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 140, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Saiki and Takumi.

SCRep. 1808-12 Transportation on S.C.R. No. 111

The purpose of this measure is to encourage the preservation and creation of affordable housing, family-oriented support service, health centers, community centers, retail services related to healthy living, and community gardens within transit-oriented development zones along the Honolulu Rail Transit Project corridor.

The City and County of Honolulu Department of Planning and Permitting and The Pacific Resource Partnership supported the measure.

Your committee finds that the preservation and expansion of affordable housing within the transit-oriented development (TOD) zones will create more economically vibrant and socially equitable communities. Your committee also finds that the creation of a community infrastructure providing support services for children and elders, to include child care and adult care, within the TOD zones will encourage the formation of more family oriented communities.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111, S.D. 1, 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 Luke, Saiki and Takumi.

SCRep. 1809-12 Transportation on S.C.R. No. 156

The purpose of this measure is to request the Governor to convene an exploratory committee to consider the establishment of an international aviation training center at the Hilo International Airport and an advanced aviation degree training program at the University of Hawaii at Hilo.

The Department of Transportation and the University of Hawaii at Hilo supported the intent.

The demand for pilots is expected to soar with Boeing forecasting the need for over 27,000 new pilots a year and if military cutbacks occur we could see the traditional supply of trained pilots diminishing. The Hilo International Airport is an ideal venue as it is less busy than other airports providing a safer training environment as well as being in close proximity to the UH Hilo campus.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 156, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Saiki and Takumi.

SCRep. 1810-12 Finance on S.C.R. No. 12

The purpose of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Lahaina, Maui, for maintenance and repair of existing deck and improvements.

Your Committee received written comments in support of the measure from the Department of Land and Natural Resources, and an individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni and Ward.

SCRep. 1811-12 Finance on S.C.R. No. 18

The purpose of this measure is to approve the sale of the leased fee interest in 593 Kuliouou Road, Honolulu, Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, the Department of Business, Economic Development, and Tourism, and an individual. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 18 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1812-12 Finance on S.C.R. No. 19

The purpose of this measure is to approve the sale of the leased fee interest in 619 Kuliouou Road, Honolulu, Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, the Department of Business, Economic Development, and Tourism, and an individual. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1813-12 Finance on S.C.R. No. 20

The purpose of this measure is to approve the sale of the leased fee interest in 644 Hokiokio Place, Honolulu, Hawaii.

Your Committee received written comments in support of the measure from the Hawaii Housing Finance and Development Corporation, the Department of Business, Economic Development, and Tourism, and an individual. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 20 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1814-12 Finance on S.C.R. No. 21

The purpose of this measure is to approve the sale of the leased fee interest in 2314 10th Avenue, Honolulu, Hawaii.

Your Committee received written comments in support of the measure from the Hawaii Housing Finance and Development Corporation, the Department of Business, Economic Development, and Tourism, and several individuals. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1815-12 Finance on S.C.R. No. 22

The purpose of this measure is to approve the sale of the leased fee interest in 41-557 Kamanaaina Place, Waimanalo, Hawaii.

Your Committee received written comments in support of the measure from the Hawaii Housing Finance and Development Corporation, the Department of Business, Economic Development, and Tourism, and an individual. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 22 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1816-12 Finance on S.C.R. No. 23

The purpose of this measure is to approve the sale of the leased fee interest in 2949 Ala Ilima Street, No. 303.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 23 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1817-12 Finance on S.C.R. No. 24

The purpose of this measure is to approve the sale of the leased fee interest in 95-031 Kuahelani Avenue, No. 242, Mililani, Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1818-12 Finance on S.C.R. No. 25

The purpose of this measure is to approve the sale of the leased fee interest in 95-017 Kuahelani Avenue, No. 321, Mililani, Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments 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 concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni, Jordan and Ward.

SCRep. 1819-12 Finance on S.C.R. No. 97

The purpose of this measure is to request the insurance commissioner to convene a working group to explore the creation of a web services-based database program to track uninsured motorists.

As affirmed by the record of 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. 97, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni and Ward.

SCRep. 1820-12 Finance on S.C.R. No. 135

The purpose of this measure is to express support for the Department of Agriculture's efforts to stimulate the State's agriculture industry, increase and diversify agricultural output, and promote food security.

As affirmed by the record of 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. 135 and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni and Ward.

SCRep. 1821-12 Finance on S.C.R. No. 143

The purpose of this measure is to request the State's full compliance with the United States Office of Management and Budget's Statistical Policy Directive No. 15, entitled "Race and Ethnic Standards for Federal Statistics and Administrative Reporting", and the publication of collected race and ethnicity data subject to applicable state and federal laws.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

As affirmed by the record of 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. 143, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro, Cullen, Giugni and Ward.

SCRep. 1822-12 Housing on S.C.R. No. 84

The purpose of this measure is to:

- (1) Express support for Hawaii Public Housing Authority's application for a Choice Neighborhoods Grant; and
- (2) Urge the United States Department of Housing and Urban Development to select Hawaii Public Housing Authority as a Choice Neighborhoods Grant recipient.

The United States Department of Housing and Urban Development's Choice Neighborhoods Grant Program transforms distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods, with a strong emphasis on local community planning for access to high-quality educational opportunities.

Hawaii Public Housing Authority testified in support 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 concurs with the intent and purpose of S.C.R. No. 84, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1823-12 Finance on S.B. No. 3017

The purpose of this measure is to clarify that the daily \$10 taxes on transient accommodations furnished on a complimentary or gratuitous basis include certain types of prizes or gifts, but do not include transient accommodations furnished as part of a tourism industry promotional or marketing activity.

The Hawai'i Lodging & Tourism Association, Starwood Hotels and Resorts - Hawai'i and French Polynesia, and Outrigger Hotels and Resorts testified in support of this measure. The Hawai'i Tourism Authority and Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3017, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Jordan, Riviere and Ward.

SCRep. 1824-12 Finance on S.B. No. 2952

The purpose of this measure is to support quality education in Hawaii by authorizing the issuance of special purpose revenue bonds up to \$25,000,000 to assist Le Jardin Academy to finance and refinance the construction, improvement, and equipping of its educational facilities.

The Hawaii Association of Independent Schools 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. 2952, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1825-12 Finance on S.B. No. 2740

The purpose of this measure is to assist residents in obtaining affordable housing by increasing the Hula Mae multifamily revenue bond authorization ceiling from \$500,000,000 to \$750,000,000.

The Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, Hawaii Association of REALTORS, Pacific Resource Partnership, Land Use Research Foundation of Hawaii, and numerous 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 S.B. No. 2740, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1826-12 Agriculture on S.C.R. No. 67

The purpose of this measure is to recognize the Hawaii Agriculture Research Center for its benefits to the agriculture industry and urging the Hawaii Agriculture Research Center to establish the proposed Kunia agriculture processing and sales center.

The Hawaii Farm Bureau Federation, Manulele Holdings, LLC, Hawaii Agriculture Research Center, and Pacific Gateway Center all testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 67, S.D. 1, and recommends its adoption.

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

SCRep. 1827-12 Agriculture on S.C.R. No. 89

The purpose of this measure is to request the auditor to conduct a management audit of the measurement standards branch of the department of agriculture.

The Hawaii Department of Agriculture testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, S.D. 1, and recommends its adoption.

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