

SPECIAL COMMITTEE REPORT

Spec. Com. Rep. 1

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The Elected Senators whose respective terms of office will expire in 1978 are:

First Senatorial District (Hawaii)

Stanley I. Hara
Richard Henderson
John T. Ushijima

Second Senatorial District (Maui)

Henry T. Takitani
Mamoru Yamasaki

Third Senatorial District (Honolulu)

D. G. Anderson
Mary George
John J. Hulten

Fourth Senatorial District (Honolulu)

Donald D. H. Ching
Joseph T. Kuroda
Francis A. Wong
Patsy K. Young

Fifth Senatorial District (Honolulu)

Duke T. Kawasaki
Robert S. Taira
Richard S. H. Wong
T. C. Yim

Sixth Senatorial District (Honolulu)

Anson Chong
Jean S. King
John Leopold
Wadsworth Yee

Seventh Senatorial District (Honolulu)

Donald S. Nishimura
Dennis O'Connor
Frederick W. Rohlfing
Patricia Saiki

Eighth Senatorial District (Kauai)

George H. Toyofuku

Signed by Senators Kawasaki, King and Yee

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on H.B. No. 360

The purpose of this bill is to make clear that the Office of Consumer Protection may bring civil actions to enforce consumer protection laws and to enlarge the authority of that office.

Under the present law setting forth the functions, powers, and duties of the Office of Consumer Protection, that office is charged with enforcing laws enacted, and rules and regulations promulgated for the purpose of consumer protection but no specific mention is made as to its authority to enforce such laws, rules and regulations by filing civil court actions. This bill makes it clear that the Office of Consumer Protection has such authority.

The bill also deletes the requirement in the provision allowing the Office of Consumer Protection to contract with nonprofit organizations, that contracts may only be entered into with organizations which have been in existence for five years prior to June 3, 1974.

Your Committee has made the following amendments to H.B. No. 360, H.D. 1, S.D. 1:

(1) Deleted the proposed new provision which would authorize the Office of Consumer Protection to obtain restitution for consumers. This was deleted because your Committee is of the opinion that the proposed provision is overly broad and H.B. No. 1209, which is presently being considered by the Senate, provides for restitution in certain circumstances.

(2) Deleted the proposed provision authorizing the Office of Consumer Protection to conduct arbitration hearings in disputes involving the interests of consumers. Your Committee believes that because the Office of Consumer Protection brings actions for alleged unfair or deceptive business practices, there is some question as to the appropriateness of allowing that office to function as an arbitrator in disputes involving businesses and consumers. Further study should be made in this area and your Committee recommends that if Senate Concurrent Resolution No. 128 is adopted by both Houses, that the question of arbitration be taken up as a part of the study of the operations of the Office of Consumer Protection called for in the Resolution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 360, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 360, H.D. 1, S.D. 1, C.D. 1.

Senators Kuroda, Kawasaki and Leopold
Managers on the part of the Senate

Representatives Yamada, Yap, Cobb, Naito, Carroll and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 2 on S.B. No. 92

The purpose of this bill is to amend Hawaii's Residential Landlord-Tenant Code.

This bill amends Chapter 521, Hawaii Revised Statutes, in the following manner:

1. A new subsection is added to section 521-43 which would require a landlord or owner who resides outside the state or on another island from where the unit is located, to designate on the written rental agreement, an agent residing on the same island to act in his behalf. This would assure the tenant that he will be able to deal with someone on the same island; it will facilitate the return of the security deposit upon termination of the agreement; and it will provide for quick response for repair or maintenance of the rental unit.

2. Section 521-64 is amended to expedite the procedures regarding the tenant's remedy of repair and deduction for minor repairs. Under the present law, a defect in the unit which endangers health or safety or is in violation of the rental agreement, may be repaired by the tenant in the event that the landlord takes no action within twenty days after receiving notice of the defect. This provision applies to repairs under \$100.

In cases which involve repairs over \$100, the tenant must ask the Department of Health to inspect the premises to determine if a health violation exists and if so determined,

the landlord must repair the defect within twenty days of receiving notification by the Department. In the event that the landlord fails to remedy the defect within twenty days, the tenant must get two estimates for the necessary work and present them to the landlord twenty days before allowing the work to be commenced. The tenant can deduct up to \$100 from his rent to cover the cost of the repairs or if the repairs exceed \$100, he can deduct up to one month's rent.

This bill, in the form proposed by the Senate, reduces the amount of time in which the landlord must make repairs after receiving notification that a health violation exists, to five business days. Also, the tenant could allow work to commence five business days after giving the estimates to the landlord and the \$100 limit used throughout this section was raised to \$200.

The House amended this bill by also reducing, from twenty to ten business days, the amount of time in which the landlord must repair, maintain, keep in sanitary condition, or as agreed to in the rental agreement. The Senate proposal regarding the waiting period after giving the estimate was increased from five business days to ten business days.

Your Conference Committee amended the bill increasing the ten business days permitted to repair, maintain, or keep fit, to twelve business days. The intent of your Committee is to allow the landlord at least two full weeks, including weekends, to remedy the defect.

The ten business day waiting period was reduced to five business days.

These changes are proposed to expedite the repair of conditions which are found to be in noncompliance with health and other provisions.

The increase from \$100 to \$200 is being proposed because of the increasing costs of repair and service.

3. Section 521-71, regarding termination of tenancy and landlord's remedies for holdover tenants, is amended by adding subsection (a) a provision requiring 90 days notice of termination by the landlord in the case of demolition proceedings.

Presently, the landlord need only give 28 days notice of termination; however, demolition of dwellings, especially buildings with a large number of units, causes a temporary swelling of the number of people in the market who are seeking new rental units.

This change will provide these tenants who are usually low income or elderly, adequate time to re-settle. Your Committee re-worded the proposal to clarify its intent.

4. New provisions are added to section 521-73(c) which would permit the circuit court judge who hears a motion to temporarily restrain a landlord's unreasonable entry to impose a fine of not more than \$100. Presently, an injunction by the court will permit the tenant to terminate the rental agreement. The fine provision would offer another recourse in the event that the tenant wanted to continue the agreement.

5. The provisions of section 521-74 are expanded by prohibiting the landlord from evicting or raising the rent of a tenant who has complained in good faith to the landlord, building department, Office of Consumer Protection, or any other governmental agency. Presently, the landlord is prohibited from raising the rent or evicting a tenant who has complained to the Department of Health. This section is expanded because there exists other problems not restricted to health which could lead to these actions following a dispute between the landlord and tenant.

Section 521-74(b)(2) is amended by adding the words, "or that of his immediate family", after the present subsection which permits the landlord to recover possession of the unit if he seeks the dwelling in good faith for his own purposes. This change is being proposed so that the landlord can recover the unit for his family members without it being considered a retaliatory eviction.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 92, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 92, S.D. 2, H.D. 1, C.D. 1.

Senators Kuroda, Nishimura and Saiki
Managers on the part of the Senate

Representatives Yamada, Stanley, Yap and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 3 on S.B. No. 1215

The purpose of this bill is to establish and specify the role of an organization to be designated by the Governor as the Metropolitan Planning Organization of each county with a population of 200,000 or more.

This organization will be primarily an advisory body to the Legislature and the legislative body of the appropriate County in affairs involving the continuous, comprehensive, cooperative, urban transportation planning for that county. The MPO shall develop through continuing cooperative input from the State and county planning agencies a short and long range transportation plan for the county and will receive certain funds for the purpose of carrying out continuing, comprehensive, cooperative, urban transportation planning as allowed by federal law.

Oahu does not now have a planning organization which meets federal law requirements due to the impasse which exists between various members of the present organization, the Oahu Transportation Planning Program. As a result, the Federal Highway Administration and UMTA have decertified Oahu transportation programs for future federal funding.

In order to become recertified it is mandatory that a metropolitan planning organization be established by the State as soon as possible. Loss of all federal planning and construction funds for transportation may continue until that time.

A key problem facing your conference committee was the composition of the policy board of the proposed MPO.

Mr. George Akahane, Chairman of the Council of the City and County of Honolulu, participated in the conference committee with your other conferees in order to obtain direct input from the City and County of Honolulu concerning the proposed Oahu MPO.

Unlike many mainland states, Hawaii has only one urbanized area, the City and County of Honolulu, and more importantly, the urbanized areas comprise the greater part of the State of Hawaii. For example, as of July 1, 1973, about 678,262 or about 81 percent of the total population of the State of Hawaii resides on Oahu. It is unlikely that any other state has this extreme concentration of population in a single urbanized area.

In the area of governmental structure, Hawaii's unlike other states' structures, consists of only two levels, county and state. More importantly, in Hawaii, the State government functions as a general purpose government having responsibility for such normally local government programs as public education, health, welfare and judiciary. This unique situation is borne out by the fact that in Fiscal Year 1973, the State government provided approximately 81 percent of the total State and county expenditures for Hawaii compared to a national average of about 37 percent.

More specifically, in the transportation area, the State has programmed about \$149 million in new highway facilities for Oahu in Fiscal Year 1976 as compared to about \$31 million by the City and County of Honolulu.

As a result, the MPO must reflect the unique situation prevailing in Hawaii. It must also be designed to prevent the type of situation which led to the decertification of the OTPP; it must be accessible and accountable to the public; and it must provide for public input.

Your Conference Committee has amended the bill to provide for a metropolitan planning organization which would adequately reflect the unique government structure in Hawaii.

The Policy Committee of the Metropolitan Planning Organization will consist of nine City Councilmen, together with five Senators from the county in question as appointed by the President of the Senate, and five Representatives of that county as appointed by the Speaker of the House.

For Oahu, the OTPP staff will continue as the staff for the Oahu MPO.

In order to achieve maximum participation from members of the MPO Policy Committee, it was decided by your Conference Committee that at least six Legislators and at least five Councilmen be present for all decision-making sessions of the MPO, and that all decisions would have to be by majority vote of all members of the MPO Policy Committee, or ten out of nineteen.

Your Conference Committee has determined that the MPO established by this bill would be an advisory body only in that the sovereign power of the State for ultimate decision-making in transportation planning will be retained by the legislative body of the State and county and by the executives of each. However, the MPO will function as a coordinating, planning body receiving from the appropriate State and city agencies, necessary input to develop a short-range six-year transportation plan and also a long-range multi-modal master transportation plan for that county.

The State Department of Planning and Economic Development has been designated as the State A-95 clearinghouse agency for OMB, and on Oahu, the City Department of Planning has been designated as the A-95 agency for Oahu. It is anticipated that there will be an agreement reached between the City A-95 agency and the MPO concerning the functions which each will serve in short and long range planning, and which areas each will cover in their various plans. If the City Department of Planning, as the Oahu A-95 agency, does not enter into such an agreement, serious consideration should be given by the Governor toward appointing another agency as the A-95 agency for Oahu.

It is anticipated that the Governor will terminate the State's agreement with the Mayor of the City and County of Honolulu which designates the Oahu Transportation Planning Program, or OTPP, the metropolitan planning organization for Oahu, since the MPO established by this bill, is intended to supersede the OTPP and to begin to utilize the OTPP staff from the effective date of this bill.

Your Conference Committee feels that the MPO may need a lay advisory body, particularly in areas requiring advanced technical competency or expertise not generally found in either the MPO Policy Committee or the MPO staff. Therefore, it is the intent of your Conference Committee that should such an advisory body be deemed necessary, it shall be formed.

Your Committee has deleted the severability clause, section 12 of the bill.

Your Committee on Conference is in accord with the intent and purposes of S.B. No. 1215, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1215, S.D. 1, H.D. 1, C.D. 1.

Senators O'Connor, Ching and Rohlfling
Managers on the part of the Senate

Representatives Cayetano, Kondo, Takamura and Ajifu
Managers on the part of the House

Conf. Com. Rep. No. 4 on S.B. No. 1046

The purpose of this bill is to require the Department of Social Services and Housing to pay usual and customary fees of dentists up to the maximum which federal rules permit the Department to pay.

Currently, the Department pays 75% of usual and customary fees up to the seventy-fifth percentile of fees charged by all dentists. If medical assistance payments exceed the seventy-fifth percentile, then the Department will lose federal matching funds available under Title XIX of the Social Security Act.

Your Committee has amended the bill by retitling the new section of the Hawaii Revised Statutes. Your Committee has also deleted the sentence in the bill which specified that the Department and the Hawaii Dental Association jointly review the schedule of maximum fees which the Department can pay. Your Committee desires that this be done, but your Committee feels that it is inappropriate to refer to the Hawaii Dental Association in statute.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1046, S.D. 1, H.D. 1, as amended herein and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1046, S.D. 1, H.D. 1, C.D. 1.

Senators Toyofuku, Taira and Henderson
Managers on the part of the Senate

Representatives Stanley, Machida, Peters, Sakima, Segawa, Yamada,
Clarke, Evans and Kamalii
Managers on the part of the House

Conf. Com. Rep. No. 5 on S.B. No. 1628

The purpose of this bill is to provide for coordination of services for the developmentally disabled by placing the Developmental Disabilities Council, referred to as the State Council, in the Office of the Governor with responsibilities for planning, reviewing, and monitoring plans prepared by the various departments of the State on behalf of the developmentally disabled. Provisions are also made for coordinating programs of the various departments and private agencies to assure efficient use of funds, non-duplication of services and specific areas of responsibility, and for evaluation of programs.

Your Committee finds that this bill gives the Developmental Disabilities Council official status by statute. This bill also gives the Council sufficient stature to provide monitoring, evaluation of existing services, and planning for new community services. Most important, this bill provides for the Council to coordinate activities on behalf of the developmentally disabled in the various departments and private agencies, and ensures their participation in the activities of the Council.

Your Committee further finds that the placement of the State Council in the Office of the Governor, instead of the Department of Health, would give it a more independent role in establishing goals and priorities for planning and funding programs. This independence, in turn, could make the body more efficient in its job of advocating and evaluating services for the developmentally disabled.

Your Committee upon further consideration has made the following amendments to S.B. No. 1628, S.D. 1, H.D. 1:

- (1) The findings have been amended to identify the present location of the council.
- (2) A new section 2 has been added to the bill, defining "developmental disabilities".
- (3) Section 3(1)(A) has been amended to make the required plan comprehensive in scope, consistent with federal requirements. The plan is given effect upon the approval of the governor, and a goal consistent with the achievement of normalization of the lives of the developmentally disabled has been included, in keeping with the mandate for a comprehensive plan.
- (4) Section 3(1)(B) has been amended so that the implementation process can be monitored, for the monitoring of the plans themselves alone is otherwise meaningless.
- (5) Section 3(2)(B) has been amended to encourage the coordinated usage of resources, as coordination is a key consideration of federal requirements. Further, private resources use in specified or desired ways may be encouraged, but not necessarily assured.
- (6) Section 3(3)(A) has been amended, so that monitor and evaluation functions will encompass the implementation process, as evaluation of plans would be preliminary to approval of plans, which the section mandates as a duty of the council.
- (7) Section 3(3)(B) has been amended to qualify the monitoring duty of the council to projects relating to developmental disabilities.
- (8) Section 3(3)(C) has been amended to provide that services to be received will be at least equal to that previously expected, so that extent of services offered will not be unduly restricted.
- (9) Two new paragraphs have been added, to set up an annual report function, so that the State can be apprised of the work of the council, and so that the required and requested reports of HEW will be prepared and submitted. Other necessary reports are also provided for.
- (10) The appointment provisions have been amended to conform to statutory requirements, in addition to staggered terms to ensure continuity.
- (11) Membership of the council has been amended to include possibility of appointment of guardians of developmentally disabled persons, in addition to the individuals and their parents.
- (12) The appointment of an executive secretary has been made permissive, since there is no guarantee of funds availability for the council. It has been provided that the executive secretary and staff shall be subject to civil service.
- (13) Three new sections have been added, to provide for the proper transfer of employees,

equipments, function, authority, contracts, funds, and similar items, so that these will transfer with the council.

(14) Miscellaneous style and technical changes have been made.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1628, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1628, S.D. 1, H.D. 1, C.D. 1.

Senators Chong, Nishimura and Henderson
Managers on the part of the Senate

Representatives Segawa, Sakima, Stanley, Takamine, Evans and Santos
Managers on the part of the House

Conf. Com. Rep. No. 6 on S.B. No. 959

The purpose of this bill is to amend Chapter 417E, Hawaii Revised Statutes, relating to take-over bid disclosures, to correct certain defects, to eliminate ambiguities, and to add three exemptions to registration of take-over bids.

The bill would amend Chapter 417E as follows:

(1) Section 1 of the bill amends Section 417E-1(7) to clarify the definition of "take-over bid" by deleting the undefined words "tender offer" and "request or invitation for tenders", and substituting clearer language taken from the Virginia take-over bid statute. The term "shares or other units" is used because "equity security" is defined in terms not only of stock but also of convertibles, warrants, and rights.

(2) Section 2 of the bill amends the definition of "exempt offer" in Section 417E-1(8) so as to broaden such exemptions.

Section 417E-1(8) presently provides that an offer made by a corporation to purchase shares of a subsidiary at least fifty-one per cent of which is owned by the parent is an exempt offer. The change made by this bill would expand the definition to apply where at least fifty-one per cent of the voting stock of a subsidiary is owned "directly or indirectly".

Further, Section 417E-1(8) presently provides that an offer to acquire shares of a corporation with less than 100 shareholders and \$1,000,000 in assets is an exempt offer. The proposed change breaks this into two parts, so that an offer to acquire shares of a corporation with less than 100 shareholders is an exempt offer and an offer to acquire shares of a corporation with less than \$1,000,000 of assets is also an exempt offer.

Section 2 of the bill as originally drafted was amended by the deletion of three completely new definitions of exempt offers. The following are the deleted exemptions:

(a) An exemption was provided for in connection with offers to purchase shares effected by a registered broker-dealer on a stock exchange or on the over-the-counter market if the broker performs only customary functions and receives no more than customary broker commissions and the broker-dealer neither solicits nor arranges to solicit shares or offers to sell shares of the offeree company. Section 417E-1(8) of the existing law provides that an isolated offer to purchase shares from individual shareholders and not made to shareholders generally is an exempt offer. This exemption permits customary and usual trading transactions. Accordingly, this exemption was deleted because it was deemed unnecessary in view of the "isolated offer" exemption.

(b) An exemption was provided for situations where the board of directors of the offeree company consents to the offer. Since the purpose of the statute is to provide appropriate disclosure for the benefit of the stockholders, this exemption was deleted.

(c) An exemption was provided for where an equity security is exchanged for another security if the offered security is registered under the Securities Act of 1933 or the Hawaii Blue Sky Law (Chapter 485, Hawaii Revised Statutes). This exemption was deleted because it was felt that the purpose of the take-over bid statute is to provide for disclosure and that disclosure should be made regardless of whether cash or securities are used to effect a take-over bid. Further, registration under the Securities Act of 1933 or under the Hawaii Blue Sky Law would not in either case insure the disclosure of the information required by the present take-over bid statute. Moreover, the present take-over bid statute provides for a hearing at the request of the offeree company and authorizes the Commissioner of Securities to determine whether or not the take-over bid is fair and equitable to offerees and is made on substantial equal terms to all stockholders.

(3) Section 3 of the bill amends Section 417E-1 by adding a definition of "offeror's presently owned shares", a term used in the definition of "take-over bid", as amended by this bill. The present statute does not appear to include an offeror's associates' shares in the ten per cent measure used to determine whether an offer is a take-over bid, and the proposed definition would cause such shares to be counted. This provision eliminates an opportunity to evade the provisions of the statute by not counting associates' shares or those to be purchased at a later date.

In order to be consistent with the change to the definition of "take-over bid", the phrase, "offeror's presently owned shares", was changed to "offeror's presently owned shares or other units" and the phrase, "aggregate number of shares", was changed to "aggregate number of shares or other units".

(4) Section 4 of the bill amends Section 417E-3(c) to require the application for registration to include the name and address of the offeror company and the aggregate consideration the offeror may be bound to pay. Further, a new clause is added to require that the application include a statement as to whether any other filings have been made under federal or State laws and, if so, that copies of such filings accompany the application. This requirement would allow the Commissioner of Securities to coordinate his review with other governmental agencies.

(5) Section 5 of the bill amends Section 417E-3(e) to correct an error in the law as enacted where the word "offeree" was used when "offeror" was intended. Further, the minimum and maximum registration is set at \$200 and \$1,000, respectively.

(6) Section 6 of the bill amends Section 417E-9(c) by deleting from the civil remedies section the provision which would permit an offeror who acquired shares in violation of the statute but who no longer owned the shares concerned to bar any suit by an offeree by offering "to pay damages". Just what form such an offer would take is not clear, but it is possible that under the present statute, an offeror could sell or give away the shares acquired in violation of the law, immediately offer a minimum amount in damages to each offeree, and thereby insulate himself from suit. The proposed change to the law would eliminate this possibility.

(7) Section 7 of the bill amends Section 417E-12 by providing that appeals from the decision of the Commissioner of Securities shall be confined to the record rather than be a trial de novo. This will avoid a duplication of the hearing held by the Commissioner.

Your Committee, upon further consideration, amended S.B. No. 959, H.D. 1, by adding the words, "of equity security", at page 2, line 7 of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 959, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 959, H.D. 1, C.D. 1.

Senators Nishimura, Chong and George
Managers on the part of the Senate

Representatives Yamada, Yap, Cayetano and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 7 on S.B. No. 1050

The purpose of this bill is to protect retail gasoline dealers from arbitrary and unreasonable termination of their franchise agreements with petroleum distributors.

This bill would provide protection to retail gasoline dealers when dealing with large petroleum distributors by adding a new chapter to the Hawaii Revised Statutes governing the termination, cancellation, or nonrenewal of gasoline dealer franchise agreements. Under the bill, retail gasoline dealers are given a cause of action against petroleum distributors for wrongful or illegal termination or cancellation of the franchise agreement or unreasonable refusal to renew the franchise.

Your Committee upon further consideration has made the following amendments to S.B. No. 1050, S.D. 1, H.D. 1:

- (1) The words "and provisions" were added to Sec. -2(c)(2).
- (2) Technical changes were made to Sec. -3 for purposes of clarity.

Your Committee on Conference is in accord with the intent and purposes of S.B. No. 1050, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1050, S.D. 1, H.D. 1, C.D. 1.

Senators Nishimura, O'Connor and Saiki
Managers on the part of the Senate

Representatives Yamada, Roehrig, Uechi and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 8 on H.B. No. 336

The purpose of this bill is to increase the maximum liability of hotels for the loss or theft of property placed in their custody by hotel guests.

Liability for items placed in a hotel's safe is increased from \$250 to \$500 provided that the hotel gives the guest a receipt which states in large noticeable type that the hotel will not be liable for loss exceeding \$500. The liability for the loss of personal property intrusted to the hotel or lost through the hotel's negligence is increased from \$50 to \$500. Further, the maximum amount of liability may be in excess of \$500 if there is a special agreement in writing made with the innkeeper.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 336, H.D. 1, S.D. 2:

(1) For valuables intrusted to a hotel safe, added an additional disclosure to the receipt required to limit the hotel's liability to \$500. The additional disclosure informs the guest that the hotel may accept liability for losses in excess of \$500 by a written agreement with the guest.

(2) Clarified the language allowing a hotel to accept responsibility for losses in excess of \$500 by a written contract.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 336, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 336, H.D. 1, S.D. 2, C.D. 1.

Senators Nishimura, Hara, Kuroda and Leopold
Managers on the part of the Senate

Representatives Yap, Lee, Naito and Hakoda
Managers on the part of the House

Conf. Com. Rep. No. 9 on H.B. No. 363

The purpose of this bill is to require travel agencies and sales representatives to be licensed in order to act as intermediaries between a person seeking to purchase travel services and any person seeking to sell travel services.

Presently there is no law regulating travel agencies and, consequently, there have been abuses in relation to the misrepresentation of tours as well as the nonperformance of services. Because travel services may entail large expenses, and because even a relatively minor trip can represent years of planning and careful savings, the potential for harm to consumers is great. This bill is designed to curb some of the possible abuses.

Upon further consideration, your Committee has amended H.B. No. 363, H.D. 1, S.D. 2, by:

(1) Deleting the registration requirement for officially appointed agencies of air or ocean carriers.

(2) Providing for biennial rather than annual renewal of licenses to conform with the biennial renewal system for licenses proposed by H.B. No. 1873, H.D. 1, S.D. 1. There will be no loss of revenues as the annual renewal fees have been doubled.

(3) Deleting the appropriation provided for in the bill. This was done because the workload on the Department of Regulatory Agencies will be reduced by the deletion of the registration requirement for officially appointed agencies of air and water carriers, and the department should be able to provide the necessary services within existing appropriations.

(4) Making minor changes relating to form which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 363, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 363, H.D. 1, S.D. 2, C.D. 1.

Senators Nishimura, Kuroda and Saiki
Managers on the part of the Senate

Representatives Yamada, Cayetano, Yap and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 10 on H.B. No. 851

The purpose of this bill is to amend the provisions of the Collection Agency Law, Section 443-9, Hawaii Revised Statutes, to require that the sureties on bonds executed by an applicant or licensee be insurers authorized by the State Insurance Commissioner to engage in the insurance business.

Under existing law, a corporate collection agency may be a selfinsured by presenting a certified financial statement to the Collection Agency Board. The surety need not be authorized to engage in the insurance business provided it has presented the certified statement to the Board.

Your Committee finds that the rights of clients of collection agencies will be better protected if collection agencies are bonded only by an authorized surety bonding company.

Upon consideration of this measure, your Committee has amended H.B. No. 851, H.D. 1, S.D. 1, by:

(1) Deleting the last sentence on page 2. The sentence is no longer necessary as the bill provides that a bond may only be obtained from a surety insurer authorized by the State Insurance Commissioner to transact business in this State, and subsection (c) provides that the form of the bond shall be set by the Board.

(2) Deleting the words "commissioner of the collection agencies" and the word "commissioner" where they appear on page 2 of the bill and substituting therefor the word "board". The changes conform to Act 189, Session Laws of Hawaii 1970, which changed the regulatory format from an advisory board and a commissioner of collection agencies to a board with full powers to regulate collection agencies.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 851, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 851, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, O'Connor and George
Managers on the part of the Senate

Representatives Yap, Takamine, Uechi and Hakoda
Managers on the part of the House

Conf. Com. Rep. No. 11 on H.B. No. 1874

The purpose of this bill is to assist consumers who are faced with "double-pay" situations in dealings with licensed contractors for home improvements.

Presently, some homeowners who have hired and paid a contractor are faced with a mechanic's or materialmen's lien against their property because of the contractor's failure to pay subcontractors, employees, or suppliers. Under existing law they can apply for reimbursement from the Contractors Recovery Fund but only after an exhaustive, time-consuming, and often costly legal procedure. This bill would ease the access to the Contractors Recovery Fund for homeowners caught in this situation and make it simpler for the Contractors Recovery Fund to then proceed against the defaulting contractor.

This bill also replaces references to "licensee" with "licensed contractor" in the provisions of the fund to limit recovery to acts of the contractor rather than each employee who may also be licensed. Some contractors have a number of their employees licensed and it would be wrong to multiply his liability by the number of his employees who are licensed. The fund was established to protect consumers from the wrongful acts of contractors regardless of how many of their employees are also licensed.

Most homeowners become involved in "double-pay" situations because they have little or no knowledge of lien rights or the consumers option to demand bonding on the project. The bill requires contractors to disclose and inform the consumers of lien rights and bonding option. If the consumer knows ahead of time what his options and responsibilities are, it may reduce the number of liens and subsequent claims against the fund.

Your Committee has amended H.B. No. 1874, H.D. 1, S.D. 1, by adding a new Section 6 providing that the Act shall take effect upon its approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1874, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1874, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, Kuroda and Leopold
Managers on the part of the Senate

Representatives Uechi, Stanley, Takamine and Fong
Managers on the part of the House

(Majority) Conf. Com. Rep. No. 12 on H.B. No. 91

The purpose of the bill is to provide for a comprehensive historic preservation program through the development of a coordinated system, which would promote the use and conservation of historic property for the education, inspiration, pleasure and enrichment of the citizens of the State.

Under this bill, the roles and responsibilities in the historic preservation program would be clarified. The Department of Land and Natural Resources is designated as the lead agency for the State's historic preservation program. To strengthen the program, a separate position of State preservation officer has been established to be responsible for the comprehensive historic preservation program and act as the State liaison officer for the conduct of relations with the federal government and other states.

In addition, provisions relating to historic property found on State land, designation of property for the National Register of Historic Sites and the Hawaii Register of Historic Places, preservation activities and procedures have been delineated to allow for the greatest amount of participation by all those concerned with historic preservation.

Counties have been included in the total statewide historic preservation program through authorization to establish county historic preservation commissions.

In addition, a forum for settling issues involving possible conflicts between projects has been provided through the creation of the Hawaii Advisory Council on Historic Preservation.

Your Committee, upon further consideration, has made the following amendments to H.B. 91, H.D. 2, S.D. 1:

- (1) The amount of an appropriation for a public project which may be allocated for historic preservation purposes has been amended from one-half of one percent to one percent.
- (2) In order to provide the most effective atmosphere for the development of the multicultural program, the program has been transferred from the Hawaii Foundation for History and Humanities to the Ethnic Studies Program of the University of Hawaii. Appropriate transitional provisions have been added, including the transfer of personnel, equipment and monies to effect an orderly transition.
- (3) Under the bill, there existed ambiguities concerning the status and transfer of the employees of the Hawaii Foundation for History and Humanities. Provisions for the proper transfer of such personnel to the reconstituted Hawaii Foundation for History and Humanities have been added.
- (4) Other technical changes involving terminology have been made to maintain consistency throughout the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. 91,

H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 91, H.D. 2, S.D. 1, C.D. 1.

Senators King, Hara and George
Managers on the part of the Senate
Senator Hara did not concur.

Representatives Kawakami, Ho and Larsen
Managers on the part of the House

Conf. Com. Rep. No. 13 on H.B. No. 282

The purpose of this bill is to require the Department of Land and Natural Resources to submit to the Legislature a resolution for review of action on any public land exchange twenty days prior to the start of any regular or special session.

Section 171-50(c) presently provides that any exchange of public land for private land shall be subject to disapproval by the Legislature by two-thirds vote of either the Senate or House or by majority vote of both in any regular or special session next following the date of exchange. Under the present system, exchanges are posted to the Legislature each session. If the Legislature does not specifically disapprove an exchange (by appropriate resolution), the exchange stands approved when the session ends. No action by the Legislature means approval. Thus, it is necessary to introduce a resolution only when disapproval is sought.

This bill will in effect give notice by means of a resolution to the Legislature that a land exchange has been undertaken by the Land Department. Your Committee feels that without the resolution, the land exchange matter may get lost in the "shuffle" during the session.

Your Committee has amended section 2 of the bill to clarify the language of the bill and to provide flexibility in land exchange.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 282, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 282, H.D. 1, S.D. 1, C.D. 1.

Senators F. Wong, Hara and Henderson
Managers on the part of the Senate

Representatives Kawakami, Ho, Uechi, Morioka, Larsen and Ajifu
Managers on the part of the House

Conf. Com. Rep. No. 14 on H.B. No. 677

The purpose of this bill is to create a new State plan which shall serve as a guide for the future long-range development of the State.

Under this bill, the Department of Planning and Economic Development is charged with the responsibility of drafting a long-range, comprehensive State plan. The State plan shall contain statements of the general, social, economic, environmental, physical, and design objectives to be achieved for the general welfare and prosperity of the people of the State. This plan shall include, but not be limited to, a statewide land use guidance policy.

Your Committee feels that there is no need to create a separate and autonomous State policy plan and a State general plan, since a comprehensive State plan mandates both these elements. Therefore, your Committee has redefined the State plan accordingly in order to avoid confusion caused by labeling.

In previous drafts of the bill, the membership of the policy council totaled more than twenty-five members. Your Committee finds that this number is cumbersome and unwieldy, and has reduced the number of members in the policy council accordingly. Your Committee feels that this should in no way limit input, since the Director shall have the powers to coordinate all State and county agencies in matters concerning the comprehensive State plan.

Section -21 has been amended by adding a new sub-paragraph to provide guidelines in developing the State plan.

Your Committee deleted the sections calling for evaluation of the plan by both the

legislative auditor and by the counties. In these times of financial austerity, your Committee feels that this is a costly exercise in both funds and time expended. Your Committee feels that if the legislature finds that a legislative audit is required, or is necessary, then it has the prerogative to so mandate. Therefore, the safeguards and accountability of this section are still inherently intact, yet at less expense to the State and county governments.

The future of this state is too important for the legislature, as the policy makers of the State, to once again abrogate its responsibilities. It must provide the direction for the future of the State. Accordingly, your Committee has further amended the bill to provide for an interim report in 1976 in order that the legislature be constantly advised as to the progress and direction of the development of a State plan.

In further reviewing the bill, your Committee has made several other changes to clarify language in the bill and to delete or modify paragraphs that may be in conflict with the goals and objectives of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 677, H.D. 1, S.D. 2 as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 677, H.D. 1, S.D. 2, C.D. 1.

Senators F. Wong, Hulten, Ching, King, Yamasaki, Henderson and Saiki
Managers on the part of the Senate

Representatives Kawakami, Kihano, Yap, Abercrombie, Fong and Larsen
Managers on the part of the House

Conf. Com. Rep. No. 15 on H.B. No. 1870

The purpose of this bill is to provide reform of Hawaii's land use law which will: (1) establish procedures intended to insure the effective application of established State land use policies by the Land Use Commission through an adversary process in which diverse interests will have an opportunity to compete in an open and orderly manner and public participation and citizen input will be encouraged; and (2) provide for an interim statewide land use policy to be applied by the Land Use Commission prior to the enactment of a State policy plan and a State general plan.

This bill repeals existing quasi-legislative procedures presently followed by the Land Use Commission and substitutes therefor the contested case or quasi-judicial procedures of the Hawaii Administrative Procedure Act. Your Committee believes that the judicial process offers the best opportunities for effective citizen participation as well as sound land use decisions in the public interest. There are many advantages to the judicial process which meet today's concerns. These advantages are discussed at length in Senate Standing Committee Report No. 708 dated March 24, 1975 which is incorporated herein by reference.

Your Committee has made the following amendments to H.B. No. 1870, H.D. 1, S.D. 3:

(1) Your Committee has amended section 2 of the bill to make it express that six affirmative votes are required for the Commission to amend any land use district boundary. This amendment brings the bill into conformity with the existing provision of the land use law in this regard. Your Committee believes that a simple majority should be sufficient for the Commission to take actions such as the adoption of procedural rules and regulations.

(2) Your Committee has amended section 5 of the bill to provide that the notice of hearing be published at least 30 rather than 20 days prior to the hearing. This is to insure that potential applicants for intervention have sufficient time to get their applications in prior to the hearing.

(3) Your Committee has amended section 5 of the bill at page 13, lines 8 through 10, to provide that in addition to the grounds for reversal or modification set forth in section 91-14, Hawaii Revised Statutes, a court may reverse or modify a finding of the Commission if such finding appears to be contrary to the clear preponderance of the evidence.

(4) Your Committee has amended section 10 of the bill at page 16, line 14, to delete the phrase "insofar as practicable" and substitute therefor the phrase "except where the Commission finds that an inequity or injustice will result". This amendment is intended to insure that the interim statewide land use guidance policies are followed

except in cases where a clear preponderance of the evidence demonstrates that an inequity or injustice will result.

(5) Your Committee has also amended section 10 of the bill at page 16a, line 3, to substitute the word "petitioner" for the word "government". In most cases the Commission can and does require the landowner and/or developer to provide public services and facilities at this cost. This amendment makes it clear that this practice should continue.

(6) Your Committee has amended section 11 of the bill at page 16b, lines 8 and 9, to provide that the interim policy shall remain in full force and effect until the effective date of a State plan.

(7) Your Committee has amended the bill to add a new section to provide that upon enactment of a State plan by the legislature, no amendment to any land use district boundary nor any other action by the Land Use Commission shall be adopted unless it conforms to such State plan.

(8) Your Committee has deleted section 12 of the bill in its entirety. That section, as it appeared in Senate Draft 3, provided for the adoption of a permanent statewide land use guidance policy. Such policy was to have been developed by the Department of Planning and Economic Development and submitted to the Legislature for action during its 1977 session. These provisions have been deleted from this bill because they will be set forth in another measure, House Bill No. 677, H.D. 1, S.D. 1, C.D. 1, presently under consideration by a conference committee. That bill will call for a State plan consisting of a State policy plan and a State general plan. Such State plan will be submitted to the Legislature during its 1977 Regular Session and will contain a component relating to land use policies and criteria to be followed by the Commission in amending land use district boundaries.

Your Committee has made other minor stylistic and grammatical amendments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1870, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1870, H.D. 1, S.D. 3, C.D. 1.

Senators F. Wong, Ching, Hulten, Yamasaki and Saiki
Managers on the part of the Senate

Representatives Kawakami, Roehrig, Uechi, Yap, Fong and Larsen
Managers on the part of the House

Conf. Com. Rep. No. 16 on H.B. No. 430

The purpose of this bill is to make parents liable for welfare payments by the State to or for the benefit of their children. The Department of Social Services and Housing is subrogated to the right to bring support actions against parents to recover welfare payments. If parents are included in such payments, then they do not incur an obligation to repay the Department. When a family court order specifies parental obligations, parents are only responsible for payments specified in the court order.

Your Committee has amended the purpose of this bill to provide for the recovery of welfare payments from the estate of a welfare recipient who dies and does not have a surviving spouse, child, father, mother, grandfather, grandmother, grandchild, stepfather, stepmother, or any designated heir. When third party liability exists for medical payments on behalf of recipients of medical assistance, the Department of Social Services and Housing is directed to require an assignment of third party payments.

This bill will meet federal requirements that states must establish child support units in order to qualify for federal matching funds for AFDC payments. Other states have been very successful in reducing welfare costs by aggressively pursuing non-support claims against parents.

Your Committee has amended the bill by granting broad authority to pursue non-support claims to the State Attorney General. This authority includes non-support claims on behalf of both welfare and non-welfare children and in child support cases involving desertion or divorce. Your Committee feels that there is a need to provide such services on behalf of all children. Federal funds will be available to subsidize the cost of child support services. While federal rules are not yet finalized, they probably will require that non-welfare families bear some of the cost of such services.

Your Committee has amended the purpose of the bill in order to permit the State to recover welfare payments from the estate of a recipient who dies and does not have a designated heir or a surviving member of his immediate family. Your Committee feels that indigent families will be better able to break the cycle of poverty if they can pass on their family homes. Your Committee also recognizes that hanai family members should have a right to inherit family kuleanas, if they are designated as an heir.

Your Committee has specified the obligation of recipients of medical assistance to assign payments by responsible third parties at the direction of the Department of Social Services and Housing.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 430, H.D. 1, S.D. 1, as amended herein and recommends that it pass Final Reading in the form attached hereto as H.B. No. 430, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, Chong, Toyofuku and Leopold
Managers on the part of the Senate

Representatives Stanley, Naito, Roehrig and Kamalii
Managers on the part of the House

Conf. Com. Rep. No. 17 on H.B. No. 1742

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes to alleviate the effects of the high rate of unemployment. The bill provides for State-funded training subsidies for certain employers, similar to the federal CETA program. It also provides for low interest state loans to employers who train and permanently hire unemployed persons.

Your Committee has amended the bill by deleting Section 2, subparagraphs (1) and (2), on pages 8 and 9, relating to the college workstudy program and the State Student Incentive Grant Program. Your Committee finds the nature and operations of these programs to be incompatible with the title of the bill. Also, the subsequent sections have been renumbered accordingly.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1742, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1742, H.D. 1, S.D. 1, C.D. 1.

Senators R. Wong, Toyofuku and Anderson
Managers on the part of the Senate

Representatives Lee, Takamine, Peters, Yuen, Fong, Santos, Akizaki,
Ajifu and Kihano
Managers on the part of the House

Conf. Com. Rep. No. 18 on S.B. No. 535

The purpose of this bill is to appropriate funds for government programs for the 1975-77 fiscal biennium.

BACKGROUND TO THE BUDGET

ECONOMIC AND FISCAL CONSIDERATIONS

The economic and fiscal factors which affect the State at the present time have led your Committee to conclude that the prudent course is to enact a budget which holds proposed expenditures to current revenue sources and conserves State credit. The resultant budget is one which restores to needed levels those government services which deteriorated during the austerity period of recent years, authorizes new programs or program levels only in cases of clearly demonstrated need, and defers to a later period those major capital investments which are not immediately required.

The economic outlook is mixed at best, with the weight of economic opinion holding that the recovery from recession will be slow and sluggish. This accounts for the urgency which is attached to the implementation of a tax cut at the federal level at the national policy of stimulating the economy through tax rebates and reductions will be successful, and it is not certain how the Hawaiian economy will be specifically affected. The legislature will need to closely monitor the local economy in the months ahead, and it should be prepared to take whatever action may be necessary to assure a stable economy, particularly if national policies fail to halt the economic decline. Meanwhile, through

this budget as well as in other legislation, steps have been taken to shore up vital sectors of the economy and to expand employment opportunities. Given the many near-term uncertainties, your Committee believes that the prudent guidelines at this time is that government programs and operations dependent on general revenues must be funded from existing sources.

As for the long-term financing needed to construct public facilities, it is quite clear that if the legislature were to authorize all of the capital investment proposals recommended by the executive for each of the two fiscal years of the biennium, this would move the State's legal debt positions close to the constitutional debt ceiling. This would leave little or no margin for any emergency authorizations which an uncertain economy might require. The interim solution to this problem, and the one which your Committee has pursued, is to authorize at this time the executive's capital investment proposals only for fiscal year 1975-76 and to defer until the 1976 session consideration of the appropriations recommended for 1976-77.

Over the longer term, it is evident that the State's debt policies need to be reviewed so that a determination can be made as to what debt margin should be preserved as a reasonable margin of safety and what action should be applied against older authorizations which have not been implemented. Your Committee expects this review to be conducted during the next interim period, and in the meanwhile, it calls on the executive to formulate its recommendations as to the debt margin to be preserved and to disclose its intentions with respect to specific project authorizations made in the past.

SPECIAL PROVISIONS FOR LEGISLATIVE CONTROLS

In the conduct of its review of the proposed budget and executive performance in executing prior budgets and other program appropriations, your Committee has made a special effort to determine how the executive branch can be held more accountable to the legislature in the exercise of its fiscal powers and authority. Over the years, it has become increasingly apparent that the legislature's traditional power of the purse has been eroded. This is partly because of the executive branch's inattention to legislative priorities and partly because the appropriation acts, in response to representations that budget flexibility was required, accorded substantial latitude to the executive branch. Whatever might have been the reason and however valid might have been the arguments for maximum flexibility in the past, the time has come for the legislature to reassert its powers through the appropriations process and to establish new controls to ensure that the policies and intent are adhered to. Therefore, your Committee has included as an integral part of the general appropriations act a number of special provisions. These provisions would provide the executive with some flexibility and at the same time provide for legislative controls.

PROGRAM APPROPRIATIONS, CONCERNS, AND INTENT

In this section of the committee report, your Committee reviews some of the major program appropriations, program concerns, and legislative guidelines. The review here is by no means exhaustive. More specific legislative intent with respect to program appropriations is to be found in specific program provisions contained in the bill itself, and less formally, legislative guidelines have also been expressed to the executive agencies during the course of hearings on the budget.

THE LEGISLATIVE PROGRAM FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT

The uncertain course of national fiscal and economic trends in the last several years, veering between the twin evils of recession and inflation, has had serious effects on the economy of Hawaii. This is evidenced by the fact that inflation has undermined the earnings of large groups of people and rendered their future uncertain. Unemployment stands at a high level and promises to continue to be high even if the current recession is curbed during the next twelve months.

In view of the severe decline in Hawaii's and the national economies, the legislature is of the firm conviction that to preserve the income security and economic well-being of Hawaii's people, forceful government intervention is required to immediately boost those segments of the economy which have been adversely affected and which must be maintained if Hawaii is to achieve a stable and diversified economic base. The legislature is aware that prompt action during the current session is needed to meet this serious situation. Consequently, the legislature has developed programs aimed at stimulating the economy. The programs included in the budget are geared to expand employment and economic opportunities on a statewide basis and to allow the State to continue its

efforts at diversifying its economic base.

As formulated, the programs provide added resources to several critical and interrelated segments of the economy. They include a State program which supplements the federal public service employment program as established in the Federal Comprehensive Employment and Training Act (CETA). The purpose of the program is to develop additional public service employment opportunities to assist the unemployed, underemployed and disadvantaged and to provide subsidies and loans to private employers to participate in employment programs involving the training and hiring of unemployed persons. Other programs which comprise the legislative program for employment and economic development include additional funds for the repair, alterations, and maintenance of public facilities to stimulate the construction industry and provide contract employment for small contractors and subcontractors; an augmented farm loan program to assist in developing diversified agriculture as a viable industry; new resources for the capital loan program to provide financial assistance to local businesses, particularly those businesses which cannot qualify for loans from regular lending institutions; and a new vessel construction loan program to meet the demands for construction loans as well as repair and maintenance loans to meet the needs of Hawaii's fishing fleet. Funds for these programs have been provided in the budget and in other legislation.

State CETA	\$12,133,500
Repair, alterations, maintenance	5,000,000
Farm loan	1,000,000
New farmers loan	500,000
Capital loan	1,000,000
New vessel/repair and maintenance loan fund	<u>1,000,000</u>
	<u>\$20,633,500</u>

Committee to reduce unemployment. In addition to the foregoing immediate action programs and in response to the possibility that high unemployment rates may persist for some time to come, the legislature has provided, through the adoption by both houses of HCR 81, H.D. 1, for the establishment of a committee to examine Hawaii's unemployment problem and to propose methods and programs by which the unemployment rate may be decreased. The committee is also to convene a statewide conference which will advise the committee on matters to be examined. Funds have been included to assure that the committee can proceed with this important effort to reduce unemployment.

Office of public employment relations. The government sector plays a vital part in the economy, and public employment is important to employment stability generally. It is evident that the issues of collective bargaining are so important that a more formal mechanism needs to be established to assist the governor in discharging the duties set forth in the collective bargaining law. Therefore, funds have been provided to establish an office of public employment relations to be headed by a chief negotiator.

LOWER EDUCATION

Public education of high quality and easy accessibility has been one of the most enduring and acclaimed public policy commitments of the State of Hawaii. In the last two decades the State has made considerable progress toward satisfying this commitment. However, the past few years have seen a slowdown in this progress due to the State's fiscal austerity. The public education system has had to bear its share of budget restrictions and the resulting hardships. The legislature has empathized with students, teachers, and parents over how they have had to "make do" with what was available. While the economic picture may still be uncertain, your Committee believes that some of the reductions imposed on lower education in the past few years can be restored in the next biennium and new programs which have been held in abeyance can now be cautiously funded. We believe that it is now time to more systematically seek an educational system which is truly responsive to the individual student or community. We wish to see our educational system become one where school is an enjoyable place for all and schooling is an experience, not for a student merely to pass through or spend time in, but one which stimulates interest and inquiry. Accordingly, we have attempted to reemphasize schools as that level in the educational system where we believe funds could be put to most effective use in overcoming the cultural, economic, geographic, and other artificial barriers which prevent the fullest achievement of educational success and satisfaction.

Alternative schools. There are many students who, for various reasons, are not being reached by traditional teaching methods and organizations. A commitment to individual students means that we must provide for alternatives to the general education program. Some of these alternatives have been initiated by concerned individuals independently of the school system and have already shown some success. Other alternatives have emerged from the programs of compensatory education. Whatever their origin or current status, your Committee believes that many of these alternative schools and programs offer real hope for those students for whom the traditional educational methods have failed. It is our expectation that the department of education will do everything possible to facilitate the transfer of these students into alternative programs and schools and their return, if and when desirable, to the traditional schools. The new funds provided for alternative schools permit the program to reach many more students than are currently being reached.

Vocational education. Your Committee supports the contention of many that some schools have swung too far in the direction of encouraging their students to attend college and have thus neglected the very vital provision of more vocationally oriented programs. We believe that the meaningfulness of education can be enhanced greatly by the provision of not only more, but also more relevant, vocational educational courses. Funds have been provided to enable such implementation to occur and thus to make available more alternatives for all students within the general, traditional educational system.

Special education. The commitment to the individual student extends also to those "special" students who are handicapped by mental, emotional, or physical conditions which necessitate special educational arrangements and services of many types. For too long the State has not fully implemented its policy commitment that all children have the right to education. This is to be corrected by making available those programs which these students need.

Diagnostic-prescriptive teams. Diagnostic-prescriptive teams and reevaluation procedures for students are currently inadequate to assure that children are placed properly and receive the needed educational prescription. Complaints about the long delays between teacher referral and testing and placement are numerous. Funds have therefore been appropriated to increase the number of teams serving the schools.

Gifted and talented students. For several years now no special effort has been expended on behalf of the gifted and talented students as an identifiable group. We believe this to be wrong. As a category of "special" students, albeit "special" in a different way, the gifted and talented have been deleted from consideration in the recently completed State plan for special education. Yet, these students clearly deserve and require special attention, even though your Committee does not advocate separate facilities or tracks. Funds have been included so that a proper program can be designed and to provide the inservice training necessary to get a program under way.

Counseling. Throughout the State, students, parents, and teachers have called for a stronger counseling program. Your Committee recognizes the significance of the counseling program for the personal-social growth and educational-career development of students, and it is also cognizant that there is a need for counseling services in the early formative years. Therefore, funds have been provided to expand the counseling program at the elementary level.

Reading specialists. Reading is a basic tool for almost all other learning skills, and as such, reading programs deserve the highest priority. It is alarming, therefore, when statistics reveal that many school children are falling below minimum competence levels on reading tests. To help remedy this situation, funds have been included to hire additional reading specialists to serve the schools, including nonTitle I schools.

Hawaii English program. The Hawaii English program has been represented to be a successful individualized program of language arts for the majority of the students in the program. To the extent that it allows for some individual differences in the pace of learning as well as the manner in which a student learns, your Committee believes that it conforms to the commitment to the individual student. Funds have been provided for its vertical expansion as well as for the alleviation of difficulties encountered in the shared utilization of materials and for more adequate inservice training of teachers. It is the intent of the Committee that teacher and parent feedback be seriously considered in any adjustments in the program and that flexibility to meet the needs of individual students be encouraged. Your Committee reiterates prior guidelines that additional personnel provided for the more effective management of the program be engaged in professional, and not clerical or delivery services.

Art, music, and physical education specialists. Your Committee recognizes that,

at the elementary level, the teacher is more often than not a generalist in subject matter preparation. If he is a specialist at all, he is more likely to be a specialist in language arts. This is perfectly reasonable, and perhaps even highly desirable. However, the very nature of the general preparation or the language arts preparation precludes the elementary teacher from attaining the kind of expertise in art, music, and physical education that is attained by specialists in those fields. Your Committee believes that more needs to be done in the development of the tactile and visual senses and the motor skills of children. Accordingly, funds have been appropriated for arts, music, and physical education teams to be assigned to the district offices to serve the schools directly on some equitable basis.

Musical instruments. In a related area, the instrumental music program, your Committee has been made aware of the need for more instruments to enable students to participate in this program. Currently, many students have to rent or purchase their own instruments if they want to participate at all. This situation not only imposes a financial burden on the families who must rent or purchase instruments, but for those students whose families are without the economic means, this program is closed off to them completely. Funds have been appropriated for the purchase of new band instruments for the schools, with the intent of removing any economic barriers to the instrumental music program.

Sports for girls. The sports program in the schools has traditionally focused on sports for boys. However, with the increasing interest in sports activities expressed by girls and the conviction that equality of educational opportunity extends to athletics, your Committee has included funds to provide more opportunities for girls to develop their interests.

Campus violence. Students, parents and school personnel have made known to legislators their concern over the level of violence prevalent on many school campuses. It has been alarming to receive reports of school grounds and facilities made inaccessible to certain groups of students, of dangerous weapons being on the campus, of the inability of school personnel to cope with the situation, and of the department's reluctance to recognize the existence of a critical situation. To be sure, the department now shares the concern expressed here, but it is readily apparent that, while some schools have managed to curb campus violence, many have not. The department is requested to put special effort in identifying the causes of campus violence and in seeking ways of improving the campus environment. Students, school personnel, parents and members of the community should be enlisted in this cause. The department is also requested to monitor the security guard program to assure that the caliber of guards is of the desired quality, that they are performing their duties in a responsible manner, and that the program is effective.

Reading ability and comprehension. Graduates of Hawaii's school system should be able to read and comprehend at a level that will allow them to lead productive and satisfying lives. The department should carefully evaluate the results of its programs, particularly in those situations where reading ability and comprehension appear to vary with geographical areas. If such is the case, the department must assess its present reading programs in areas of low student achievement with a view toward formulating alternative learning methods if present methods are inadequate.

Departmental reorganization. A strong recommendation of the Booz, Allen and Hamilton report was the strengthening of the office of the superintendent by the transfer to it of certain support functions. The superintendent's administrative and decision-making capabilities would be enhanced by such a transfer. The department has chosen not to implement the recommendation. Your Committee believes that the recommendation is sound, and it requests the board of education to review the matter, including the development of alternative methods to achieve the intent expressed here.

Testing. The department has reported that it is now engaged in the development of a testing program that will fairly evaluate the performance levels of students. This development is welcome. The test instruments currently employed, STEP and SCAT, are some twenty years old. Your Committee encourages the department to reformulate the testing program, but it adds the caution that in the effort to make instruments relevant and applicable to Hawaii's students, this should be achieved without losing the national perspective essential to the evaluation of the State's instructional offerings with those of other areas in the country.

HIGHER EDUCATION

Instructional programs, Manoa campus. As the most essential component in fulfilling the basic purposes of public higher education, the quality and types of instructional programs at the Manoa campus have a direct effect on the general economic and social

health of our State. Students who receive instruction and training at the University are destined to leave the campus and contribute their resources and talent to our community. In light of recent statewide fiscal austerity, these instructional programs have suffered reductions in funding and it is the feeling of your Committee that these programs should not go on without adequate staffing and operating expenses. Your Committee has therefore restored funding to Manoa campus instructional programs in order to maintain a basic level of operations.

Your Committee concurs with the Administration's request for additional instructional positions in the College of Business Administration for workload increases which would allow the College to meet accreditation standards. It is also the feeling of your Committee that of the various instructional programs particularly hampered by recent cutbacks, the freshman composition program is in special need of funding support and resources. The English composition program is on the verge of collapse, having lost over a third of the participating faculty and facing a backlog of upperclassmen who have not been able to meet their English requirements. In its attempt to provide students with the necessary skills to cope with present day society's increasing complexities and demands, it is incumbent upon the University to provide the means whereby effective skills in articulation, expression, and communication can be developed. Therefore, your Committee has included funds for the English composition program.

Law School. Your Committee finds that since the establishment of a Law School at the University of Hawaii through Act 146, SLH 1971, and its implementation in 1973, the law program has been successfully meeting legislative intent and purpose. Your Committee finds that the need to meet increasing community interest in law, and to make quality legal education available in the community for Hawaii's residents has been substantiated through reports and the admissions records of the Law School. The Law School reports that since its opening in 1973 nearly 1300 applicants have been received for 117 entering positions, and over 1200 applications for the 1975 fall term alone is anticipated. Further, the Law School reports that all but 2 of the 117 students admitted were residents of the State, coming from each island in the State.

Law School programs beyond the Juris Doctor Program include the establishment of a special pre-admission program designed to expand law study opportunities for disadvantaged groups which are underrepresented in the Hawaii Bar. Also in the developmental stages are plans for training legal paraprofessionals at the community college level. Your Committee is in full support of the Law School as a whole, and would like to emphasize its particular support of programs that reach sectors of our community that would not, due to economic or employment constraint, otherwise have access to legal training opportunities. Your Committee believes that it is to the benefit of our State to have a law school that provides legal training for State residents in addition to facilitating general public understanding of the increasingly complex legal processes in Hawaii. However, your Committee has determined, and the appropriations for the law school are made with the intent, that there shall be established a ceiling of 222 students in the next year to be served by the program, of which 10 are intended for the preadmissions program, and a ceiling of 230 students in the following year.

Medical School. Your Committee believes that the School of Medicine is moving steadily towards (1) providing trained health care professionals for the new and expanded demands upon the system in Hawaii; (2) improving health care delivery in Hawaii now and in the future; and (3) increasing the educational and career opportunities for young men and women of Hawaii.

In addition to serving as a catalyst in improving general health care delivery systems in various communities, the School of Medicine has provided special consideration and rigorous guidance to socio-economically deprived individuals through such programs as Imi Ho'ola (Those Who Seek to Heal). Benefits to students are already apparent; benefits to the people of Hawaii are only beginning to accrue.

Your Committee has noted that the request for the School of Medicine's budget is consistent with the six-year projection made in 1973, and that the School has been most responsive to legislative directives with regard to the pattern of hospital affiliations and the development of a curriculum oriented to the needs of the State. Your Committee continues to support legislative commitment to the M.D. degree-granting School of Medicine. Your Committee finds that some expansion in the number of positions at the school is justified at this time, and has provided funds for expansion, though not to the extent requested by the University. While the medical school is receiving additional funds for the biennium, it is the intent of your Committee that a ceiling of 274 be established as the ceiling for the number of students in the M.D. program.

Hawaii Open Program. Your Committee has long been committed to the concept of

equal educational opportunity and the principle of life-long educational opportunity. Despite the successful development of the Community Colleges and the College of Continuing Education, resulting in broadened higher education opportunities, a sizable segment of Hawaii's population remains untouched because of a job or family responsibilities, geographical isolation, institutionalization or various handicaps or disadvantages. Your Committee believes that an alternative means of achieving a baccalaureate degree must be offered to these people. Your Committee is cognizant of the research and development phase of the Hawaii Open Program for the Excluded. Development of the Open Program is in its final stages. Curricula and delivery mechanisms designed to extend university offerings to students who have been excluded from campus opportunities are ready to be implemented. Further research and development are needed only to establish durable standards for lifework experience credits. Your Committee has included funds for the further development of this program.

Kapiolani Community College. Your Committee is aware that in 1975-76 many applicants were denied admission to Kapiolani Community College because the Pensacola site was operating at its maximum enrollment capacity. Since the 1965 "Kapiolani Community College Site Selection Study," Fort Ruger has been recognized as the best site for a community college located in East Honolulu. Plans were drawn up in the late 1960's to exchange State lands for the federally owned land at Fort Ruger. Two laws were passed by Congress, Public Law 91-564 in December 1970 and Public Law 93-166 in November 1973, to facilitate conveyance of the Fort Ruger land to the State of Hawaii at the appraised fair market value. Six million dollars had previously been appropriated, Act 155 of 1969 and Act 187 of 1970, for the purchase of the Fort Ruger land, reflecting the seriousness with which the legislature viewed the proposed move from present facilities to the larger Fort Ruger site.

On January 20, 1972 the Board of Regents stated "that Kapiolani Community College will eventually be discontinued at its present site through a phased transfer of programs to East Honolulu Community College." Your Committee is in agreement with this policy that reflects the long held view of the legislature that a new site is necessary.

Your Committee supports the proposed three-phase transfer of services and programs from the present Kapiolani site to Fort Ruger. The three phases are: (1) initial construction of East Honolulu Community College on 5.3 acres of Fort Ruger land allowing the transfer of liberal arts and allied health programs; (2) transfer of the Business Education program; and (3) transfer of the hotel-restaurant program.

West Oahu College. Funds have been appropriated for the implementation of the third and fourth year programs of West Oahu College.

Custodial services. Additional funds and positions have been provided to meet the increasing custodial service workload requirements. These additional funds and positions are intended for custodial staffing and for no other purpose.

College of Tropical Agriculture. The College of Tropical Agriculture is requested to submit updated program and financial plans to the legislature as early as possible, including plans for the Hawaii Agricultural Experiment Station and for the Cooperative Extension Service. Such plans should be responsive to the following concerns:

(1) The College currently responds to numerous requests for service by individuals. Service, of course, is a primary reason for the existence of the programs, but it is questioned whether so much individual services should be provided as free services. There is statistical evidence which indicates that the non-farmer is the largest benefactor of the service-to-individuals program. Some analysis should be conducted to determine whether the service-to-individuals program should be more self-sufficient.

(2) The College's plan to fund its many individual positions is unusual. While joint appointments or joint funding of positions might be reasonable or even necessary it is not clear that all of the joint funding arrangements are justifiable or necessary. It is not clear, for example, what service is rendered to the Extension Service by the numerous individuals who receive 10%, 25%, 20%, or 18% of their salaries from the Extension Service. Similar examples show that the same people are paid from research or instruction budgets of the College. An explanation should be presented showing the rationale for joint fundings arrangements.

College of Arts and Sciences. The College should present its reorganizations plans to the legislature as quickly as possible. Such plans should fully delineate the College's relationship with the various support programs as well as the roles of the instructional departments.

Undergraduate programs. As other committees have in the past, your Committee emphasizes its concern over the relative priority of undergraduate education in the university system. It is the intent of the legislature that the first and foremost concern of the university should be undergraduate programs and that the allocation of university resources should reflect that intent.

Evaluation. A periodic evaluation of any institution is a necessity, and the time is appropriate for the board of regents to commission an evaluation of the university. A comprehensive evaluation of the university's management systems, organization, policies, programs and processes, would establish a base from which the operations of the university can be viewed as a whole. Evaluation might also lead to analysis, the examination of alternative ways to accomplish objectives. There are other agencies in government which could be directed to conduct the evaluation, but the board of regents should first be given the opportunity to take the initiative in this area.

Library services. There is little to indicate that the university's library program has been reviewed, and, therefore, the university is requested to conduct such a review. The study should consider the roles of the various campuses, systemwide acquisition and retention policies, automation and its implications, book and periodical storage problems, intra-system communication and delivery problems, etc. If a long range view of the library system could be developed now, there is a greater likelihood that duplication or overly-ambitious acquisition practices can be avoided.

Learning resource centers. It has been learned that there are organizational units on the Manoa campus operating what are commonly called learning resource centers. While these centers are intended to assist students by making available audiovisual equipment and supplies, the establishment of various units engaged in instructional delivery is not necessarily the best or the most efficient way to operate. A more coordinated approach to the problem of learning resource delivery should be developed so that more efficient use can be made of equipment, materials and supplies.

TRANSPORTATION AND ENERGY

Energy conservation by State agencies. Your Committee, cognizant of the demonstrated need to reduce energy consumption, believes that the State government should take the leadership to promote energy conservation measures by reducing energy consumption of its own agencies. As an initial step, a five percent reduction in energy consumption over the biennium is a reasonable goal, and your Committee requests the department of planning and economic development to coordinate the efforts of State agencies to meet this goal.

There is also a need to restrict the purchase of State vehicles to those sizes and types adequate to perform the tasks required. Increased fuel consumption and the purchase costs of unnecessarily large and over-equipped government vehicles cannot be condoned or continued. The department of accounting and general services is requested to review the guidelines for the purchase of motor vehicles, determine what practices actually exist, and formulate new guidelines, if necessary, to effectuate legislative intent that government vehicles and their equipment conform to their intended use, and no more.

Mass transit. The need for some form of mass transit for Honolulu has been clearly expressed. State funds in the amount of \$6 million have been included to assist in the planning and construction of a mass transit system. State assistance is to be matched by the City and County of Honolulu, and the appropriation is made provided that the Urban Mass Transportation Administration grants 80 percent federal funding for the transit system and the City and County of Honolulu agrees with the Metropolitan Planning Organization (MPO) established in other legislation.

Ferry system. In recognition that an alternative form of inter-island transportation holds promise of assisting the State's economy, an appropriation of \$4 million has been included for an inter-island ferry system.

Highway fund. Action has been taken in other legislative measures to meet the problem of the projected insolvency of the highway fund. However, the solution is but an interim solution, designed to meet anticipated deficits over the next biennium. The problem is likely to surface again, and for this reason, your Committee expects the department of transportation, in consultation with the department of budget and finance, to do a rigorous analysis of the problem so that a longer-term solution can be found.

Small boat harbors. Your Committee is concerned about meeting the needs of land-based boats which require adequate launching facilities. The problem of adequate facilities

is especially critical in the leeward district of Oahu which has the largest number of launchings in the State but only one public launching facility available at Pokai Bay. In 1970, this facility had over 21,000 boat launchings. The situation is hardly better at Keehi Lagoon which had over 20,000 launchings in 1970. There are no other public boat launching facilities in the approximately 20 miles of shoreline separating these two sites. Thus, your Committee emphasizes its intent that priority should be given in the recreational boating program to meeting the needs of land-based boats, especially in such areas as leeward Oahu.

Airports. It is noted that the Airport-Airline lease agreement is scheduled for renegotiation in 1977. The time is appropriate for the legislative committees to begin to conduct a thorough review of airport systems financing and to examine the existing agreement to determine the legislative policies which should be considered in any renegotiation. To assist the legislature in its review, the legislative auditor is requested to conduct an audit of airports systems financing and to submit his findings and recommendations to the 1976 regular session.

HEALTH

School health services. Funds for the expansion of the school health services project have been provided. This program, which delivers health services to students through a health aide at each school supported by a school nurse who supervises several health aides, was found by the legislative auditor, in his program audit of the school health services pilot project, to be a cost-effective approach in providing emergency health assistance services. The decision to expand the program is supported by the evaluation findings of the legislative auditor who has reported that there is a definite need for readily accessible health assistance services in the schools.

The expansion of the program is to proceed under a systematic four-year installation schedule. In the first two years, the program will be extended to all of the elementary public schools in Hawaii. The department of health is requested to submit an implementation plan, and a supplemental funding request, for the second year expansion of the program for the remaining elementary public schools and also an implementation plan to expand the program to all other public schools in the third and fourth years.

The health aide and health aide substitute staffing positions are to be contract positions until such time as the program is fully implemented. At that time, a decision can be made as to whether the positions should continue to be contract positions or whether they should be civil service positions.

In the implementation of the statewide expansion of the program as well as in the continuance of the program in those schools covered by the pilot project, your Committee expects the department of health and the department of education, within their respective responsibilities, to take corrective action to remove those deficiencies in the program identified in the evaluation report. These include records showing that many students are not in compliance with immunization and tuberculin testing requirements, unclear accident reporting criteria and procedures, poor maintenance of health records at higher grade levels, doubtful value of height and weight screening as currently conducted, and other operational problems. Your Committee expects the Governor's Advisory Committee for the School Health Services Pilot Project to monitor corrective action by the departments and to submit its assessment of progress made by the agencies to the 1976 Regular Session.

It is legislative intent that the health aides provided for by the appropriation shall be utilized only for health-related duties, except in those situations where the size of the school is such that the health care activities would not occupy the full time of the health aide. However, in no instance should other duties take precedence. In a related aspect of health services, it is also legislative intent that the free immunization program of the department of health be administered without any means qualification.

State/county hospitals. The high cost of hospital care continually brings forth the question of how to meet high costs under conditions of low volume of patient days at many of the neighbor island hospitals. The need for general fund support of these hospitals appears to be inevitable if quality medical care within reasonable costs is to be made available to all of the people of the State. However, it is the concern of your Committee that the Act 97 hospitals do everything within their control to reduce operational costs through better management practices.

Under P.L. 92-603, Sec. 233, the Federal government will reimburse the hospitals based on the usual and customary or reasonable charges, whichever is lower, beginning July 1, 1975. For this reason, the department of health must increase hospital rates,

as current rates are based on 1972 costs and there will be a substantial loss in federal funds if rates are not adjusted. Your Committee understands that the department is adjusting the rates to be effective on July 1, 1975, and the budget for the hospitals reflect these adjustments.

Leprosy. Because the State is committed to provide care and facilities for leprosy patients at Kalaupapa, there is a need for patients to be served by adequate facilities. However, because of recent advances in medical treatment of leprosy patients and the administration's testimony of possible phasing out of Kalaupapa in 15 to 20 years, further inquiry should be made to determine the feasibility of upgrading the present facilities to meet the required needs. Your Committee also understands that an analytical study is being conducted and that the administration's implementation of new capital investments at Kalaupapa is contingent upon its evaluation of the findings of that study. With respect to Hale Mohalu, in the event that plans for phasing out Hale Mohalu are made over the next biennium, it is intended that the vacant positions accrued (currently five positions) shall be restricted from filling.

Mental health. It is a matter of great legislative concern to upgrade and improve mental health care at the Hawaii State Hospital as well as at the various mental health centers throughout the State. Staffing has been increased to strengthen the program. Even as the legislature proceeds to provide additional funds for the mental health program, it is badly in need of information to guide the future development of the program. A program evaluation is clearly needed, and your Committee requests the department of health, in consultation with the department of budget and finance, to conduct an evaluation of program effectiveness of the mental health centers for both children and adults and the effectiveness of the treatment program at the Hawaii State Hospital.

The objective of the internship training program for mental health is to help assure the continuing availability of qualified program specialists. Inasmuch as the program is entirely State funded, interns should be trained to benefit the State. Therefore, the department of health is directed to contract with the interns so that they are obligated to work for the State for at least two years upon completion of their training.

Services for the mentally retarded. The mental retardation program has been strengthened. Personnel for the program have been substantially increased. It is the intent of your Committee to improve and upgrade the facilities and care at the Waimano Training School and Hospital. It is also the intent to support the decentralization of Waimano and to provide the required personnel and facilities at the neighbor island hospitals for the care and treatment of patients from the neighbor islands.

With respect to the program for Early Identification and Treatment for the Mentally Retarded, the program is intended to minimize the effects of mental retardation by providing early identification, evaluation, and treatment of developmental disabilities. Sufficient funds have been appropriated to staff the Jefferson Orthopedic School and infant development services, and to provide for services at the Variety Club School.

PUBLIC ASSISTANCE AND HUMAN SERVICES

Budget guidelines and purchase of services. It is the legislature's intent that future budgets submitted by the governor should include all funds budgeted by the State including donated funds and federal funds which the department of social services and housing and the department of health use when purchasing social services. It is also the legislature's intent that budgets submitted by the governor show total statewide target groups for all social services by PPBS classification and indicate which segments of such target groups are addressed by expenditure of State funds (including federal matching funds) and which are addressed by expenditure of donated funds (including federal matching funds). Finally, it is the legislature's intent that additional civil service positions for social services should not be requested by the department of social services and housing and the department of health without an explanation of why such services could not be better provided through purchase of services.

Management and computer capabilities for public welfare administration. The legislature desires that the department develop its computer capability to the extent that manual calculations of public assistance grants be automated. The legislature desires that the department report annually to the legislature concerning quality control errors in the AFDC, GA, Medicaid, and Food Stamp programs and how the department plans to reduce errors. The legislature also desires that the department report annually to the legislature concerning (1) the average time for processing food stamp, public assistance, and medical assistance applications by county; (2) the nature of welfare applicants including but not limited to the length of time they have lived in Hawaii,

why they came to Hawaii (if applicable), where they came from originally (if applicable), their employment skills, their income and its sources (if any), and if they have been on welfare before and if so how long; and (3) the nature of families leaving the welfare rolls and the reasons that they were not able to do so.

Public assistance reform. Adequate funds have been appropriated to implement the public assistance reforms embodied in H.B. No. 35, H.D. 2, S.D. 1, passed earlier by the legislature. In that bill, legislative determinations were made as to the maximum public assistance grants. The bill specifies the dollar amount each person or a family can receive for (1) basic needs allowance, and (2) shelter allowance under general assistance, aid to families with dependent children, and supplemental security income. The establishment of maximum public assistance grants will provide for an equitable way of making payments to all recipients, and it will simplify the administration of the State's public assistance program. There has been, especially in recent years, great concern over rising public assistance costs and over projections of continued increases under the old system. Although there is need for additional funds to implement the concept of maximum public assistance grants, over the long term, the new system will enable future costs of the problem to be placed under greater scrutiny and control by the legislature.

Social problems - family discord. The family discord program of the department of social services and housing is intended to reduce the harmful effects of family discord and breakup and to keep the family unit intact by alleviating the causes of discord within troubled families. The legislature needs information as to how successful this program is and as to the future direction of the program. Your Committee notes that the department has reported that it is in the process of implementing an information system which will provide accurate data on the number served and the type of services provided as well as information on the effectiveness of services in meeting the objectives of this program. Therefore, your Committee requests the department of social services and housing to submit an evaluation report of the program to the 1976 regular session, and it requests the department of budget and finance to assure that the evaluation is conducted under an appropriate evaluation design.

PUBLIC SAFETY

Hawaii state prison. It is the intent of your Committee with respect to the capital investment for projects 111 and 112 that modules identified as module numbers 1 - 9 and module numbers 11 - 16 shall be constructed in strict compliance with the program activities intended for the Oahu intake center/ community correctional facility is submitted to the House Judiciary Committee by the administration, the State law enforcement and juvenile delinquency planning agency, and the department of social services and housing. It is also the intent of your Committee that portions of the modules identified as module numbers 12, 14, 15, and 16 shall contain sufficient floor space inside these specified modules as well as space outside the modules for the Hoomana schools of welding and auto mechanics. Finally, it is the intent of your Committee that the protective custody inmates slated to occupy either module 1 or 2 shall be the first to be transferred to the facilities upon completion.

With regard to the correctional industries program, contingent upon the passage of H.B. 1294, it is intended that all special-funded positions and other expenditures funded by special funds shall be funded through the general fund.

Adult honor camps. Your Committee expects improvements to be made to the adult honor camps program, particularly with respect to the following subprograms: the work furlough program, the farming program, and the vocational program. The department of social services and housing shall plan for and implement improvements and report on its progress to the 1976 regular session. Furthermore, in making appropriations for the adult honor camps program, it is the intent of the legislature not to phase out the Kulani Honor Camp as was proposed in the corrections master plan.

Juvenile correctional facilities. Your Committee believes that it is important to establish a pre-release center program for juveniles. It is the understanding of your Committee that SLEPA/LEAA funds for a boys group home are available and have been approved for fiscal year 1974-75. The boys group home had been held in abeyance pending a review of the juvenile justice system and had originally intended to be administered by the community centers branch of the in-community facilities program. With these matters now resolved, your Committee expects expeditious implementation of the pre-release center program.

Prevention of natural disasters. Among other activities, this program was established

to maintain and update a general statewide flood control plan and coordinate all flood control activities in the State. Your Committee is concerned that because of the several levels of government and multiple agencies involved in flood control projects, there may be lack of coordination in planning for and implementing the various projects. The State flood control agency should be the logical coordinating agency, and, therefore, your Committee requests the administration to establish a mechanism whereby the agency will be consulted in reviewing new projects as well as in reviewing implementation plans for projects already authorized.

HOUSING

Residential leaseholds. The Committee on Housing have conducted extensive public hearing on the problems of residential leaseholds, and, in particular, the problems surrounding the implementation of Act 307, The Land Reform Act of 1967. That act provided the basis for State condemnation to enable residential leaseholds in development tracts to be converted to fee simple ownership, pursuant to the legislative policy that it is in the economic and social interest of the State to disperse fee simple ownership as widely as possible. One of the problems which has been identified is the question raised by the State's bond counsel as to whether the issuance of general obligation bonds to finance the conversion to fee simple ownership is constitutional. That question is currently being tested in the courts. In the meanwhile, your Committee is determined to proceed with implementation of the act, and it has therefore appropriated general fund revenues for the acquisition of a development tract, thereby surmounting the objection raised by the bond counsel with respect to bond financing. The appropriation under the program, Broadened Homesite Ownership, is intended for the acquisition of a "development tract" as defined in section 516-1, Hawaii Revised Statutes. The expenditure of funds shall include but not be limited to attorney's fees and other expenditures authorized and incurred in fulfilling this provision.

Private housing augmentation. Your Committee has found that the most efficient method of employing qualified development coordinators is through the contractual methods using the dwelling unit revolving fund. Therefore, it is intended that the appropriation for the Hawaii housing authority authorized in the private housing augmentation program be used to continue the current practice of hiring development coordinators on a contractual basis and not be expended to hire development coordinators permanently.

ENVIRONMENTAL PROTECTION

Mineral resources. This is a new program intended to conserve and enhance, where appropriate, the State's supply of mineral resources. The key activities to be pursued include evaluation of mineral resources and mining on State lands; administering and enforcing laws concerning mineral resources and mining; and establishing guidelines for planning, zoning and regulation of growing conflicts and problems arising from competition between urbanization and the concomitant demand for mineral resources. Funds have been provided to initiate the program.

Pollution control - pesticides. This is a program which was not included in the executive budget for funding, but both the Committee on Environmental Protection and your Committee have determined that a program is required to reduce direct and indirect pesticide contamination to acceptable levels. Therefore, funds have been included to install the program. The activities to be performed include certification of restricted pesticide users, field inspections of pesticide users, investigation of complaints relating to pesticide misuse, monitoring farm products for pesticide residue, licencing of dealers who sell restricted-use pesticides, sampling of pesticide formulations, and retail outlet enforcement.

Youth conservation corps. Funds have been appropriated to enable the State to qualify for additional matching Federal funds to implement a youth conservation corps program. This program will begin with a five-day resident camp on Hawaii this summer with 30 youths participating (15 boys and 15 girls) between 15-18 years of age.

WATER, LAND, AND NATURAL RESOURCES

Solid waste management demonstration projects. Solid waste disposal has become a critical problem. Existing disposal practices and solid waste management plans have become obsolete. Landfills are rapidly filling up and new landfill sites are becoming scarce due to increasing development and environmental considerations. The greatest potential is in the recycling of wastes for beneficial uses, particularly in agriculture. Other potential benefits of recycling include reduction of atmospheric pollution, generation

of electricity from combustible materials, production of fuel gas and oil by pyrolysis and recovery of usable materials or energy from gaseous and liquid wastes. Because recycling holds promise for more economical use of energy and other resources and perhaps for development of new energy sources, funds have been appropriated to establish solid waste management demonstration projects.

Water resources research and development. The maintenance of agriculture requires the provision of an adequate water supply. There is potential for multiple uses for water which would otherwise be wasted, particularly sewage treatment plant effluent and stored stream runoff. The use of such water for agricultural purposes would increase the availability of higher quality groundwater for domestic uses. Funds have been included for the research and development of a project to utilize sewage treatment plant effluent and stored stream runoff for agricultural purposes. The project is to be located at West Loch, and the water is intended to benefit agriculture in the Central Oahu area.

Historical and archaeological places - Iolani Palace. Iolani Palace is the nation's only royal palace, and upon the completion of its restoration it is expected to be a significant attraction for visitors as well as residents. The question remains as to who should operate the Iolani Palace complex. While funds are currently budgeted in the department of land and natural resources to staff Iolani Palace, there are other proposals to be considered, including the proposal of the Friends of Iolani Palace to operate the palace. There are a number of important financial and other considerations, but the legislature lacks a complete analysis of the alternatives. Therefore, your Committee requests the legislative reference bureau to conduct an analysis of this issue and to report to the 1976 regular session.

ORGANIZATION AND COORDINATION OF KEY INDUSTRIES

Improved organization and coordination of agricultural programs. The future of agriculture in Hawaii depends heavily upon the programs of various agencies which provide the necessary resources and support to assist private agencies. The reliance of agriculture in Hawaii on government agencies requires that government resources be coordinated. There are various options in bringing about coordination, but the most viable option is the establishment of a governor's agricultural coordinating committee. Funds have been appropriated to bring about effective coordination of agricultural programs. The result should be stronger statewide coordination in agricultural planning and development at a high level.

Tourism coordination. Tourism occupies a central position in the economy of the State, but it has become increasingly evident that unqualified growth in tourism would be detrimental, not only to the industry itself, but also to the quality of life of the people of this State. State government has a clear responsibility to provide direction for this important industry. Therefore, funds have been appropriated for the purpose of coordinating all state and county agencies and the private sector in the development of tourist-related activities and resources.

INDIVIDUAL RIGHTS

Protection of the consumer - testing and certification of consumer goods. At the present time, the law gives both the department of agriculture and the department of health jurisdiction over the packaging and labeling of food and drugs. This overlapping jurisdiction has caused inconvenience and confusion for producers and manufacturers as they are subject to the requirements of two agencies which at times have different and conflicting requirements. It is intended by the legislature that the division of weights and measures of the department of agriculture and the food and drug division of the department of health coordinate their activities with regard to their respective jurisdiction over the labeling and packaging of food and drugs and report to the 1976 regular session as to what measures have been taken to effect such coordination.

Administrative redress of grievances - tax appeals board. Your Committee has determined that there is a need for the tax appeals board to be represented by a deputy attorney general where the taxpayer is represented by counsel. Therefore, it is the intent of your Committee that the attorney general shall provide such counsel to the tax appeals board whenever proceedings before the board involve a taxpayer represented by counsel.

ELDERLY AFFAIRS

Coordination of elderly affairs. The problems of administering and delivering services

to the aging have been documented in the recently completed master plan on aging. There are serious defects in intergovernmental coordination as well as in coordination among the different agencies of state government. Funds have been appropriated to deal effectively with the problem of coordinating programs for Hawaii's elderly population. This is a necessary step to bring about improved planning, coordination, evaluation and delivery of services to the elderly.

Health services for the elderly. Procuring adequate health services, particularly preventive services, is a major problem for elderly citizens. The success of the multi-phasic health screening program now serving selected areas demonstrates that the program should be available to all senior citizens. Funds have been appropriated for the maintenance and expansion of the screening program to cover senior citizens throughout the State.

Increased outreach services for the elderly. In recent years, the elderly population has steadily increased. Many are suffering from deprivation because of the lack of adequate services or the lack of knowledge about the services which are available. Isolation, the desperation of not being able to eat with others, the inability to move freely from place to place, the frustration of trying to meet inflationary costs on fixed incomes, and other problems can be approached on a one-to-one basis through outreach programs. Therefore, funds have been appropriated to provide for the expansion of outreach services, including bilingual outreach counselors for the elderly.

CULTURE AND THE ARTS

The multicultural studies program. The multicultural studies program was initially established to record Hawaii's social and cultural history through collection and preservation of oral and written communications, encouraging the ethnohistorical and multicultural activities of all ethnic groups, and creating a central repository for multicultural studies and materials. However, the program has not progressed to the extent expected under its administration by the Hawaii foundation for history and the humanities. Funds have now been specifically appropriated for the multicultural studies program with the understanding that the program will be transferred to the ethnic studies program of the University of Hawaii.

State foundation of culture and the arts; Hawaii foundation for history and the humanities. These two agencies have been assigned important responsibilities by statute to administer programs for culture, the arts, history and the humanities. The foundation on culture and the arts, in particular, administers a substantial amount of funds under the State's program of appropriating one percent of capital investment appropriations for the acquisition of works of art. Your Committee shares the concern of the Committee on Culture and the Arts of the House that the two agencies should be reviewed, including a review of financial operations.

GOVERNMENT-WIDE SUPPORT

Services for management systems and accounting and internal systems. Recent audits conducted by the legislative auditor have surfaced numerous problems which exist in various agencies relating to deficiencies in management systems as well as deficiencies in accounting and internal control systems. It is also evident from the legislative auditor's reports that some of the problems are long-standing in nature and that they are rooted in the establishment of systems which were either deficient or unequal to the task in the first place. The auditor has also pointed out that to establish proper management and accounting and internal control systems, the operating agencies need professional assistance. Therefore, your Committee recommends that the department of budget and finance shore up its capability to review the management systems of the various agencies and provide the agencies with assistance in designing and maintaining efficient systems, and that the department of accounting and general services, in turn, refocus its attention from the conduct of routine audits to monitoring the internal control and accounting systems of agencies and to assist the agencies in correcting their systems, and, if necessary, to establish new systems. The appropriation made for AGS 104 is intended for the department of accounting services to monitor and improve the internal control and accounting systems of the various agencies, rather than the conduct of post audits, except in those specific situations where audits are required as a condition for receiving or maintaining federal grants or where a specific audit is required by statute.

BUDGET SUBMISSION OVERVIEW

Your Committee appreciates the efforts which have been made thus far to improve

the budgeting system. Overnight success was not expected by the legislature in enacting the new budgeting system, but incremental progress was expected and has taken place. As the director of finance has expressed, improvements will continue to be made. Your Committee has several recommendations which are in the nature of implementation improvements.

First, there should be a limited number of measures of effectiveness. An excessive number of measures convey the notion that each is equally valid in assessing program effectiveness. In addition, the administration should devise effectiveness measures for which data are available or can be acquired. The absence of data bearing on planned levels of effectiveness for a large number of State programs weakens the value of the submissions. In particular, the director of finance should conduct a thorough review as to why the department of transportation and the University of Hawaii continuously submit, year after year, program and financial plans which contain no effectiveness data. Generally, rather than "perfect," or ideal measures, it may be necessary for the director of finance to assist the agencies in developing proxy, interim measures. Further, the measures should reveal the program's contribution to the attainment of the objective, and social and economic indicators had best be reserved only for those programs at the highest levels.

Second, there should be continued refinement of the program structure. Your Committee notes that the structure has been substantially improved. Further review and refinement of the structure should result in the elimination of any remaining structural defects which cause awkward cost allocations and should move the program structure closer to the goal, previously stated by the legislature, of a structure which results in 200 to 300 decisional entities at the lowest level.

Third, there should be in the program plan narratives a fuller explanation of the costs of the program, including such information as the number, kinds, and costs of positions being requested. The inclusion of such information in the narratives will alleviate the necessity of burdening the department of budget and finance as well as the operating agencies with providing such information in separate submissions.

Fourth, the format of the Variance Report should be corrected in at least one respect. The first three months' experience of any current fiscal year should be "actual" experience rather than "estimated" as currently labeled in the Variance Report.

Fifth, the latest budget submission is devoid of analytical content. Because analysis is the crux of the budgeting system, the department of budget and finance is expected to concentrate its efforts in performing program analysis and assisting the agencies with their analytical efforts. As a standing guideline, all new program proposals or proposals to substantially increase the size of ongoing programs should be supported by analysis.

Sixth, future submissions should make correct use of the cost categories specified by statute. For two successive submissions now, the program and financial plans do not contain a single dollar in any of the State programs for the cost category, "research and development." This is the cost category under which costs associated with the design of new programs or major changes to programs should be shown. The utilization of the cost category makes possible the incremental funding of new programs and permits programs to be developed without leaping immediately into the operating phase, as has happened with some programs in the past. There are, of course, any of a number of programs under design, and, therefore, it is not possible that there are no R & D costs in all of State government. Your Committee expects the department of budget and finance to monitor and enforce the correct utilization of the cost categories specified by statute, and in particular, the "research and development" cost category.

RECOMMENDATION

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 535, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 535 H.D. 1, C.D. 1.

Senators R. Wong, Yamasaki, Hara, Hulten, King, Kuroda, O'Connor,
Toyofuku, Yim, Young, Anderson, Henderson and Rohlifing
Managers on the part of the Senate

Representatives Suwa, Akizaki, Kiyabu, Inaba, Kihano, Kondo, Kunimura,
Mizuguchi, Morioka, Peters, Lunasco, Ajifu, Amaral, Clarke, Hakoda
and Kamalii
Managers on the part of the House

Conf. Com. Rep. No. 19 on S.B. No. 516

The purpose of this bill is to amend various sections of the Hawaii Penal Code.

This bill amends Sections 702-215 and 702-216, Hawaii Revised Statutes, to provide for the positive wording of legal propositions. At present, the sections are worded in a negative way. Because lawyers use the language of the statutes in framing instructions to the jury, the negative proposition is a cumbersome one to convey in meaningful fashion. The bill does not change the substance of the law, only the form is changed for easier understanding.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 516, S.D. 1, H.D. 1.

(1) Deleted Section 8 in its entirety.

(2) Inserted a new Section 8 which amends Section 701-105, Hawaii Revised Statutes, by deleting the words "with this Code" after the word "published". The purpose of this revision is to remove the requirement that the commentaries on the Hawaii Penal Code be published with the Code. It is the intent of your Committee that the revised commentaries be published in a manner that will promote its basic purpose which is to aid in understanding the provisions of the Code.

The amendment allows this purpose to be accomplished either by printing the commentaries with the statutes or by printing the commentaries in a separate pamphlet. The choice of method is to be made by the revisor of statutes considering both the purpose for which the commentaries will be used and the practical limitations of printing.

It is your Committee's intent to forward directly to the revisor, the draft of the commentaries, updated and revised in accordance with Conference Committee Report No. 2-72, H.B. 20-1972. The revisor of statutes shall review this draft and, where necessary to further its purpose as an aid in understanding the Code, make changes in substance, form and style. In the case of future amendments to the Hawaii Penal Code, the revisor shall prepare appropriate additions and revisions of the commentary for publication.

Act 202, 1972, provides the sum of \$17,820 "for the printing of the Hawaii Penal Code". Your Committee believes this language is sufficient to cover all costs incurred in preparation for publication.

(3) Inserted a new Section 11 relating to the effective date of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 516, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 516, S.D. 1, H.D. 1, C.D. 1.

Senators Nishimura, O'Connor and George
Managers on the part of the Senate

Representatives Roehrig, Yap, Cayetano, Lee, Carroll and Fong
Managers on the part of the House

Conf. Com. Rep. No. 20 on H.B. No. 850

The purpose of this bill is to amend Chapter 294, Hawaii Revised Statutes, the No-Fault Automobile Insurance Law.

The bill makes the following changes to Chapter 294:

(1) Section 294-2 Definitions.

Motor Vehicle

The phrase "of a type" is inserted in the definition of motor vehicle to be consistent with endorsements and avoid gaps in out-of-state coverage. The present definition of motor vehicle means any motor vehicle required to be registered under Chapter 286; i.e., the motor vehicle must be registered in this State. Section 294-3 (b), pertaining to out-of-state coverage, refers to "accidental harm arising out of the operation, maintenance, or use of a motor vehicle." This could be construed to mean that in order to receive no-fault benefits while driving out-of-state, the motor vehicle involved must be registered in this State. Therefore, if the insured were driving out-of-state and not operating a vehicle registered in this State at the time of the accident, the section could be construed

to mean that he does not qualify for no-fault benefits. To eliminate this possibility and provide the insured with out-of-state coverage, the definition of motor vehicle should not be limited to only those vehicles registered in this State. Clearly, no-fault coverage should be afforded an insured who drives a motor vehicle other than his own outside of Hawaii.

(2) Section 294-3 Right to No-Fault Benefits.

Maximum Limit of No-Fault Benefits

Subsection (c) defines the total no-fault benefits payable per person or to his survivor. As presently written, the provisions can be interpreted to mean that separate \$15,000 limits apply individually to the injured person and to his survivor, such that the maximum limit of no-fault benefits might be interpreted to be \$30,000. The indicated amendment clarifies that the \$15,000 limit applies to each person, inclusive of his survivors in the event of his death.

(3) Section 294-4 Obligation to Pay No-Fault Benefits.

Pedestrians

Subsections (1)(A) and (B) provide that a pedestrian must be struck by a vehicle to be eligible for no-fault benefits. The amendment to these subsections expands the term "pedestrian" to include a bicyclist. This is primarily a technical change for clarity, since the practice to date has been to consider a bicyclist to be a pedestrian for purposes of applying the no-fault law and benefits. The law presently requires that an injured pedestrian be "struck by" a motor vehicle in order to obtain no-fault benefits. There is nothing in the law which covers injury to a pedestrian in an accident which might be caused by a motor vehicle, but in which there is no physical contact between the pedestrian and the vehicle. The situation in which the injured pedestrian strikes the vehicle is also not covered. In the latter two cases, these pedestrians might be denied no-fault benefits. The amendments to these subsections, therefore, expand the present law by providing benefits to injured pedestrians through the mere involvement (operation, maintenance or use) of a motor vehicle.

(4) Section 294-6 Abolition of Tort Liability.

Subsections (a)(1), (2) and (3) refer to a person suffering accidental harm or death. This is amended to pertain to such person sustaining accidental harm or death. This is primarily a technical change for clarity. The fear is that if anyone injured in an automobile accident can make claim, everyone else involved in the same accident can also make claim, even if they were not injured or failed to meet the tort qualifications. This was clearly not intended and can be avoided by the addition of the indicated language.

Maximum No-Fault Benefits

Subsection (a)(3) provides that tort action is allowed if injury occurs to a person in a motor vehicle accident and as a result of such injury the maximum no-fault benefits are exhausted. The question has arisen as to what is meant by "maximum no-fault benefits". One interpretation could be the \$15,000 maximum limit of no-fault benefits provided for in Section 294-3(c). Another interpretation could be the \$800 per month monthly earnings loss maximum provided for in Section 294-2(10)(c). The addition of the phrase "aggregate limit of" would clarify that the threshold that must be met before tort action is allowed is the \$15,000 maximum limit of no-fault benefits (Section 294-3(c), or the \$15,000 aggregate limit of no-fault benefits (Section 294-2(10)).

(5) Section 294-8 Conditions of Operation and Registration.

Subsection (c) was added to provide that the no-fault law does not apply to vehicles owned by or registered in the name of any agency of the federal government, in order to clarify the present situation in which federal agencies have taken inconsistent positions with respect to the application of the no-fault law.

(6) Section 294-9 Obligations Upon Termination of Insurance.

"Take All Comers" Provision

Subsections (b) and (c) provide that an application for a no-fault policy may not be rejected nor can a no-fault policy, once issued, be canceled or refused renewal except for reasons specified by law. Since a no-fault policy by definition means an insurance policy which meets the requirements of Section 294-10, Required Policy

Coverage, but does not specifically include required optional additional insurance as provided for in Section 294-11, it appears that the law does not prevent an insurer from rejecting an application for required optional additional coverage nor canceling or refusing to renew such coverage.

The amendment to subsections (b) and (c) increases consumers' rights to obtain and maintain insurance coverage pertaining to not only basic coverages outlined in Section 294-10, but also to required optional additional insurance meeting provisions of Section 294-11. Any application for a policy providing these coverages may not be rejected nor canceled by an insurer, except for reasons specified by law.

Reporting of Cancellations

The changes to subsection (c) regarding insurers' cancellation requirements are primarily for administrative facilitation. Subsection (c) presently provides that in any case of cancellation or refusal to renew, a thirty-day written notice by registered or certified mail, deliverable to addressee only, shall be given to the insured, the commissioner, and the County Director of Finance of the appropriate county of registration.

A large number of cancellation notices sent out are not effected, as insureds frequently renew prior to the expiration of the thirty days. This being the case, the requirement that copies of the thirty day notices be sent to the commissioner and county directors of finance results in an inordinate amount of mailing and clerical handling without constructive benefit. The commissioner or county directors of finance are only concerned with cancellations which are actually effected and when insurance coverage on a motor vehicle has ceased.

The provisions of this section are therefore amended to require the thirty-day notice to be sent to the insured by registered or certified mail and that notices not be sent to the county directors of finance unless cancellation is actually effected. The copy to the commissioner is considered unnecessary since the required statistical and/or specific information is subsequently provided to the commissioner through insurers' quarterly reports. The bill requires that a copy be sent to the chief of police of the appropriate county.

(7) Section 294-10 Required Policy Coverage.

Property Damage Liability

Subsection (a)(2) presently provides for liability coverage of not less than \$10,000 for all damages arising out of injury to or destruction of property. It has been pointed out that property damage liability coverage provided under policies in existence prior to the no-fault law specifically exclude property in the care custody and control of the insured. For example, property damage liability coverage should not apply to damage to property which an insured is transporting, such as in the case of a trucking firm, or in his charge as in the case of a borrowed vehicle. The exceptions indicated were standard in all automobile policies in effect prior to the no-fault law, since appropriate coverages are available through other sources.

The amendment to subsections (a) and (a)(2) clarifies that the intent of Section 294-10 was not to expand bodily injury and property damage liability coverage beyond those provided under policies in existence prior to the no-fault law.

Medical-Rehabilitative Limit

Subsection (b) presently provides that the commissioner is to accumulate data for all motor vehicle accidents beginning January 1, 1973. The bill extends the date for starting to acquire data to September 1, 1974, in order to allow time to acquire more reliable experience data.

(8) Section 294-13 Motor Vehicle Insurance Rates.

Subsection (b)(6)(D) presently provides that the initial rates are to be reviewed prior to July 1, 1975. For purposes of conformity with other sections of the bill, this date was changed to September 1, 1975, to coincide with the end of the first year of the operation of the law.

The bill amends subsection (j) to conform this section with subsection (1). The subsection presently provides for an open rating period of three years starting September 1, 1974. In view of the fact that subsection (1) prohibits increase of rates except under certain conditions until September 1, 1975, the open rating period was extended from September 1,

1975 to August 31, 1978.

(9) Section 294-22 Joint Underwriting Plan Risks, Eligibility.

Subsection (b)(1) provides that eligible applicants shall secure a no-fault and tort liability policy through the Joint Underwriting Plan.

The JUP was designed to be a haven for the applicant who could not obtain insurance in the voluntary market at a reasonable premium and not a mandatory "dumping ground" for all JUP eligible risks. This subsection is, therefore, amended to clearly provide that eligible applicants have the option of securing a no-fault and tort liability policy through the Plan; i.e., it clarifies that coverage under the Joint Underwriting Plan is at the consumer's option.

Public Assistance Recipients

Subsection (b)(2)(A) provides that licensed drivers receiving public assistance benefits are eligible for coverage in the JUP at no cost. A literal reading of this would mean that a public assistance recipient need only be a licensed driver in order to be eligible for free insurance. This literal interpretation could open the door to widespread abuse in that licensed drivers receiving public assistance could insure the vehicles of friends and relatives at no cost.

The amendment to this provision precludes public assistance recipients from obtaining free insurance on vehicles not registered in their name.

(1) Section 294-24 Joint Underwriting Plan Rates.

Motorcycle Deductible

Subsection (b)(1) provides for a \$250 deductible for a motorcycle no-fault coverage under the JUP. Section 294-11(a)(5)(B) does not provide for such a deductible for motorcycles insured in the voluntary market. To provide consistency, the \$250 deductible for motorcycle no-fault coverage under the JUP has been deleted.

The present provisions under JUP do not afford \$100 or \$300 deductible options for motorcycle no-fault coverage; these optional deductible coverages are offered motorcycles insured in the voluntary market. The amendment provides for \$100 and \$300 deductibles in addition to the \$500 and \$1,000 deductibles presently authorized to be offered motorcycles receiving no-fault coverage under the JUP.

(11) Section 294-35 Allocation of Burdens Until System Established.

The present law requires that the commissioner shall, within one year after the effective date of this Chapter, establish a system of proportionate reimbursement as authorized by the provisions on equitable allocation of burdens, Section 294-34(c).

It is felt that there will be insufficient experience data available for the commissioner to establish a system of proportionate reimbursement within the required time period. It is therefore recommended that the commissioner be allowed a two-year period after the effective date of this chapter in which to establish a proportionate rate of reimbursement system.

The commissioner is presently receiving motorcycle and truck accident reports from insurers; however, these reports only reflect initial handling of claims and remain pending. Insurers are required to provide updated reports whenever there is significant change in the total economic loss sustained, but not less frequently than each six months, until the claim is closed. All of the reports received by the commissioner continue to remain open. It is felt that the commissioner will not obtain adequate data from closed files to accurately establish a system of proportionate reimbursement for at least another year. At that time, there should be an adequate number of closed files to obtain necessary experience data.

In subsection (1), a self-insurer has been included under the proportionate reimbursement provisions. This is consistent with the provisions of subsection (2).

(12) Section 294-39 General Penalty Provision.

The enforcement provisions in subsection (a) have been changed by eliminating the maximum \$1,000 civil penalty and providing the county police departments with authority to issue citations for violations of applicable provisions of this chapter, within the framework

set by the Violations Bureau of the District Court of the First Circuit.

Government officials experienced with the enforcement of other legislation indicate that civil remedies are too cumbersome for widespread effective enforcement on a large scale. The civil penalty provided for in this section has also been found to be cumbersome and administratively impractical to carry out. In addition, concern has been expressed in regard to a lack of a basis or schedule of penalty amounts and the absence of judicial discretion or guidelines in determining an equitable penalty.

It should be noted that the first four civil complaints filed against uninsured motorists resulted in a penalty of \$1 against each of the four defendants. There is general consensus among the Honolulu Police Department, the District Court, and the commissioner that a solution lies in amending the penalty provision by providing for the issuance of traffic citations in lieu of filing civil suits. The citations, in a form approved by the District Court, would be issued to a violator by a police officer.

There is presently a mechanism available within the Violations Bureau of the District Court of the First Circuit to cope with a violation of the traffic code. The enforcement provisions of the No-Fault Law can easily be made a part of this mechanism by the indicated amendment.

(13) Drivers Education Fund Underwriters' Fee.

The Drivers Education Fund Underwriters' Fee is amended by deleting it from Section 286-140 and placing it in Chapter 294. This is primarily to provide for equitable distribution and control of this fund.

Section 286-140 provides that "There is assessed and levied upon each insurer and self-insurer a drivers education fund underwriters' fee of \$1 per year on each motor vehicle insured by each insurer or self-insurer." The section also specifically describes the procedures and timing for computation and payment of this fee. These procedures are literally not workable and administrative control is difficult. To correct this situation, the commissioner should be allowed discretion in defining the basis for computation and timing of payment consistent with the intent of the law and sound administrative practices.

The law presently requires that the drivers education fund fee is due and payable in full on a monthly basis, within thirty days of commencement of coverage under a no-fault insurance policy. This is amended to require that the fee be due and payable on an annual basis by means and at a time to be determined by the commissioner. This is primarily a change for administrative facilitation and also more closely corresponds with reporting requirements established by the Motor Vehicle Insurance Division.

The drivers education fund provisions are also amended by providing that the drivers education programs administered by the Department of Education (Chapter 299) as well as the District Court (Section 286-128(m)) would benefit from the funds generated by this section. The law presently directs the entire drivers education fund solely to the drivers education program administered by the District Court. It is felt that the programs administered by both the Department of Education and the District Court should equitably share this fund. Accordingly, based on the estimated personnel and operating costs necessary to maintain the services presently provided by the courts' remedial driver program, the bill provides for allocation as follows:

(1) To allocate 70 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 30 per cent to the superintendent of the department of education for the fiscal year 1975-76.

(2) To allocate 60 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 40 per cent to the superintendent of the department of education for the fiscal year 1976-77.

(3) To allocate 50 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 50 per cent to the superintendent of the department of education for the fiscal year 1977-78.

Based on the State Highway Safety Coordinator's traffic data, there were 484,521 registered motor vehicles in Hawaii in 1973; thus, approximately \$500,000 is projected to be generated by the drivers education fund underwriters' fee. It is felt that by equitably proportioning this fund between the drivers education programs administered by both the Department of Education and the District Court, more students of age throughout the State might have the opportunity to enroll in driver education classes. By training

more youngsters in the program driving techniques at an early age, the District Court may possibly experience a reduction in the number of people having to appear or participate in their driver education program. Additionally, the learning of safe and proper driving techniques by more individuals may result in a reduction in accidents, which should correspondingly assist in stabilizing or decreasing rates.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 850, H.D. 1, S.D. 2:

Subsections (1) and (2) of section 294-35 were amended by including an additional provision providing that in conjunction with section 294-7, Rights of Subrogation, an insurer or self-insurer shall not recover more than twenty-five per cent under subsection (1) and twenty per cent under subsection (2) of all no-fault benefits paid to any person who effects a tort settlement for accidental harm.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 850, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 850, H.D. 1, S.D. 2, C.D. 1.

Senators Nishimura, Kuroda, O'Connor and Leopold
Managers on the part of the Senate

Representatives Yamada, Yap, Kondo, Lee, Roehrig, Carroll and Oda
Managers on the part of the House

Conf. Com. Rep. No. 21 on H.B. No. 1852

The purpose of this bill is to expand Section 731-3.2 of the Hawaii Revised Statutes concerning expungement of arrest records.

The act's purpose is to protect the individual from extrajudicial penalties when a person has been arrested for a crime but has not been charged or convicted. The bill is intended to allow a person's records to be expunged, where he or she has been arrested for and charged with a crime and subsequently has been acquitted or charges have been dismissed.

In amending H.B. No. 1852, H.D. 1, the Senate Committee on Judiciary accepted the recommendation of the State Prosecuting Attorneys' Committee and amended the bill to preclude expungement in cases where a person has not been convicted because of a bail forfeiture or because he has absented himself from the jurisdiction.

Your Committee on Conference upon further consideration has amended H.B. No. 1852, H.D. 1, S.D. 1 to provide that preclusion of expungement should only apply to the following categories of persons:

- (1) Persons against whom conviction has not been obtained for a felony or misdemeanor because of bail forfeiture;
- (2) For a duration of five years from arrest or citation of persons against whom conviction has not been obtained for a petty misdemeanor or a violation, because of bail forfeiture; and
- (3) Persons against whom conviction has not been obtained for any offense because they have absented themselves from the jurisdiction and thereby prevented conviction.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1852, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1852, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, O'Connor and Leopold
Managers on the part of the Senate

Representatives Yap, Naito and Carroll
Managers on the part of the House

Conf. Com. Rep. No. 22 on H.B. No. 1875

The purpose of this bill is to amend the Hawaii Revised Statutes relating to the Horizontal Property Regimes Act. Chapter 514 is amended in the following manner: (1) Initial management contracts for condominiums are limited to one year if the first managing

agent of the association is the developer or an affiliate of the developer. (2) Purchasers of units under agreements of sale are given the same voting rights in association matters as owners, provided that the seller may retain voting rights on matters that substantially affect his security interest in the unit. (3) Developers are required to pay a pro rata share of the maintenance costs of the condominium association based on the number of unsold units. (4) The first meeting of the condominium association shall be held not later than 180 days after the issuance of the certificate of occupancy for the condominium by the appropriate county agency. In addition, the chapter has been amended to require all members of the board of directors to be owners, co-owners, spouses of owners, or officers of any corporate owner of a unit. (5) Developers of condominiums are required to notify all association members and members of the board of directors that the one-year warranty period of structural and appliance defects will expire in ninety days. (6) Directors of condominium association boards are prohibited from voting on any issue in which he has a conflict of interest. (7) Sec. 514-21 is amended to require all books of receipts and expenditures of condominium associations to be available for examination at the place of address of the project or elsewhere within the State as determined by the Board. (8) Two or more condominium projects which are part of the same incremental plan of development and which are in the same vicinity may be merged together so as to permit joint use of the common elements by all owners of apartments in the merged projects. In addition, the merged projects may provide for a single association of owners and board and for sharing of common expenses. The bill also provides for making the record-keeping provision of section 514-21, subject to the penalty, investigation and injunction provisions of sections 514-46, 514-48, and 514-50 respectively.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 1875, H.D. 1, S.D. 2:

1. Sec. 514-2: Definition 18 is expanded to include land which may or may not be contiguous and including more than one parcel of land. Your Committee, by the use of the phrase "same vicinity", intends that the parcels of land must be in close proximity to each other. This provision was added in order to allow property ownership of areas for parking, recreation, etc., on separate parcels of land which may be across the street or in the adjacent block. It also allows for increments being completed at different times.

2. Sec. 514-3: The change to this section is to require the owner of any project whether leasehold or fee simple to join in the declaration for the establishment of the horizontal property regime. It has been found that in instances where there is a default by the master sublessor under his master lease, the apartment owner may not have protection under his apartment lease. In order to handle this situation, this amendment is proposed. It is recognized that in some instances, there may be some difficulty in getting the fee owner (master lessor) to sign the declaration along with the master sublessor. This amendment will require the fee owner to join in the declaration.

3. Sec. 514-11: In the filing of condominium projects with the Real Estate Commission the concept of "phased or incremental development" has been introduced. In order to clearly indicate that such "phased or incremental development" is possible, subparagraph 12 regarding the contents of the declaration is added.

4. Sec. 514-12: On some occasions the description of land on which the condominium project is built is very lengthy. It is understood that it is not necessary to have it repeated in all the apartment deeds. Therefore, provisions are made to provide for incorporation by reference of the description in the declaration in the apartment deeds.

5. Sec. 514-13: This section has been amended to require that elevations of buildings be filed along with the floor plans. The reason for having elevations is that in the event that any project is damaged or destroyed, the elevation of the building or buildings would be available for reconstruction. The building department maintains plans only for a certain number of years and thereafter disposes the plans, making it desirable to have the elevations along with the floor plans as suggested in this amended form of Sec. 514-13.

6. Sec. 514-16: There has been some question as to whether or not an Improvement District Assessment or any utility assessment constitutes a blanket lien which must be satisfied at the time an apartment is conveyed for the first time from the developer to the initial buyer. Section 514-16 is amended to make clear that an Improvement District Assessment and/or utility assessment need not be paid in full in order to convey an apartment whether it be the first or subsequent conveyance.

7. Sec. 514-24: Under the priority of liens in this section, where there is an unpaid mortgage or record, there is a question whether or not the costs and expenses include

attorney's fees as provided in the mortgage. Section 514-24 is amended so that the mortgages or record, and other related costs and expenses such as attorney's fees will have priority over the maintenance fees of the Association of Apartment Owners.

8. Sec. 514-29: The existing law is not clear as to whether or not an offer of sale of a condominium can commence prior to the issuance of the Commission's public report on the project. In order to make it clear that it is necessary to have a public report prior to the offering for sale, Section 514-29 is amended to that effect.

9. Sec. 514-37: At present, all changes made which materially change the project requires the developer to immediately submit sufficient information to the Real Estate Commission. However, minor changes, usually involving the use of equivalent material in the construction of the building, need not be reported. It is the intent of the amendment to establish a limitation period of 90 days from the date the purchaser has accepted in writing the apartment or he has first occupied the apartment within which he may file a complaint as to any changes in building plans.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1875, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1875, H.D. 1, S.D. 2, C.D. 1.

Senators Nishimura, Young, O'Connor and Leopold
Managers on the part of the Senate

Representatives Yamada, Yap, Kondo, Stanley, Fong and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 23 on S.B. No. 1645

The purpose of this bill is to appropriate funds for collective bargaining cost items relating to contracts negotiated with certain collective bargaining units and for salary adjustments of certain other public officials and employees.

In the form amended by the House, the bill appropriates funds for collective bargaining cost items negotiated in the contracts with exclusive bargaining representatives of bargaining units 1 through 10 and 13 and of certain other officers and employees excluded from these bargaining units; salary adjustments for substitute teachers; salary adjustments for department heads, deputies, and certain officers and employees in the executive branch; salary adjustments for judges and the administrative director of the courts; and salary adjustments for permanent employees of the legislature and the legislative service agencies.

In reviewing the entire matter of pay adjustments for the officials and employees of the three branches of government, your Committee determined that it is first necessary to establish a vertical ranking of officials and employees as well as to establish a horizontal relationship of officials and employees across the three branches of government. In establishing the vertical rankings and horizontal relationships, your Committee considered several principal factors, including (1) the relative importance of the positions of the officials and employees; (2) the nature and scope of responsibilities of the positions; and (3) the degree of independence of action or discretionary authority which is required of the positions. The results of your Committee's vertical ranking of the positions and determinations of horizontal relationships are shown in Table 1 attached.

Also displayed in Table 1 are the maximum salaries assigned to each position. In establishing the pay levels for the positions, your Committee considered a number of factors including (1) the relationship between the salaries of elected officials and officers appointed by the governor and the legislature with the salaries of other government employees; (2) the relationship between the salaries of heads of State agencies and subordinate employees of State agencies; and (3) the relationship between the salaries of State officials and those of City and County of Honolulu officials. Also a factor in your Committee's salary determinations is the consideration that salaries should be sufficient to attract competent individuals to serve in top positions in government.

Your Committee strongly recommends that should S.B. No. 161, H.D. 1 be enacted into law, that the State government commission consider further the relationship of salaries among the officers and employees of the State and the concerns expressed by your Committee.

The bill has been amended to conform to the salary determinations made by your

Committee as displayed in Table 1. Your Committee has also added bargaining unit 11 to section 1 and increased the special fund appropriation for this addition.

Your Committee has further amended the bill to specify the salaries of certain officials of the Department of Education and the University of Hawaii. The salaries of the Superintendent of Education and the President of the University shall continue to be set by the Board of Education and the Board of Regents, respectively.

With respect to other top officials in the Department of Education, your Committee has also specified that the maximum salaries of assistant superintendents, including the State Librarian, and the district superintendents shall be the same as the maximum salaries of second deputies to executive department heads.

In addition, your Committee has amended this bill to adjust the pay rate of substitute teachers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1645, S.D. 1, H.D. 1, C.D. 1.

Senators R. Wong, Hara, Hulten, King, Kuroda, O'Connor, Toyofuku, Yamasaki, Yim, Young, Anderson, Henderson and Rohlring
Managers on the part of the Senate
Senators King, Anderson, Henderson and Rohlring did not sign the report.

Representatives Suwa, Inaba, Kihano, Kiyabu, Kondo, Kunimura, Lee, Lunasco, Machida, Mizuguchi, Morioka, Peters, Amaral, Hakoda, Fong, Ikeda, Oda and Santos
Managers on the part of the House

Table 1
SALARIES OF EXECUTIVE, JUDICIAL, AND LEGISLATIVE OFFICIALS
PROVIDED FOR IN S.B. 1645, S.D. 1, H.D. 1, C.D. 1

<u>Salary</u>		<u>% of Gov.</u>	<u>Executive</u>	<u>Judicial</u>	<u>Legislative</u>
<u>7/1/75</u>	<u>1/1/76</u>				
\$46,000	\$50,000		Governor		
45,125	47,500	95%		Chief Justice	
41,400	45,000	90%	Lt. Governor	Associate Justices of the Supreme Court	
39,100	42,500	85%	Dept. heads and executive officers Chairman, Hawaii Public Employment Relations Board (1) Chairman, Labor and Industrial Relations Appeals Board (1) Administrative Director of the State	Circuit Court Judges	Ombudsman (2) Legislative Auditor Director of Legis- lative Reference Bureau (2)
36,800	40,000	80%	First deputies to department heads	Administrative Director of the Courts District Court Judges and District Family Court Judges	
34,500	37,500	75%	Second deputies to department heads State Public Defender Director of the Office of Consumer Protection Motor Vehicle Insurance Commissioner Assistant Superintendent of Education District Superintendents of Education		
32,200	35,000	70%	Deputy District Superin- tendents of Education		

TABLE 1 (Continued)

<u>Salary</u>		<u>% of Gov.</u>	<u>Executive</u>	<u>Judicial</u>	<u>Legislative</u>
<u>7/1/75</u>	<u>1/1/76</u>				
\$29,900	\$32,500	65%	Federal Programs Coordinator Marine Affairs Coordinator Executive Director, Hawaii Public Broadcasting Authority Deputy Commissioners of Credit Unions		
23,000	25,000	50%			Revisor of Statutes
20,700	22,500	45%			Assistant Revisor of Statutes
16,100	17,500	35%	Sheriff		
13,800	15,000	30%	First Deputy Sheriff		

- (1) Members of the Hawaii Public Employment Relations Board and the Labor and Industrial Relations Appeals Board will receive 95% of the salary of the respective chairman of each board.
- (2) First deputies to the Ombudsman, Legislative Auditor, and Director of the Legislative Reference Bureau will receive not more than 95% of the salary of the respective head of each agency.

Conf. Com. Rep. No. 24 on S.B. No. 1200

The purpose of this bill is to make more equitable and convenient the opportunity for the conversion of residential leasehold lands to fee simple ownership, and to clarify the rights and responsibilities of the parties to these procedures.

To accomplish the purpose of the bill, your Committee has generally made the following amendments to S.B. No. 1200, S.D. 2, H.D. 1:

A. The findings and purposes of Act 307, Session Laws of Hawaii 1967, have been reaffirmed and modified to accentuate the importance of land to the lives of all residents of the State. The need for well-planned State action under its police power to accomplish a series of public purposes necessitated by increasingly difficult conditions arising from the leasehold system of land tenancy, and the importance of broadening the opportunity to acquire fee simple ownership in the State have been further specified.

B. Redefinition and expansion of the means to expedite the involuntary transfer of the fee ownership of single family residential houselots primarily to existing lessees who take advantage of this opportunity, and provide conditions, including a ten year buy back right of the Hawaii Housing Authority. These proposals include:

(1) Authorization for the Hawaii Housing Authority to condemn all or part of a development tract for persons truly willing and able to obtain fee ownership in their residential leasehold lots, in conjunction with the increased requirements for participation of lessees desiring to obtain fee interests. This provision, further, will work to minimize the authority's potential role as lessor. Section 516-22 has been amended to simplify the designation of development tracts for acquisition, in that either twenty-five or more lessees, or fifty per cent or more of the lessees of the residential lease lots within the development tract, whichever requires fewer lessees, may petition the authority to seek acquisition of the leased fee interest.

(2) A method for computing the compensation to be awarded to the lessor whose interest has been condemned. Such compensation is to be based on a simplified formula, which provides for payment of the current fair market value of the lot valued as though the title were unencumbered, including offsite improvements, with adjustments for the current value of such improvements credited to the lessor and/or lessee, depending on who actually paid for such improvements plus the unpaid balance owing to the lessor by the lessee as reimbursement other than as a part of the lease rent for the actual offsite improvement costs paid by the lessor. This formula will not take into account the present worth of the future rental income stream or of the lessor's reversionary interest.

As an example, assume (1) that the fair market value of the lot at the date the lot is designated for acquisition is \$50,000, (2) that the actual cost of existing offsite improvements at the commencement date of the lease was \$10,000 to be equally paid for by the lessor and the lessee and that at the time of acquisition the lessee had paid three-fourths of his equal share of \$5,000 or \$3,750, to the lessor, and (3) that the current replacement cost of such offsite improvements was \$20,000. The compensation to be awarded would be determined in three steps as follows:

Step 1. Current fair market value	\$50,000
Step 2. Less: the lessee's share of the current replacement cost of existing offsite improvements	<u>10,000</u>
	\$40,000
Step 3. Plus: unpaid balance of the lessee's share of the actual cost of existing offsite improvements	<u>1,250</u>
Compensation:	\$41,250

Under a like example, the actual cost of existing offsite improvements was entirely paid by the lessor, with repayment by the lessee over the term of the lease. Repayment by the lessee other than as a part of lease rent is assumed to be \$3,750 at the date the lot is designated for acquisition. Compensation will be adjusted as follows:

Step 1.	\$50,000
Step 2.	<u>20,000</u>
	\$30,000
Step 3.	<u>6,250</u>
Compensation:	\$36,250

Under a like example, the actual cost of existing offsite improvements was entirely paid by the lessee at the commencement date of the lease. Compensation will be adjusted as follows:

Step 1.	\$50,000
Step 2.	<u>20,000</u>
	\$30,000
Step 3.	<u>-0-</u>
Compensation:	\$30,000

(3) The buy back provision, coupled with the provisions which establish clearly-worded requirements for potential purchasers and which clarifies the powers of the Hawaii Housing Authority in providing assistance to such purchasers, represents a major support for broadening fee ownership in the State, as well as providing antispeculation protection.

(4) Financing of the acquisition of fee interest by the State through general obligation bonds.

C. Permit owners of residential improvements to recover the value of their onsite improvements upon the termination or expiration of the leases. Your Committee feels that this will provide an equitable solution for both lessees seeking equity at lease termination, and for lessors seeking to redevelop lands to contemporary use.

D. Permit public lands acquired under Chapter 171, Hawaii Revised Statutes, to be exchanged for development tracts in accordance with certain amendments proposed in this bill. Several of the current statutory provisions regarding land exchanges are overly specific or inappropriate to the exchanges contemplated by this bill, and are inapplicable in this case. Another added amendment will prohibit the exchange of public conservation lands for residential leasehold lands.

E. Provide that no trustee, officer, or agent of a lessor shall be deemed to have committed a breach of trust while acting in accordance with the provisions of chapter 516. Your Committee deems this amendment vital, owing to the compelling public purposes serving as catalysts for State action in this area, and the possibility that exercise of the provisions as proposed by this bill may conflict with internal provisions of lessor institutions.

F. Provided that, in the case of extension during the first twenty years of a lease, the annual lease rent for the first thirty years of the lease term shall be computed using

one hundred per cent of the prior existing fixed rent, as a credit to the lessee against the new, adjusted lease rent.

G. Other style and technical amendments have been made.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1200, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1200, S.D. 2, H.D. 1, C.D. 1.

Senators Young, Nishimura, Toyofuku and Henderson
Managers on the part of the Senate

Representatives Shito, Blair, Kondo and Oda
Managers on the part of the House

Conf. Com. Rep. No. 25 on H.B. No. 55

The purpose of this bill is to regulate the residential lease rent renegotiation process by imposing specific restrictions on the amount which residential lease rent may increase.

Your Committee on Housing has found, through numerous witnesses testifying during the course of the legislative session and through other sources, that renegotiated residential lease rentals have increased to such extreme levels such that the public health, safety and welfare of the people of Hawaii are severely and substantially affected and threatened, resulting in immediate, continuous, and irreparable harm. These effects have been brought about by the fact that leasehold residential developments have dominated the housing market on Oahu from the 1950's. This has compelled thousands of people in the State to accept, without any meaningful choice, leasehold residences to satisfy their housing needs, and this trend is likely to continue unabated in view of the limited availability of land for residential purposes. The initial lease rents charged the residents of leasehold property were low and within the range which the public could afford. However, in recent years renegotiation of rents have increased tremendously and have been unconscionably imposed upon these lessees by the lessors.

The lessees are seriously affected by the unequal bargaining power between themselves and the lessors who bargain in a context of a market place which is less than free. In instances, lessor's terms are peremptorily submitted to the lessee in ultimatum form through letters rather than through any actual bargaining process. This unequal bargaining relationship exists today despite the rights granted to lessees under Part III of Act 307, passed some seven years ago. The unequal bargaining power is mainly due to the oligopolistic land ownership in this State. This oligopolistic market has contributed to the lack of competitive bargaining and has foreclosed a free market.

The legislative findings contained in this bill set forth these reasons and others in declaring an emergency in order to protect the public health, safety and welfare of the people of Hawaii.

The provisions contained in this bill shall affect all residential land leases in existence on the enactment of this bill and those leases entered into thereafter which contractually provide for a reopening of the renegotiation of the lease rent terms.

Your Committee on Conference upon consideration of this bill recommends the following amendments:

1. Section 1 of this bill be amended to substantially expand the finding and purpose of the legislature and also declare a social emergency for the reasons set forth in this particular section.
2. Section 2 of this bill be amended to stipulate that lease rent renegotiations shall not be scheduled more frequently than once every fifteen years, provided that these reopenings are not scheduled prior to the fifteenth year following the initial date of the lease.
3. Section 2 of this bill be further amended to limit the renegotiated lease rent by four per cent multiplied by the "owner's basis". Your Committee on Conference has concluded that the four per cent figure is an equitable one considering the fifteen year stipulation and the rising land values inherent in an oligopolistic land market.
4. Section 2 of this bill be further amended to provide a definition of "owner's basis" to mean current fair market value of the lot, excluding onsite improvements, valued as if the fee title were unencumbered, less a sum equal to whichever is the greater

of the lessee's share, if any, of the current replacement cost of providing existing offsite improvements attributable to the lot (which shall include an overhead and profit not exceeding twenty per cent of the current replacement cost of the existing offsite improvements) or the original lot development credit to the lessee.

5. Section 2 of this bill be further amended to provide definition for "offsite improvements" and "onsite improvements".

6. Section 2 of this bill be further amended to exclude renegotiations applicable under Section 516-66 arising out of a lease extension under Section 516-65. These sections, presently existing in the Hawaii Revised Statutes, are intended to provide the lessee with a choice to extend the lease with a formula to determine lease rentals when requesting such an extension of the lessor. It is not the intent of this bill to disturb Section 516-66.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 55, H.D. 1, S.D. 1 as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 55, H.D. 1, S.D. 1, C.D. 1.

Senators Young, Nishimura, Toyofuku and Henderson
Managers on the part of the Senate

Representatives Shito, Blair, Kondo and Oda
Managers on the part of the House

Conf. Com. Rep. No. 26 on S.B. No. 42

The purpose of this bill is to establish special interim management of developments within an area along the shoreline while a general coastal zone management program is being developed.

The Congress of the United States enacted a Coastal Zone Management Act of 1972, Public Law 92-583, which authorized grants to the State to plan and develop programs with the cooperation of Federal agencies to set policies and processes for the effective control of the coastal areas. Accordingly, the legislature in 1973 passed Chapter 205A, Hawaii Revised Statutes, Coastal Zone Management, a program which shall be prepared by the Department of Planning and Economic Development and will set forth objectives and policies in conformity with the Federal Act, and which will serve as a guide to all State and county agencies in exercising their authority to implement programs in the State's coastal zones.

However, your Committee finds that since the Coastal Zone Management program will not be finished until 1978, there is a need for interim controls before permanent losses of valuable resources and management options occur.

Under this bill, each county will establish a special management area and administer a permit system therein. The special management area shall extend not less than 100 yards from the shoreline and certain bodies of surface water. Your Committee has defined the special management area to include Kawainui Swamp and Heeia Meadows on Oahu, Wailoa River/Waiakea Fish Pond area in Hilo, Hanalei and Huleia Rivers on Kauai, and similar situations. Your Committee has excluded from the special management area lands abutting inland bodies of water such as Ala Wai Canal, Kapalama Stream and Kuapa Pond unless they are also within the specified distance from the seashore shoreline.

Your Committee upon further consideration has made the following amendments to S.B. No. 42, S.D. 2, H.D. 2:

The definition of "special management area" has been amended to clarify the intent.

In paragraph (5) on page 3 the word "structures" was qualified by adding "of a substantial nature" to make clear that structures such as telephone lines, pipes, etc. such as are installed in the Kawainui Swamp area will not exclude the area from the special management area.

The date for delineation of the special management boundary and for promulgation of the rules and regulations is 12/1/75. After that date, all developments within the designated area will be required to obtain the permit.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 42, S.D. 2, H.D. 2, as amended herein and recommends that it pass Final Reading in the form attached hereto as S.B. No. 42, S.D. 2, H.D. 2, C.D. 1.

Senators R. Wong, Hulten, King, Yamasaki, George and Henderson
Managers on the part of the Senate

Representatives Blair, Cayetano, Cobb, Ho, Inaba, Kawakami, Kihano,
Kondo, Machida, Clarke, Kamalii, Larsen and Oda
Managers on the part of the House

Conf. Com. Rep. No. 27 on S.B. No. 1281

The purpose of this bill is to provide the necessary appropriations to fund the judiciary branch of the government of the State of Hawaii for the fiscal biennium 1975-77.

Last year, in further recognition of the judiciary as a branch of government separate and co-equal to the executive branch and the legislative branch, and to limit executive controls over the judiciary and its courts, Act 159, SLH 1974 was enacted, under which was granted to the judiciary distinct responsibility for its fiscal operations. This S.B. No. 1281, as amended provides for the first separate judiciary budget, pursuant to Act 159 and the judiciary's declaration that it supports the objective to safeguard the rights and interests of persons by assuring an equitable and expeditious judicial process. The appropriations made by this bill cover both the operating budget and the capital improvements projects for the judiciary for the fiscal biennium 1975-77.

Your Committee has made the following changes in S.B. No. 1281, S.D. 2, H.D. 2:

(1) Amended the appropriation under program item no. 5 to provide for a social worker III in district court.

(2) Amend the appropriation under program item no. 6 to add state matching funds for LEAA federally-funded projects.

(3) Eliminated \$4,250,000 in G.O. bonds for judicial complex under program item no. 6, capital project item no. 1.

(4) Amended the appropriation under program item no. 7 to provide funds for student help.

(5) Renumbered capital project items no. 2 to 5, as 1 to 4.

(6) Corrected the figure \$5,569,000 in Part IV, section 9, to \$1,319,000 to reflect the change under item (3).

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1281, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1281, S.D. 2, H.D. 2, C.D. 1.

Senators R. Wong, Yamasaki, Hara, Hulten, King, Kuroda, O'Connor,
Toyofuku, Yim, Young, Anderson, Henderson and Rohlfing
Managers on the part of the Senate

Representatives Suwa, Akizaki, Inaba, Kihano, Kiyabu, Kondo, Kunimura,
Lunasco, Mizuguchi, Morioka, Peters, Ajifu, Amaral, Clarke, Hakoda
and Kamalii
Managers on the part of the House

Conf. Com. Rep. No. 28 on H.B. No. 372

The purpose of this bill is to increase the maximum amount of bid deposits acceptable from banks, to accompany bids received by the State for the performance of public contracts.

This bill also provides for additional expenditures of public moneys through public contracts. Specifically the bill provides:

1. For the expansion of the Fisheries New Vessel Construction Loan Program into a program which will provide for the purchase, renovation, maintenance, and repair of such vessels in addition to the construction of such vessels. \$500,000 has been appropriated for this program.

2. For the creation of a Hawaii Commercial Fishing Vessel Maintenance and Repair Loan Program which will provide for the maintenance of the smaller fishing vessels which make up Hawaii's fleet. The program provides that the Director of Planning and Economic

Development may make loans up to \$50,000 for a 10-year period for five and one-half per cent interest. \$500,000 has been appropriated for this program.

3. For a seed distribution program by the creation of a revolving fund to be used for the cultivation and production of seeds and for research and developmental purposes directly related to their cultivation and production. The program is to be administered by the College of tropical agriculture. \$35,000 has been appropriated to the fund.

4. For further appropriations in the amount of \$1,000,000 for the State Farm Loan Program; \$500,000 for the new farm loan program; and \$1,000,000 for the capital loan program.

Your Committee on Conference has amended this bill in three respects:

1. The appropriation of \$63,582 for administration for the Hawaii fishing vessel program has been deleted since administrative funds have been provided in the State operating budget.

2. The \$5 million appropriation for the repair, alteration, and maintenance of public facilities has been deleted.

3. Sections 18 through 21 of the bill have been renumbered sections 17 through 20.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 372, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 372, S.D. 1, C.D. 1.

Senators R. Wong, Yamasaki and Henderson
Managers on the part of the Senate

Representatives Suwa, Akizaki, Inaba, Kihano, Kondo, Kiyabu, Kunimura,
Lunasco, Mizuguchi, Morioka, Peters, Ajifu, Amaral, Clarke, Hakoda
and Kamalii
Managers on the part of the House

Conf. Com. Rep. No. 29 on S.B. No. 1732

The purpose of this Act is to create an educational non-profit, public corporation to be known as the "Center For Cultural And Technical Interchange Between East And West, Inc."

In 1960, through Public Law 86-472, Congress established the Center for Cultural and Technical Interchange Between East and West. The primary purpose of the center was to promote better relations and understanding between the United States and the nations of Asia and the Pacific.

In recognition of its geographical position and multicultural society, Hawaii was designated by the United States Congress as the natural location for the EastWest center. As a result, a unique cooperative enterprise was developed which has brought many benefits to both the nation and the State of Hawaii for the past fifteen years. During this time, approximately twentyfive thousand people from forty different Asian and Pacific countries and the United States have participated in the center's programs. Based on its past and current performance, your Committee believes that constant and sincere efforts have been exerted to carry out the purposes set forth by the United States Congress.

While cognizant of the fact that the concept of incorporation is a continuation of such efforts on the part of the University of Hawaii and the United States State Department to further enhance the EastWest center's capabilities as an educational institution, your Committee also recognizes that such a proposal constitutes a unique and innovative undertaking with farreaching implications for the center's future growth and development. Therefore, throughout its deliberations, your Committee has been mindful of the need to examine the full implications of incorporation and the effects this would have on the center's original intent and purposes as set forth by the United States Congress upon its establishment.

Your Committee has determined that there is a need to ensure accountability on the part of those agencies which will play a significant role on the center's development and operations and yet allow the center to maintain its own autonomy.

Your Committee also recognizes that the rights and interests of the personnel affected

by incorporation require protection, including the right to organize for the purpose of collective bargaining. Further, it is your Committee's belief that clarification of the center's program purposes, assurance of public meetings, provision for academic freedom, and provisions relating to lands and property are in order.

Your Committee has amended the bill in the context of the aforesaid considerations as follows:

(1) to ensure that those agencies having a significant role in the center's development and operations will be held accountable and that a proper balance of state and federal participation will be maintained. Moreover, since the center's operation is dependent upon continued federal funding through grants-in-aid, the use in perpetuity of state lands and the state's assumption of certain educational and institutional support costs, the composition of the Board of Governors of the corporation has been amended to consist of the Governor of the State of Hawaii and the Assistant Secretary of State to serve as ex officio, voting members and the President of the University of Hawaii to serve as an ex officio, non-voting member. Additionally, the Governor and the Secretary of State shall each appoint five members to the board. It is your Committee's belief that the Board of Governors should embody the concept of the center as an autonomous entity and has, therefore, provided for the election of five other members by the appointed members of the board;

(2) to provide for the protection of the rights of interests of University of Hawaii employees presently working at the East-West center who will continue to remain with the center. Because your Committee recognizes that some of these employees have served the center for many years and may desire to remain with the center, three options have been included: (1) To continue as a member of the state retirement system provided that the corporation shall continue to deposit an amount equal to the employer's contribution and employee's deduction as required by chapter 88, Hawaii Revised Statutes; (2) To cease to be a member of the state retirement system but receive an annuity and other benefits as provided in chapter 88 and to become a member of the corporation's retirement system; (3) To cease to be a member in the state retirement system and withdraw his contributions in accordance with chapter 88 and become a member of the corporation's retirement system.

Your Committee realizes that the employees affected by the act of incorporation have no control over their severability from the state retirement system. If the employees are not provided with an option to continue to participate in the state's retirement system, they would suffer undeserved dislocation from the system in view of their years of dedicated service. Although your Committee is aware that such a provision may be precedent setting, it regards this unique situation as an extension of benefits previously available to them before incorporation. By affording these employees with this option, it is not your Committee's intention to establish policy on the participation of non-public employees in the state retirement system. It should also be noted that your Committee was informed that the retention of these employees as participants in the retirement system will not incur additional costs to the State. The East-West center currently contributes the employer's portion for its employees with federal funds under the state retirement system and will continue to do so after incorporation;

(3) to clarify that the corporation shall not be considered a department, agency or public instrumentality of the state;

(4) to specify that the adoption, amendment or repeal of bylaws providing for the organization and internal management by the Board of Governors be conducted in meetings open to the public with public notice of such meetings, including an agenda, to be announced at least fourteen days in advance and published at least twice in a newspaper of general circulation. Your Committee also has amended the bill to require that at least half of the number of meetings conducted by the Board of Governors in any year are to be held within the State;

(5) to authorize the Board of Governors to adopt a policy on academic freedom for the corporation and to emphasize that the corporation not support classified activity or research and that all activities and research shall be available to the public;

(6) to include Lincoln Hall and Hale Manoa as the only two residential dormitories that may be converted to other than residential dormitory use by the corporation for its purposes; and

(7) to provide that lands on the University of Hawaii Manoa campus made available to the corporation shall be subject to the approval by a majority vote of each house of the legislature in joint session with the exception of the original area of land made

available by the University for the East-West Center pursuant to grant-in-aid agreements previously entered into by the University and the Department of State.

Your Committee has further amended the bill to include a severability cause in which, if any provision of the Act is deemed invalid, the invalidity does not affect other provisions of the Act.

While incorporation provides a more flexible basis by which the East-West center can grow and improve, your Committee is aware that three contractual agreements-- i. e., Agreement between the Corporation and the Board of Regents; Agreement between the Corporation and the Department of State; and Agreement between the Board of Regents and the Department of State--will detail the administration and operation of the center as well as the working arrangements between the University of Hawaii and the Corporation for cooperative educational programs and other institutional support. It is contemplated under the agreements that the center shall have no less than three hundred degree-seeking participants at all times. It is your Committee's belief that the center should maintain such a minimum level so as to provide a base for program participation for the center. The corporation should always seek to maintain a fair allocation of students among the various programs leading to baccalaureate, masters and doctoral degrees. Your Committee also recommends that the Board of Regents of the University of Hawaii annually review the programs of the East-West center and student participation to determine compliance with the above concerns.

Your Committee is also aware that the incorporation will permit the East-West center to seek funding from foreign governments and other private sources. However necessary or desirable receipt of such funds may be for the purposes of the corporation, your Committee believes that the center should not receive funds if such funds are conditioned on the admission of a specifically identified individual who may not otherwise be eligible for admission or for the appointment of a specifically identified individual for membership on the Board of Governors.

The bill also provides in section 9(e) that the full rights of the employees of the corporation to self-organization, to form, to join, or assist labor organizations to bargain collectively shall be preserved. Inasmuch as the employees of the corporation are not considered public employees, your Committee intends and believes it to be appropriate that the employees organize collectively under the Hawaii Employment Relations Board as established in chapter 377, Hawaii Revised Statutes. However, the bill does allow employees to choose to be under State or Federal jurisdiction.

While mindful of the fact that this measure represents enabling legislation to provide for an autonomous corporate entity through which the center can operate independently, your Committee maintains that active participation is essential by the University of Hawaii for the furtherance of the objectives set forth in this Act.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1732, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1732, S.D. 1, H.D. 1, C.D. 1.

Senators Takitani, Toyofuku, O'Connor, F. Wong, Saiki and Yee
Managers on the part of the Senate

Representatives Sakima, Ho, Kunimura, Shito, Takamura, Ikeda and Santos
Managers on the part of the House

Conf. Com. Rep. 30 on S.B. No. 637

The purpose of this bill is to eliminate the requirement that a policeman, fireman, or corrections officer be required to attain the age of fifty-five years before retiring without penalty from the police department or fire department of the various counties.

Presently, the retirement formula for general members, including policemen, firemen, and corrections officers allows them to retire before attaining age fifty-five if they have at least twenty-five years of credited service, but at a reduced benefit rate.

Your Committee has amended the bill to provide that policemen, firemen, and corrections officers can retire with unreduced benefits if the member has at least twenty-five years of credited service.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 637, S.D. 1, H.D. 2, C.D. 1, and recommends its passage on Final Reading.

Senators Toyofuku, Yamasaki and Henderson
Managers on the part of the Senate

Representatives Lee, Peters and Kamalii
Managers on the part of the House

Conf. Com. Rep. No. 31 on H.B. No. 327

The purpose of this bill is to clarify the present language and format, correct deficiencies and expedite operating procedures, particularly those relating to campaign contributions and expenditures without undermining or unduly complicating the basic intent of the original enactment.

Your Committee upon further consideration has made the following amendments to H.B. No. 327, H.D. 1, S.D. 1:

1. Section 11-191(3)(B) Definitions.

The amendment proposed by your Committee postpones the filing of an organizational report until January 1 of an election year if a person has either received contributions aggregating more than \$100, incurred any expenditure or given his consent for any other person to receive contributions or make expenditures in an off-election year. Expenditures made prior to January 1 of an election year are reportable; however, they are not to be charged to a candidate's or committee's expenditure limit except under the circumstances outlined in section 11-206(e). All contributions received between elections for the same office are reportable pursuant to section 11-197(a)(5).

2. Section 11-191(5)(C) Definitions.

Your Committee has deleted this subsection in the belief that the idea contained herein is best expressed in a new section. (See, 11-191(9) below).

3. Section 11-191(9) NEW SECTION Definitions.

The amendment proposed by your Committee recognizes that corporations, trade associations, labor organizations and other people have the right to communicate freely with their respective memberships or stockholders, as the case may be, beyond the strictures of the campaign spending law. This section has been added to define the type of intraorganization communication which will be exempt from the law. The costs associated with publishing this type of communication are exempted in section 11-206.1.

4. Section 11-192 Campaign spending commission.

Your Committee has not changed this section. Nevertheless, it must be stressed that the judicial council should check with the parties in order to determine whether a prospective commissioner is a qualified party member.

5. Section 11-194 Duties of the chief election officer; commission.

a) Your Committee has deleted an amendment to the existing law which would place all duties in connection with the campaign spending law under the commission. Thus, your Committee has preserved the separation of certain duties between the chief election officer and the commission as it exists under the present law.

b) Additionally, your Committee has clarified the duty of the commission to ascertain that substantially complete reports have been timely filed. This subsection, as modified, requires the commission to notify a person who has failed to file or who has filed a substantially defective or deficient report and to allow the person notified a reasonable time to respond to the notification before the person may be publicly listed as a delinquent by the commission. What constitutes a reasonable time may vary depending on the method of notification, location of the candidate and the type of problem involved. If an honest difference of opinion exists concerning a defect, the person will not be listed as a delinquent until the matter is clarified. However, failure to respond to the notification constitutes an immediate, separate violation.

6. Section 11-195 Filing of reports, generally.

The amendment made by your Committee recognizes that the disclosure of campaign information must be accessible to a candidate's constituency. Therefore, information filed in neighbor island contests will be first available at the county clerk's office on the due dates. Upon receipt of the reports, the county clerk's office will mail the original

and one copy to the Campaign Spending Commission. Timely receipt by the county clerk's office on the neighbor islands shall satisfy the requirements of sections 11-207 and 11-208.

7. Section 11-197.1 NEW SECTION Designated central committee.

Your Committee recommends adopting this section which would require candidates for a statewide or county office who are supported by more than one committee to designate a central committee to coordinate recordkeeping and file a composite report.

8. Section 11-199 Campaign contributions, generally.

Your Committee has modified this section to require the prompt deposit of all monetary contributions (cash or check) in financial institutions qualified to do business in Hawaii. Although the problem of excessive petty cash funds was discussed at length, your Committee has decided not to put a limit on such funds, but rather to stress that checks be drawn against a candidate's campaign account to create the petty cash fund. This will create a record of how much money was transferred to petty cash.

Your Committee has added a new subsection which requires the issuance of a receipt to a donor who contributes in excess of \$250 in cash. As in the petty cash situation, the necessity of creating a record is apparent.

9. Section 11-200 Campaign contributions, restrictions against transfer.

Your Committee has added a new subsection which allows a candidate, campaign treasurer or committee to purchase from campaign funds up to two tickets for another person or party's fund raiser.

This section as originally conceived was intended to prevent the use of contributions for purposes not directly related to a candidate's own campaign. This intent is preserved with the provision that candidates, campaign treasurer, or committees may use contributed funds to purchase two tickets for each fund raiser held by another candidate, committee, or party. Under the present law, no such tickets can be purchased from contributed funds although the candidate may purchase them using personal funds.

10. Section 11-203 Testimonial affairs.

Your Committee has amended this section to permit any person seeking statewide office to hold one testimonial affair in each county. This addition allows persons seeking offices with the highest spending limits an opportunity to solicit funds through testimonial affairs in each county. The numerical limit is in effect until the person holding the testimonial affairs runs successfully or unsuccessfully for office. There is no numerical limit for party sponsored testimonial affairs for the general benefit of the party.

Next, your Committee has set an upper limit on cost exemptions for coffee hours at \$25 for the office of state representative and \$50 for all other offices. As long as the costs attributable to the coffee hours are below this amount, they will not be charged to a candidate's spending limit.

Finally, your Committee has clarified the intent of this section to allow any person the right to hold any number of fund raising affairs where the cost for attending the affair is less than \$15 per person. The only limit on this general rule is that during the election period persons seeking statewide office may have only two cost-exempt fund raisers of this type in each county, while persons seeking election to other offices may hold either two cost-exempt fundraisers of this type in their districts or one testimonial affair.

11. Section 11-204 Campaign expenditures: authority required.

Your Committee has amended this section to delete a provision which would create a presumption that a committee working in support of a candidate or in opposition to his opponent is a committee directly associated with the candidate for purposes of determining the spending limit. The candidate's disavowal of the committee's activity would rebut the presumption.

Your Committee believes that the problem created by independent committees spending on behalf of a candidate or against his opponent has already been covered in subsection (c) of the present law. This subsection means that in the event any committee makes expenditures without the approval of the candidate or his authorized representative, such expenditure will not count against a candidate's spending limit.

12. Section 11-206 Campaign expenditures: limits as to amounts.

Your Committee has added a 25 cent per voter limitation on spending by an issue-oriented committee. The number of voters can be ascertained by determining whether the issue may be of statewide or countywide scope. This will help to limit the overall cost of such campaigns. Also, your Committee has added a new subsection to close an apparent loophole in the present law. The loophole is created when a candidate begins to campaign for an office with an expenditure ceiling higher than the office he finally seeks. The amendment provides for expenditures for the former office to count against the limit for the latter office. Finally, your Committee has clarified the language in subsection (c) to more clearly reflect the intent of that subsection.

13. Section 11-206.1 House bulletins.

Your Committee has added this section for the reasons stated in paragraph 3, supra.

14. Section 11-209(b) Disposition of funds.

Your Committee has expanded the list of options open to a candidate, committee or other person who wishes to dispose of excess campaign funds to include nonprofit organizations.

15. Section 11-210 Advertising.

Your Committee has deleted references to "printed material" in this section, because of the possible conflict with the definition of "advertisement" in section 11-191(1).

16. Section 11-211 Complaints, investigation, and notice.

Your Committee has added language to subsection (c) which allows a person cited for a violation to call and cross-examine witnesses at the hearing provided in subsection (c) and requires the hearing to be on the record. Also, the cease and desist sanction in subsection (f) (1) has been limited to a temporary order.

Your Committee has also amended the bill to correct minor grammatical and typographical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 327, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 327, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, O'Connor, Chong, Taira and George
Managers on the part of the Senate

Representatives Roehrig, Uechi, Cobb, Kondo, Yamada, Yap, Fong,
Medeiros and Oda
Managers on the part of the House

Conf. Com. Rep. No. 32 on H.B. No. 612

The purpose of this bill is to improve administrative of the Criminal Injuries Compensation Act by:

1. permitting the Criminal Injuries Compensation Commission to hold official hearings in the absence of the chairman so long as two members are present. The present law requires the presence of the chairman to conduct official business.

2. specifically listing in Section 3 of the bill the crimes for which compensation may be awarded. It deletes certain crimes from the list of compensable crimes.

H.B. No. 612, H.D. 1 was amended by the Senate Committee in Judiciary so as to allow the Commission, upon application from the prosecuting attorney or chief of police of the appropriate county, to suspend proceedings under Chapter 351 on the ground that a prosecution for a crime arising out of the act or omission has been commenced or is imminent or that releases of the investigation report would be detrimental to the public interest.

Your Committee on Conference investigated the amendment as reflected in H.B. No. 612, H.D. 1, S.D. 1 and was informed that the Criminal Injuries Compensation Commission has received a letter from Chief Francis Keala of the Honolulu Police Department. Such

letter states that the police intends "to cooperate to the fullest extent possible without jeopardizing a successful investigation and prosecution of persons suspected of committing a crime, (in order) that you may perform your duties as required by law".

We are satisfied that previous concerns expressed in this area should, and are being, resolved administratively at this time.

Your Committee upon further consideration has amended the bill to correct grammatical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 612, H.D. 1, S.D. 1, and recommends that it pass Final Reading.

Senators Nishimura, Hara and Leopold
Managers on the part of the Senate

Representatives Uechi, Naito and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 33 on H.B. No. 999

The purpose of this bill is to amend state law to conform with the provisions of Public Law 93-641, the National Health Planning and Resources Development Act of 1974.

The federal government enacted Public Law 93-641 in response to growing public concern over the rising cost of health care, the inequitable distribution of health care personnel and facilities, and the lack of uniformly effective means of health care delivery. Efforts to combat these problems have not provided maximum efficiency and effectiveness in the development of health care delivery systems. As a result, the intended effect, controlling the inflationary costs of health care, has been minimal.

The need for comprehensive planning to provide equal access to quality health care at a reasonable cost has been recognized by the Federal Act which addresses itself to the need to facilities the development of a national health planning policy, to augment statewide and areawide health planning efforts, and to authorize financial assistance for the development of health resources and facilities. More specifically, the Act provides for a nationwide network of health systems agencies responsible for the planning of health services, manpower, and facilities within health service areas. At the state level, it requires the designation of a health planning agency which will review and coordinate areawide plans and conduct statewide health planning activities with the assistance of an advisory council consisting of consumer, health care providers, and representatives of the health systems agencies.

The Federal Act also introduces a new, planning-oriented approach to federal support of health care services and facilities by authorizing direct support for health planning activities and making federal funding contingent upon the consistency of proposed services and facilities with health plans. In order to qualify for federal funding for health planning and facilities development, states must amend their laws to meet these requirements.

Your Committee upon further consideration has made the following amendments to H.B. No. 999, H.D. 1, S.D. 2:

- (1) SECTION 8, relating to the receipt of federal funds, has been re-worded to meet the requirements of Public Law 93-641.
- (2) The state health planning and development agency is established within the department of health, for administrative purposes only.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 999, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 999, H.D. 1, S.D. 2, C.D. 1.

Senators Chong, Saiki, Toyofuku and R. Wong
Managers on the part of the Senate

Representatives Segawa, Naito, Stanley, Takamine, Evans and Santos
Managers on the part of the House
Representative Naito did not sign the report.

Conf. Com. Rep. No. 34 on H.B. No. 126

The purpose of this bill is to declare and provide for implementation of a statewide policy that the formation and conduct of public policy - the discussions, deliberations, decisions, and actions of governmental agencies be conducted as openly as possible.

The bill provides that meetings of public bodies are to be open to the public with prior public notification therefor, except in exceptional circumstances. The bill also provides standards for the contents of and availability of minutes, provides for voidability of actions taken at meetings failing to meet the requirements of the bill, and for enforcement and penalties.

Your Committee upon further consideration has made the following amendments to H.B. No. 126, H.D. 1, S.D. 1:

1. The applicability of the provisions of this law to the state legislature was clarified by amending the language of section 92-10. The purpose of this was to make explicit the intended deference to the constitutional mandate preserving the rulemaking prerogative to the respective houses of the state legislature.

2. Attention of your Committee on Conference was brought to H.B. No. 1870, H.D. 1, S.D. 3 which is under contemplation by the legislature and purports to provide reform to Hawaii's Land Use Law. It is the intent of H.B. No. 126, H.D. 1, S.D. 1, C.D. 1 that the proceedings of the Land Use Commission be governed by its open meeting requirements, notwithstanding section 92-6 which provides for the exclusion of adjudicatory functions from open meeting requirements. Technical amendments required were made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 126, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached here to as H.B. No. 126, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, Chong and Leopold
Managers on the part of the Senate

Representatives Roehrig, Yamada and Carroll
Managers on the part of the House

(Majority) Conf. Com. Rep. No. 35 on H.B. No. 1779

The purpose of this bill is to change the rate of regular interest in the Employees' Retirement System law from 4-1/2 percent to 4-3/4 percent.

Your Committee has amended this bill to provide that the average final compensation of a legislator under the Employees' Retirement System law is to be computed as being an amount equal to two and one-half times the actual annual salary of a member of the legislature.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1779, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1779, H.D. 2, S.D. 1, C.D. 1.

Senators R. Wong, Yamasaki and Anderson
Managers on the part of the Senate
Senator Anderson did not sign the report.

Representatives Lee, Takamine, Yuen, Akizaki, Kihano, Peters, Kamalii,
Fong and Santos
Managers on the part of the House
Representative Fong did not concur.

Conf. Com. Rep. No. 36 on H.B. No. 127

The purpose of this bill is to provide a law wherein lobbyists are required to register, to file timely disclosure reports and to otherwise account for contributions made to them and expenditures made by them in the course of seeking to influence the outcome of legislative or administrative action. The intent of the bill is to make lobbyists accountable for their actions to insure against the exercise of undue or improper influence.

Upon consideration of the bill, your Committee has amended the bill by making numerous changes and deletions. The bill now provides as follows:

1. Definitions are provided for the terms "administrative action", "administrative agency", "contribution", "expenditure", "legislative action", "lobbyist", "lobby", and "person".

Expenses of preparing written testimony or exhibits for a hearing before the legislature or an administrative agency are excluded from the definition of the term "expenditure." This is because it is a requirement of the legislature that written testimony be submitted in conjunction with appearances before the various legislative committees, and because such testimony is primarily presented for the purpose of communicating concerns to the members regarding proposed legislation. The intent of the bill is to identify by disclosure the lobbyist who attempts to influence legislative or administrative action by the use of gifts, gratuities or favors.

2. It is intended that the registration process be simple and as convenient as possible for the public, in order not to discourage public participation and input which is so vital to the legislative process, and yet be able to maintain records and information regarding lobbyists.

Lobbyists are required to register with the clerks of either house and to furnish certified statements including pertinent information as to employment and remuneration. Registration is effective for a period of one year and certain changes in information are to be reported within 10 days.

Certain categories of individuals defined in section 2 of the bill are exempted from registration because of various reasons, such as individuals, officials acting in the official capacity, the media, attorneys advising clients on construction or effect of proposed legislation, and expert witnesses.

3. Your Committee concluded that the public should be able not only to identify lobbyists, but also be able to obtain adequate insight into the extent which amounts of money are being expended toward the primary objective of influencing legislative and administrative actions, the nature of such expenditures, and the recipients of such expenditures.

Recognizing that requiring comprehensive reporting of every dollar being spent would be cumbersome and impractical, your Committee decided that persons whose expenditures reached certain thresholds would be required to provide a detailed report while a short-form expenditure report would be allowed for lobbyists not reaching such thresholds.

The certified statement is to be filed with the legislative auditor and is to cover the periods from January 1 to June 30, and from July 1 to December 31 of each year.

In this regard your Committee requests the legislative auditor to prepare appropriate forms, including a short forms for use by lobbyists not required to submit the full range of information.

4. The legislative auditor is required to maintain the statement provided for in this bill for a period of 4 years. The statements shall be public records, open for public inspection.

5. Providing that a lobbyist cannot accept employment as a lobbyist for a fee contingent upon the outcome of legislative or administrative action.

6. Providing that a wilful failure to file a statement or wilfully filing a statement containing false information constitutes a petty misdemeanor.

7. Providing that the office of legislative auditor shall have administrative responsibility for investigation of the activities of a lobbyist upon a verified complaint of a person.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 127, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 127, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, O'Connor, Taira, Kawasaki, Chong and George
Managers on the part of the Senate

Representatives Roehrig, Uechi, Yamada, Stanley, Lee, Kondo, Carroll,
Medeiros and Oda
Managers on the part of the House

STANDING COMMITTEE REPORTS

SCRep. 1 Legislative Management

Informing the Senate that S.R. Nos. 1 to 5 and Spec. Com. Rep. No. 1 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 2 Legislative Management

Informing the Senate that S.R. No. 6 has been printed and is ready for distribution.

Signed by all members of the Committee.

SCRep. 3 Legislative Management

Informing the Senate that S.C.R. Nos. 1 to 24, S.R. Nos. 7 to 119 and S.B. Nos. 1 to 160 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 4 Legislative Management

Informing the Senate that S.C.R. Nos. 25 to 29, S.R. Nos. 120 to 126 and S.B. Nos. 161 to 188 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 5 Legislative Management

Informing the Senate that S.C.R. No. 30, S.R. Nos. 127 to 131 and S.B. Nos. 189 to 204 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 6 Legislative Management

Informing the Senate that S.C.R. No. 31, S.R. Nos. 132 and 133 and S.B. Nos. 205 to 244 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 7 Legislative Management

Informing the Senate that S.R. Nos. 134 to 138 and S.B. Nos. 245 to 309 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 8 Legislative Management

Informing the Senate that S.C.R. Nos. 32 to 36, S.R. Nos. 139 to 141 and S.B. Nos. 310 to 392 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 9 Ways and Means on H.B. No. 3

The purpose of this bill is to provide funds for the expenses of the Legislature up to June 30, 1976 and for the expenses of the legislative service agencies during fiscal year 1975-76.

Your Committee has reviewed this bill together with the accompanying House Standing Committee Report No. 7, dated January 27, 1975. The major provisions of this bill are described below.

SENATE AND HOUSE OF REPRESENTATIVES

An appropriation of \$1,321,558 has been made for the expenses of the Senate and \$1,709,540 for the expenses of the House of Representatives. The increase in appropriations over prior years can be attributed to three primary factors:

1. Funds have been provided for increased staffing in order to improve the fiscal, legal and technical research capabilities of the Legislature. This will enable the Legislature to take a more independent role in the development of programs and policies and to monitor more closely the implementation of these programs and policies by the Administration. This action is in line with national trends towards strengthening the role of the legislative branch of government and also in line with the recommendations of the CORE report.
2. Funds have been provided for the payment of overtime wages to session employees as necessary in compliance with the Federal Fair Labor Standards Act.
3. Funds which were previously appropriated for certain interim legislative studies have now been incorporated directly into the expenses of the Senate and House of Representatives. This was done in recognition of the increasing importance of interim studies by legislative committees and staff as the Legislature assumes a more activist and independent role. Such studies are thus now treated as part of the ongoing activities of the Legislature rather than as incidental activities.

LEGISLATIVE AUDITOR

The sum of \$787,377 has been appropriated to the Office of the Legislative Auditor. This is the amount requested by this office. This will provide for the addition of two analysts and one secretary to the staff. Also, \$150,000 has been provided for the conduct of legislatively-mandated special studies.

STATE ETHICS COMMISSION

The State Ethics Commission had requested \$80,365 to meet its expenses during 1975-76. This bill provides the requested amount.

LEGISLATIVE REFERENCE BUREAU

This bill provides \$490,108 for the Legislative Reference Bureau. Deleted was a request for \$16,428 for a special pilot project preparatory to codification of the rules and regulations of State agencies. It was felt that this is more properly a responsibility of the Lieutenant Governor's Office since, under the Administrative Procedures Act, such rules and regulations are required to be filed with the Lieutenant Governor.

REVISOR OF STATUTES

As requested by the Revisor of Statutes, \$217,542 has been provided for the expenses of that office.

OMBUDSMAN

The requested budget for the Ombudsman totals \$210,757, which has been provided in this bill. This will provide for a standby amount in anticipation of increasing workload, for one additional analyst or contractual professional services.

LEGISLATIVE SCIENTIFIC ADVISORY COMMITTEE

No appropriation has been made for the Legislative Scientific Advisory Committee. It was felt that expenses incurred by the Legislative Scientific Advisory Committee should be reimbursed from funds allocated by the President of the Senate and the Speaker of the House of Representatives from the appropriations made to the respective legislative bodies.

This bill provides for the lapsing on June 30, 1975 of the unencumbered balances of prior appropriations which had been made for special studies, contractual services and other purposes for improving the efficiency of legislative operations. This will clear the books for these previous appropriations. Also, the unencumbered balances of all appropriations under this bill will be subject to lapsing on June 30, 1976.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3, H.D. 1 and recommends that it pass Second Reading and be placed on

the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 10 Legislative Management

Informing the Senate that S.C.R. Nos. 37 and 38, S.R. Nos. 142 to 146, S.B. Nos. 393 to 442 and Stand. Com. Rep. No. 9 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 11 Legislative Management

Informing the Senate that S.R. Nos. 147 to 152 and S.B. Nos. 443 to 460 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 12 Legislative Management

Informing the Senate that S.C.R. Nos. 39 and 40, S.R. Nos. 153 to 165 and S.B. Nos. 461 to 470 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 13 Legislative Management

Informing the Senate that S.C.R. Nos. 41 to 44, S.R. Nos. 166 to 168 and S.B. Nos. 471 to 522 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 14 Legislative Management

Informing the Senate that S.C.R. Nos. 45 and 46, S.R. Nos. 169 to 181 and S.B. Nos. 523 to 548 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 15 Legislative Management

Informing the Senate that S.C.R. No. 47, S.R. Nos. 182 to 185, S.B. Nos. 549 to 611 and Stand. Com. Rep. Nos. 16 to 18 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 16 Human Resources on H.C.R. No. 20

The purpose of this concurrent resolution is to request the Congress of the United States to direct the United States Department of Agriculture to maintain food stamp prices at their present level.

On December 6, 1974, the United States Department of Agriculture (USDA) published a proposed regulation amending Notice FSP No. 1975-1.1, which would 1) increase the purchase requirement for food stamps from its present 23 percent to 30 percent of income, and 2) eliminate the use of income intervals to determine the purchase requirement effective March 1, 1975.

Your Committee finds that in Hawaii, 40% of the cases using food stamps are 1 and 2 person households. With the proposed increase, these people would be adversely affected. They would have to pay more than double the amount they are now paying for food stamps. This could result in an increase in malnutrition among the poor and an increase in cost for medical care.

Your Committee on Human Resources is in accord with the intent and purpose of House Concurrent Resolution No. 20 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 17 Economic Development on H.C.R. No. 29

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to assist and support the State of Hawaii in actively pursuing the retention of group discount fares between Hawaii and the mainland, and if necessary, to request the Attorney General of the State to file an appeal against the recent Civil Aeronautics Board ruling.

Tourism is a leading industry in Hawaii, generating over \$182 million annually in state and local taxes. GIT (Group Inclusive Tour Basing fares) were established in July of 1970 by the C.A.B. and have been a critical factor in the growth of the visitor industry in recent years. Barry Adams of the Hawaii Visitors Bureau testified that approximately thirty per cent of Hawaii's visitors are accomodated in group travel discount air fares on regular flights, and that the discontinuance of the GIT air fare will have serious repercussions on both the tourism industry and the economy of the State.

In accordance with the rules of the Senate and proper notice having been given, your Committee held a public hearing on this matter and a decision making meeting on February 4, 1975.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 29, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 18 Judiciary on S.B. No. 97

The purpose of this bill is to eliminate undue discrimination against the complaining witness in prosecutions for sexual offenses and thereby effectuate the policy of providing a fair and just trial.

Senate Bill 97 was introduced in short form; Senate Draft 1 has been added to provide the details of the Bill.

Your Committee on Judiciary has considered said Bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 97, S.D. 1, and be recommitted to your Committee on Judiciary.

Signed by all members of the Committee except Senators Nishimura, Kawasaki and F. Wong.

SCRep. 19 Legislative Management

Informing the Senate that S.C.R. No. 48, S.R. Nos. 186 to 188 and S.B. Nos. 612 to 633 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 20 Legislative Management

Informing the Senate that S.R. Nos. 189 to 191, S.B. Nos. 634 to 641 and Stand. Com. Rep. Nos. 21 to 25 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 21 Intergovernmental Relations on S.R. No. 94

The purpose of this Resolution is to request the Committee on Intergovernmental Relations to examine ways to develop an effective relationship between the State of Hawaii and the Federal Government.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 94 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 22 Intergovernmental Relations on S.R. No. 95

The purpose of this resolution is to request the Committee on Intergovernmental Relations to investigate opportunities for improved State and County government

cooperation and coordination and to study the establishment of a formal mechanism for State technical assistance to Counties.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 95 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 23 Intergovernmental Relations on S.R. No. 96

The purpose of this resolution is to request the Committee on Intergovernmental Relations to conduct a review of recent program developments with a view towards clarifying the framework for improved State-County relationships and identifying areas of conflict or ambiguity.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. 96 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 24 Intergovernmental Relations on S.R. No. 113

The purpose of this resolution is to request the Committee on Intergovernmental Relations to investigate and make recommendations as to the possibility of cooperation with the various counties in the joint use of satellite service facilities.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. 113 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 25 Intergovernmental Relations on S.R. No. 114

The purpose of this resolution is to request the Committee on Intergovernmental Relations to examine the structure and scope and method of operations of the Board of Water Supply to determine whether they should be regulated by the Public Utilities Commission.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. 114 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 26 Legislative Management

Informing the Senate that S.C.R. No. 49 and S.B. Nos. 642 to 654 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 27 Legislative Management

Informing the Senate that S.C.R. Nos. 50 to 52, S.R. Nos. 192 to 207 and S.B. Nos. 655 to 695 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 28 Legislative Management

Informing the Senate that S.C.R. No. 53, S.R. Nos. 208 to 220, S.B. Nos. 696 to 796 and Stand. Com. Rep. Nos. 29 to 31 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 29 Consumer Protection on S.B. No. 88

Your Committee on Consumer Protection has considered said Bill and recommends that it pass First reading by title, in the amended form attached hereto as S.B. No. 88, S.D. 1, and be recommitted to the Committee on Consumer Protection for further consideration.

Signed by all members of the Committee.

SCRep. 30 Consumer Protection on S.B. No. 91

Your Committee on Consumer Protection has considered said Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 91, S.D. 1, and be recommitted to the Committee on Consumer Protection for further consideration.

Signed by all members of the Committee.

SCRep. 31 Consumer Protection on S.B. No. 94

Your Committee on Consumer Protection has considered said Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 94, S.D. 1, and be recommitted to the Committee on Consumer Protection for further consideration.

Signed by all members of the Committee.

SCRep. 32 Legislative Management

Informing the Senate that S.C.R. No. 54, S.R. Nos. 221 to 228 and S.B. Nos. 797 to 819 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 33 Legislative Management

Informing the Senate that S.C.R. No. 55, S.R. Nos. 229 to 236, S.B. Nos. 820 to 866 and Stand. Com. Rep. Nos. 34 and 35 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 34 Economic Development on S.B. No. 102

Your Committee on Economic Development has considered said Bill and recommends that it pass Second Reading, in the amended form attached hereto as S.B. No. 102, S.D. 1, and be recommitted to the Committee on Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 35 Economic Development on S.B. No. 145

Your Committee on Economic Development has considered said Bill and recommends that it pass Second Reading, in the amended form attached hereto as S.B. No. 145, S.D. 1, and be recommitted to the Committee on Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 36 (Majority) Ways and Means on H.B. No. 171

The purpose of this bill is to amend section 24-1, Hawaii Revised Statutes by increasing the allowance for legislators from \$750 to \$1,500.

The annual allowance is intended to cover incidental expenses connected with legislative duties. The amount of \$750 was enacted six years ago in 1969. Since that time, costs have risen greatly due to inflation. Also, with the anticipated increase in legislative activities during the interim periods, additional expenses will likely be incurred by legislators in the discharge of their duties. For these reasons, your Committee feels that an increase in the annual allowance is warranted at this time.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 171, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senator Anderson did not concur.

SCRep. 37 Legislative Management

Informing the Senate that S.C.R. Nos. 56 to 63, S.R. Nos. 237 to 244, S.B. Nos. 867 to 881 and Stand. Com. Rep. Nos. 36 and 38 to 45 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 38 Judiciary on S.B. No. 98

The purpose of this bill is to assure equality of opportunity for women in all the affairs of state government through the establishment of equal rights plans and the coordination of such plans.

Senate Bill 98 was introduced in short form; Senate Draft 1 has been added to provide the details of the Bill.

Your Committee on Judiciary has considered said Bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 98, S.D. 1, and be recommitted to your Committee on Judiciary.

Signed by all members of the Committee except Senators O'Connor, Kawasaki and F. Wong.

SCRep. 39 Intergovernmental Relations on S.B. No. 219

The purpose of this bill is to remove the requirement that State employee-accountants file monthly schedules of collections and deposits with the State Comptroller.

Under present law, HRS Sections 40-32 and 40-33, State employee-accountants are required to file with the Comptroller each month, a schedule of collections and deposits. These sections have been law since 1898.

Your Committee finds that the law was intended to provide the Comptroller with a means of double-checking receipts as recorded in his accounting records. Procedural changes over the years have resulted in direct processing of deposit receipts by the Director of Finance to the Comptroller each day. Double-checking of the receipts against schedules submitted by the employee-accountants is now an unnecessary procedure. It is estimated that 75 to 100 man-hours per month would be saved, statewide, if the monthly schedule requirement were removed.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 219 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 40 Intergovernmental Relations on S.B. No. 229

The purpose of this bill is to correct inconsistencies in the law pertaining to a valid driver's license, and a compact jurisdiction driver's license.

Under present law Section 286-107 (c)(1)(B), Hawaii Revised Statutes, requires that absentee residents of Hawaii surrender drivers' licenses of both compact and non-compact states when renewing their drivers' licenses while Section 286-102(e) requires that Hawaii residents applying for a driver's license, surrender compact jurisdiction licenses only.

Your Committee finds that this inconsistency causes discrimination against persons from states which are not members of the Driver License Compact. This bill would treat all persons from out-of-state in a like manner by allowing them to operate a vehicle in Hawaii, until their out-of-state license expires, thus eliminating the discrimination.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 229 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 41 Intergovernmental Relations on S.B. No. 327

The purpose of this Bill is to amend Section 286-107, Hawaii Revised Statutes, so as to allow the State Highway Safety Coordinator's Office to require retesting of driver license applicants.

Your Committee finds that increasing numbers of drivers on our highways make it mandatory for all drivers to be fully cognizant of the constantly changing rules of the road. The State Highway Safety Coordinator proposes to retest renewal applicants by the utilization of an individual testing and examination machine. The machines would be made available to the State of Hawaii with Federal funds. To complement the system, a Rules of the Road Manual will be made available for study purposes.

The retesting of driver license applicants and the availability of a study manual will improve the driving habits of licensees and thus reduce the ever-increasing number of traffic accidents in this State.

For the purpose of clarification of intent, your Committee has amended line 5 of the bill as follows:

Delete the words "such other" before the word "examinations";
After the word "examinations" add the following words: "relating to highway safety and rules of the road".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 327, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 327, S.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 42 Intergovernmental Relations on S.B. No. 328

The purpose of this Bill is to prevent and reduce the number of deaths and severity of injuries to persons involved in traffic accidents by requiring the use of safety belts in vehicles.

Present law does not require the vehicle occupants to use the safety belts though they be provided in the vehicle.

Your Committee finds that about 70% of the passenger vehicles now registered in the State of Hawaii are equipped with some form of seat belt originally installed by the vehicle manufacturer. Ejection from vehicles is a major contributing cause of fatalities and injuries to vehicle occupants. The use of safety belts provided in vehicles will significantly reduce the number of deaths and the severity of injuries to vehicle occupants.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 328 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 43 Intergovernmental Relations on S.B. No. 329

The purpose of this bill is to place a penalty upon a registered owner of a vehicle, if he fails to notify the appropriate County Director of Finance of his old and new addresses.

Your Committee finds that accuracy of information concerning vehicles, is vital to (1) mail automobile registration and inspection information to vehicle owners; (2) mail driver license renewal information to drivers; and (3) to enable the State Judiciary and the County police departments to operate an effective criminal and traffic enforcement program.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 329 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 44 Intergovernmental Relations on S.B. No. 330

The purpose of this bill is to expand the Statewide Traffic Code to (1) require the use of a slow moving vehicle emblem upon any vehicle designed to operate at a speed

of twenty-five miles per hour or less; (2) allow the counties to designate certain school bus stops within a business or residence district where school bus flashing visual signals will be used; and (3) to amend Section 291C-38, Hawaii Revised Statutes, to conform to the Manual on the Uniform Traffic Control Devices.

Your Committee finds that slow moving vehicles can be unexpected hazards for other drivers. A slow moving vehicle is one which is designed to operate at a speed of twenty-five miles per hour or less.

Your Committee further finds that Section 291C-95 (a) HRS, provides that a school bus driver, when stopping the bus for the purpose of receiving or discharging school children, shall actuate the visual signals; but Section 291C-95 (a) refers to such stops as stops taking place "upon a highway outside of a business or residence district". The reference in Section 291C-95 (a) results in preventing the use of visual signals in business or residential districts where special circumstances may make it advisable to use the visual signals. Senate Bill No. 330 will amend the law so that a school bus driver's use of the visual signals will not be limited to "a highway outside of a business or residence district". Section 2 of this bill provides that the driver shall actuate the visual signals "(2) at any other location where the use of such visual signals is required by county ordinance".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of Senate Bill No. 330 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 45 Intergovernmental Relations on S.B. No. 332

The purpose of this bill is to require exterior markings on vehicles which contain, carry, or are loaded with any hazardous material.

Your Committee finds that the exterior markings requirement will provide increased safety for the general public. The fire department, police and rescue personnel will be able to respond easily and appropriately to a highway crash involving a hazardous materials carrier.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 332 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 46 Legislative Management

Informing the Senate that S.C.R. Nos. 64 to 66, S.R. Nos. 245 to 256, S.B. Nos. 882 to 1009 and Stand. Com. Rep. Nos. 47 to 50 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 47 Intergovernmental Relations on S.B. No. 245

The purpose of this Bill is to increase the monthly dental plan contribution from \$2.04 to \$2.24, to assess the several counties a pro-rata share of the cost of administering the Hawaii Public Employees Health Fund, and to clarify the language of prior amendments to Section 87-4, Hawaii Revised Statutes.

Your Committee finds that the funding request of \$223,500 is needed to maintain a current level of dental benefits for the children of employee-beneficiaries under age 19, who are enrolled in the Health Fund's dental plan.

Your Committee further finds that the State department of budget and finance provides administrative services to the Employees Retirement System as well as to the Hawaii Public Employees Health Fund. Presently the counties pay their pro-rata share of the administrative costs of the Employees Retirement System, but do not pay any share of the administrative costs of the Health Fund. The Health Fund administrator, State of Hawaii, estimates that \$110,700 will be recovered from the counties during the 1975-77 biennium period, if this bill is enacted.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 245 and recommends that it be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 48 Intergovernmental Relations on S.B. No. 246

The purpose of this Bill is to increase the State and County monthly contributions to the Health Fund dental plan, from \$2.04 to \$2.24.

Your Committee finds that the funding request of \$223,500 is needed to fund the anticipated 10% increase in dental insurance premiums for the 1975-77 fiscal biennium.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 246 and recommends that it be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 49 Intergovernmental Relations on S.B. No. 344

The purpose of this Bill is to make State information and services available to the public through the Satellite City Halls of the City and County of Honolulu. This bill also provides for an appropriation to carry out such purpose.

Your Committee finds that the City and County of Honolulu through its six Satellite City Halls on Oahu, has been providing much needed information and services to the public. It is felt that the same satellites can, in cooperation with the State government, also provide State services. In fact, the City and County of Honolulu reports that some of their satellites are already providing information and services related to the State government.

Your Committee further finds that the County of Hawaii, in 1974, established the Kona Services Center to provide certain County services to the citizens of North and South Kona. The citizens of this area have found it unnecessary to travel the long distance from Kona to Hilo. The Mayor of the County of Hawaii suggests that the bill be amended in order to provide the extension of the State services to all of the Counties of this State.

Upon consideration of the above and other testimony presented, your Committee recommends that the Bill be amended (1) to provide for the extension of State services to all of the Counties of the State; and (2) to provide that State departments identify State services which could be dispensed at Satellite City or County Halls, and submit a report to the Office of the Governor, instead of to the Department of Accounting and General Services (DAGS).

Your Committee is in accord with the intent and purpose of S.B. No. 344 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 344, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 50 Intergovernmental Relations on S.B. No. 395

The purpose of this Bill is to make an appropriation as a grant-in-aid to the city and county of Honolulu for improvements to the agricultural water supply in Mikilua Valley, Oahu.

Your Committee finds that the water system in Mikilua Valley, once privately owned, was transferred to the Honolulu Board of Water Supply. At the time of the transfer, the farmers utilizing the system were informed that contributions in aid would be required for upgrading the system. This appropriation would enable the City & County of Honolulu to provide better water services and fire protection to this farming community. It is to be noted that the need for water services is becoming greater because of the large number of new homes being built in the area.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 395 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 51 Legislative Management

Informing the Senate that S.C.R. No. 67, S.R. Nos. 257 to 263, S.B. Nos. 1010 to 1058 and Stand. Com. Rep. Nos. 52 to 55 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 52 Intergovernmental Relations on H.B. No. 371

The purpose of this bill is to remove the requirement that every public accountant (State employee-accountants) file monthly schedules of collections and deposits with the State Comptroller.

H.B. No. 371 is identical to S.B. No. 219, which was referred to this Committee and reported out favorably. Your Committee therefore reports identical findings.

Under present law, HRS, Sections 40-32 and 40-33, employee-accountants are required to file with the Comptroller each month, a schedule of collections and deposits. These sections have been law since 1898.

Your Committee finds that the law was intended to provide the Comptroller with a means of double-checking receipts as recorded in his accounting records. Procedural changes over the years have resulted in direct processing of deposit receipts by the Director of Finance to the Comptroller each day. Double-checking of the receipts against schedules submitted by the employee-accountants is now an unnecessary procedure. It is estimated that 75 to 100 man-hours per month would be saved, statewide, if the monthly schedule requirement were removed.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 371 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 53 Consumer Protection on S.B. No. 84

The purpose of the bill is to prohibit discrimination on the basis of age, sex, race, creed, marital status, or religion by credit card issuers.

The bill amends chapter 751, Hawaii Revised Statutes, by adding a new section which would prohibit discrimination and creates a penalty.

Although PL 93-495, a federal law which will take effect on October 25, 1975, prohibits discrimination based on sex and marital status in any credit transaction, section 705(e) of PL 93-495, Title VII, states that an applicant for credit who is discriminated against may seek relief from state laws.

Since federal enforcement of similar laws has not been vigorous in the past and because the state Office of Consumer Protection is not empowered to enforce federal statutes, the office feels that there is a need for the state provisions proposed by S.B. No. 84.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 84 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 54 Higher Education on S.B. No. 965

The purpose of this Bill is to appropriate out of the general obligation bond funds of the State of Hawaii, the sum of \$3,084,000 for the construction of Hamilton Library at the University of Hawaii Manoa Campus.

Your Committee has been informed that, due to inflation, the lowest bid submitted was \$3,084,000 higher than available funds. Your Committee has been further informed that a redesign or rebid would probably not alter the figure since construction costs are rising at an approximate rate of 2 percent per month.

Your Committee has also been informed that the construction contract must be awarded by March 15, 1975 in order to hold the present bid.

Your Committee would like to stress the urgency of this matter because the Hamilton Library is a most essential facility for students and faculty at the University of Hawaii Manoa Campus.

Your Committee is in accord with the intent and purpose of S.B. No. 965 and recommends

that it pass second reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 55 Ways and Means on S.C.R. No. 47

The purpose of this concurrent resolution is to request the United States Congress to enact legislation establishing capital gain and charitable organization tax status for large landowners in the sale of residential properties to their lessees under chapter 516, Hawaii Revised Statutes.

Your Committee finds that in 1967, the Hawaii State Legislature enacted what is now chapter 516, Hawaii Revised Statutes as a means for enabling residential lessees to acquire in fee the land they occupy. It was the determination of the legislature that the dispersion of ownership in fee of residential property from a few large landowners to as many people as possible would promote the economy of the state and the public health, welfare, security and happiness. However, the implementation of chapter 516 has been impeded in part because of the fear of large landowners that they may be deemed by the federal government to be dealing in real estate and thus subject to prohibitive taxation.

This concurrent resolution seeks to correct this problem by requesting Congress to enact legislation giving the large landowners capital gain or charitable organization status with respect to sales under chapter 516. It is hoped that this will help promote the voluntary sale of residential lands to lessees and thus bring about the goal of land reform.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 47 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 56 Legislative Management

Informing the Senate that S.C.R. Nos. 68 to 70, S.R. Nos. 264 to 267, S.B. Nos. 1059 to 1097 and Stand. Com. Rep. Nos. 57 to 61 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 57 Health on S.R. No. 24

The purpose of this Resolution is to request the Committee on Health to review the program on alcoholism and to determine how more effective coordination and program implementation can be achieved.

Your Committee finds that there is a large number of alcoholism programs within the community and the Department of Health, with indication of some overlap and duplication of functions.

Your Committee on Health has considered said Resolution at a public hearing, and concurs with the intent and purpose of S.R. No. 24 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 58 Health on S.R. No. 25

The purpose of this resolution is to request the Director of Health to review the rate structure of the County/State hospital system and to report back to the Legislature within thirty days of the adoption of this Resolution, a plan for rate revision to enable a better match between charges and expenses in the County/State hospital system.

Your Committee has amended the resolution to delete the fourth whereas clause referring to "subsidization of health services on the outer islands by residents of Oahu." Your Committee feels there is insufficient evidence to justify the foregoing conclusion at this time.

Your Committee finds that current charges at County/ State hospital are far below actual costs, resulting in reduced reimbursements from the Federal government and increased burden on the State General Fund. Your Committee feels it is imperative for the Director of Health to immediately review the rates to bring them more in line

with actual costs.

Your Committee on Health concurs with the intent and purpose of S.R. No. 25, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 25, S.D. 1.

Signed by all members of the Committee except Senator Henderson.

SCRep. 59 Health on S.R. No. 28

The purpose of this Resolution is to request the Committee on Health to examine all viable options to increase the efficiency and effectiveness of the county/state hospital system.

Your Committee has investigated the problems surrounding the county/state hospital system and finds that there is a serious problem of inefficient management, planning and control functions and an ineffective delivery of health care services. Your Committee further finds that there are several options for resolving these problems which merit continued, in-depth study by the Legislature, if necessary, through the interim period.

Your Committee on Health has considered said Resolution at a public hearing, and concurs with the intent and purpose of S.R. No. 28 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 60 Health on S.R. No. 29

The purpose of this resolution is to request the Committee on Health to examine options for developing effective relationships between the State of Hawaii and the Federal Government to maximize acquisition of Federal health resources.

Your Committee finds that a major problem exists within the Department of Health in properly applying for and receiving the maximum in federal health funds, with a resultant increase in burden on the State General Fund.

Your Committee on Health has considered said Resolution at a public hearing, and concurs with the intent and purpose of S.R. No. 29 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 61 Health on S.R. No. 151

The purpose of this Resolution is to request action in the necessary development of the operational performance of Hawaii's substance abuse program.

Your Committee is alarmed at the lack of adequate staff and a full-time director of the Substance Abuse Agency and feels this problem needs to be monitored by the Legislature continuously, if necessary, through the interim period.

Your Committee on Health has considered said Resolution at a public hearing, and concurs with the intent and purpose of S.R. No. 151 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 62 Legislative Management

Informing the Senate that S.C.R. Nos. 71 to 77, S.R. Nos. 268 to 279, S.B. Nos. 1098 to 1179 and Stand. Com. Rep. Nos. 63 and 64 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 63 Consumer Protection on S.B. No. 92

Your Committee on Consumer Protection has considered said Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 92, S.D. 1, and be recommitted to the Committee on Consumer Protection for further consideration.

Signed by all members of the Committee.

SCRep. 64 Consumer Protection on S.B. No. 271

The purpose of this bill is to raise the maximum jurisdictional limitations of the Small Claims Court.

The bill would amend Section 633-27, Hawaii Revised Statutes, by raising the present \$300 limitation to \$600.

The Office of Consumer Protection has received many complaints regarding the sale of items such as refrigerators, washers, dryers, color televisions and stereos, as well as services such as auto repair. Previously, many consumers were referred to the Small Claims Court, however, inflation has made the present \$300 maximum limitation insufficient and consumers are faced with the prospect of expensive legal actions generated by matters formerly handled by the court.

Your Committee on Consumer Protection amended the bill by raising the maximum limit to \$600 rather than \$1,000. Your Committee finds that \$600 is a sufficient amount and one that will assist the consumer without exceeding the intent of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 271 in the form amended and attached hereto as S.B. No. 271, S.D. 1, and recommends that it pass second reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 65 Legislative Management

Informing the Senate that S.R. Nos. 280 and 281, S.B. Nos. 1180 to 1272 and Stand. Com. Rep. No. 66 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 66 Consumer Protection on S.B. No. 94

The purpose of this bill is to provide for the registration and certification of motor vehicle mechanics. It provides for the registration of all persons whether self-employed or employed by another, who for salary, wages or other compensation, repairs motor vehicles; but exempts those who exclusively repair motor vehicles owned by federal, state or county governments, or business or commercial enterprises. The bill further provides for the successful completion of certification tests for mechanics who register for the first time on and after January 1, 1977.

The necessity for this bill has been clearly demonstrated by the numerous, continuing complaints received by the Office of Consumer Protection regarding unsatisfactory motor vehicle repairs. Being an extremely necessary "instrument" to the consumer, the nonavailability of the automobile due to repairs is cause for considerable concern not only to the consumer, but to government and industry as well.

This bill is unique in that it proposes to regulate motor vehicle mechanics without the creation of a government regulatory board. Registration will be conducted by the Department of Regulatory Agencies, certification will be administered by the State Director of Vocational Education, and the Director of Consumer Protection will administer and enforce the provisions of the bill. Your Committee on Consumer Protection believes that this "new approach in government regulation" is innovative and will be successful.

Several earlier motor vehicle mechanics regulation proposals have been studied by previous Legislatures, but the proposals were considered harsh and severe and were therefore rejected. This bill before this Legislature is one that has removed the mechanic regulation provision from the proposal to regulate the Auto Repair Dealers. Your committee recognizes the different nature of the two proposals.

Your committee has held a public hearing at which the representatives from the motor vehicle mechanics union, the Hawaii Automobile Dealers Association, and the Hawaii Gasoline Dealers Association testified in support of the bill. The "grandfather" clause providing for security and the voluntary certification program for veteran mechanics are basically necessary to all interested parties. All witnesses testified that mandatory certification for those who register after January 1, 1977, will eventually lead to an improved repair service.

Your committee has made the following amendments:

1. The definition of 'mechanic' was expanded to include "intermediate" or "journeyman" as the terms are commonly used in the motor vehicle repair industry.
2. Definition of "Registered Mechanic" is added.
3. Definition of "Certified Mechanic" is added.
4. Definition of "Certified Registered Mechanic" is added.
5. The definition of "Repair motor vehicles" was added, to exclude auto painting or work performed in installing or repairing auto glass, tops and seats.
6. The definition of "Service station attendant" was added.
7. Section-4(e) is amended to read "30" days. "90" days is considered an unnecessarily long time to wait for a re-test. Section 4 is also amended by the addition of subsection (h), which provides for a certificate to those who take and pass a certification test.
8. Section-5 was amended to provide for the adoption of substantive and procedural rules.
9. Section-9 was amended to remove the penalty for non-certification.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 94, S.D. 1, in the amended form attached as S.B. No. 94, S.D. 2, and recommends that it pass second reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 67 Legislative Management

Informing the Senate that S.C.R. Nos. 78 to 83, S.R. Nos. 282 to 289, S.B. Nos. 1273 to 1733 and Stand. Com. Rep. Nos. 68 and 69 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 68 Public Utilities on S.B. No. 649

The purpose of this bill is to establish a means whereby facilities for the local furnishing of electric energy or gas can be financed through the issuance of revenue bonds by the Department of Budget and Finance.

The cost of electricity and gas affects everyone in Hawaii. Tax-exempt bonds bear lower interest rates than the bonds presently issued by the utility. Since interest rates, like the price of fuel, is taken into consideration in the setting of utility rates, the consumer will be the ultimate beneficiary.

Your Committee on Public Utilities is in accord with the intent and purpose of S.B. No. 649 and recommends that it pass Second Reading and be referred to the Committee on Energy/Natural Resources.

Signed by all members of the Committee.

SCRep. 69 Public Utilities on H.B. No. 427

The purpose of this bill is to provide for regulation by the Public Utilities Commission of the issuance of securities and other evidences of indebtedness by water carriers covered by the Hawaii Water Carrier Act.

The Hawaii Water Carrier Act, which was enacted in 1974, does not contain any provision regarding the issuance of securities and evidences of indebtedness by water carriers. As the regulatory body charged with protecting the public interest with regard to water transportation, the Public Utilities Commission, among other things, is concerned with the reasonableness of rates. The manner and terms by which a water carrier obtains moneys for capital expenditures materially affects rates to the consuming public as such rates are developed through the cost of service and a fair rate of return on invested capital. This bill requires water carriers to secure the prior approval of the Public

Utilities Commission before issuing securities and other evidences of indebtedness for capital expenditures. By requiring such approval, the Commission can insure that water carriers are issuing such securities and other evidences of indebtedness in a prudent and reasonable manner which will not have an unduly adverse effect on rates to the consuming public.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 427 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.
SCRep. 70 Legislative Management

Informing the Senate that S.C.R. Nos. 84 and 85 and S.R. Nos. 290 and 291 have been printed and are ready for distribution.

Signed by all members of the Committee.
SCRep. 71 Legislative Management

Informing the Senate that S.R. Nos. 292 and 293 and Stand. Com. Rep. Nos. 72 to 89 have been printed and are ready for distribution.

Signed by all members of the Committee.
SCRep. 72 Intergovernmental Relations on S.B. No. 489

The purpose of this bill is to enable the City and County of Honolulu to expand its Areawide Program of Aging Services, by providing information and referral, outreach and consumer protection.

Your Committee finds that the request of \$94,946 from the State, will be matched by the City and County of Honolulu with \$229,000 to carry out this program.

Your Committee has amended the bill as follows:

- (1) In the title of the bill, the word "agency" is changed to "aging".
- (2) In section 1 of the bill, the word "agency" is changed to "aging".
- (3) The State Commission on Aging shall be the expending agency.
- (4) The Act shall be effective upon approval.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 489 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 489, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.
SCRep. 73 Intergovernmental Relations on S.B. No. 490

The purpose of this bill is to enable the City and County of Honolulu to expand its Areawide Horizons Project, by providing congregate dining service to the project areas: Haleiwa, Kahuku, and Waialua.

Your Committee finds that the State of Hawaii presently supports the Areawide Horizons Project in Haleiwa-Kahuku-Waialua. This project provides comprehensive individualized services to the elderly in that area. This bill would add congregate dining to the program.

Your Committee has amended the bill to provide that (1) the State Commission on Aging shall be the expending agency, and (2) the Act shall be effective upon approval.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 490 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 490, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 74 Intergovernmental Relations on S.B. No. 491

The purpose of this bill is to enable the City and County of Honolulu to maintain the current level of its Areawide Horizons Program.

Your Committee finds that the State Commission on Aging directs the Areawide Horizons Project using both State and Federal funds. In this case the City and County of Honolulu was assigned the task of implementing the program in Haleiwa-Kahuku-Waiialua. This bill will not provide any room for expansion but would maintain the current level of support.

Your Committee has amended the bill to provide that (1) the State Commission on Aging shall be the expending agency, and (2) the Act shall be effective upon approval.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 491 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 491, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 75 Intergovernmental Relations on S.B. No. 492

The purpose of this bill is to enable the city and county of Honolulu to maintain the current level of services in its Areawide Programs on Aging.

Your Committee finds that the State Commission on Aging directs the Areawide Opportunities for Senior Citizens Program, a state and federally funded program. The city and county of Honolulu has been conducting this program in the Kalihi-Palama-Chinatown area with the review and approval of the Hawaii State Commission on Aging. The amount of \$405,000 as requested by the city and county of Honolulu does not provide for significant expansion but will permit the maintenance of service at the level presently being accomplished.

Your Committee has amended the bill to provide that (1) the State Commission on Aging shall be the expending agency, and (2) the Act shall be effective upon approval.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 492 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 492, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee,

SCRep. 76 Intergovernmental Relations on S.B. No. 493

The purpose of this bill is to appropriate funds for the Public Service Employment Project in order to continue to employ those public assistance recipients temporarily removed from the welfare rolls by the City and County of Honolulu's Beautification Task Force.

Your Committee finds that the requested appropriation of \$4,200,000 would insure, through public service employment programs, the continued employment of those former welfare recipients currently employed by the City and County of Honolulu's Beautification Task Force. With the expiration of the City and County of Honolulu's program appropriations, the program participants will most probably return to public assistance payments for their support.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 493 and recommends that it pass Second Reading and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 77 (Majority) Intergovernmental Relations on S.B. No. 497

The purpose of this bill is to amend chapter 246, Hawaii Revised Statutes, to provide for the State reimbursing the County affected by the loss in real property tax when real property tax is exempt from taxation.

Your Committee finds that exemptions from the real property tax account for 34%

of total gross valuations--12.5% of which are for the homeowner's exemptions, those granted to schools, hospitals, churches, nonprofit corporations, labor unions, etc. The balance of exemptions are those for government owned property and public utilities. The City and County of Honolulu is faced with massive fund requirements for the next several years and is disturbed by the inroads on the property tax base. The State Department of Taxation has expressed its concern as to the cost of recordkeeping and computing reimbursement.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 497 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee. Senators Kawasaki and Yamasaki did not concur.

SCRep. 78 (Majority) Intergovernmental Relations on S.B. No. 500

The purpose of this bill is to amend Section 80-4, Hawaii Revised Statutes, relating to compensation for overtime and premium pay. Present law provides that compensation for overtime and premium pay is applicable to students who are hired on an exempt service basis. This bill would provide that overtime and premium pay can be given to employees as well as students.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 500 and recommends that it pass Second Reading and be referred to the Committee on Human Resources.

Signed by all members of the Committee. Senator Kawasaki did not concur.

SCRep. 79 Intergovernmental Relations on S.B. No. 501

The purpose of this bill is to amend Chapter 387, Hawaii Revised Statutes, so as to delete from the statutes: Special minimum wages for learners, apprentices, full-time students, paroled wards of Hawaii Youth Correctional Facility, and handicapped workers.

Your Committee having considered the testimony presented by both management and workers affected, finds that the City and County of Honolulu is justifiably concerned because of the large number of workers affected by the provisions of Section 387-9. Management has pointed out the basic problem of the high cost of production in Hawaii. Concerned student workers have pointed out the unfairness of the special minimum wage.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 501 and recommends that it pass Second Reading and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 80 Intergovernmental Relations on S.B. No. 513

The purpose of this Bill is to create a separate salary schedule for uniformed police positions in any county with a population of 150,000 or more, and to make the necessary appropriation.

Testimony was received by this Committee from the following:

- (1) Harry Boranian, Director of Civil Service, City and County of Honolulu;
- (2) Victor Vierra, Oahu Chapter Chairman, State of Hawaii Organization of Police Officers; and
- (3) Major James Naylor, Personnel Officer of the Police Department, City and County of Honolulu.

From the testimony received, it is evident that this bill is intended to apply to the uniformed police positions of the City and County of Honolulu -- Honolulu being presently the only county with a population of 150,000 or more. Your Committee has concerned itself with the difference of job requirements of the various counties of our State and is mindful of the complexity of the requirements imposed upon police officers employed in Honolulu.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 513, and recommends that it pass Second Reading and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 81 Government Operations and Efficiency on S.R. No. 93

The purpose of this resolution is to encourage all governmental agencies, boards, commissions, authorities or committees to schedule their meetings at times which will insure maximum participation by the public.

Your Committee heard testimony from the League of Women Voters of Hawaii, Hawaii Task Force on Open Meetings and the Honolulu Community-Media Council, all in support of this resolution. Your Committee recognizes the importance of citizen participation in governmental processes and agrees that efforts should be encouraged to schedule meetings at times which are more convenient to the public.

Your Committee on Government Operations and Efficiency is in accord with the intent and purpose of S.R. No. 93 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 82 Government Operations and Efficiency on S.B. No. 217

The purpose of this bill is to standardize certain terms used in chapter 40, Hawaii Revised Statutes, to conform to current terminology and procedures in voucher payments of the state government.

Your Committee was informed by the state administration that this bill is the result of an analysis of chapter 40, for the purpose of clarifying the meaning of inadequately defined terms, and for the purpose of reflecting current pre-audit procedures where such procedures are not clear in the present statutes. It is not the intent of this bill to alter the substance of any auditing or accounting requirement in chapter 40.

The sections of chapter 40 affected by this bill were all originally enacted in 1898. The language has carried over to the present statutes but procedures originally in effect have changed over the years, but without being reflected by changes in the statutes.

The specific terms that would be clarified by the proposed amendments are "voucher", "warrant voucher", "statement" and "bill". With these clarifications, a clearer understanding of the State's vouchering procedure will be available to all who refer to chapter 40, and those persons responsible for record-keeping related to voucher payments will be especially aided.

Your Committee on Government Operations and Efficiency is in accord with the intent and purpose of S.B. No. 217 and recommends that it pass second reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 83 Government Operations and Efficiency on S.B. No. 218

The purpose of this bill is to conform the Hawaii Revised Statutes to the current practice and procedure for depositing receipts into the State Treasury.

The amendments to section 40-40, Hawaii Revised Statutes, as proposed by this bill, would remove provisions that are no longer applicable and would include practices that now apply.

Your Committee was informed by the state administration that section 40-40, which was originally enacted in 1898, has not been sufficiently amended since then to reflect changes in practice. The amendments proposed by this bill would bring the statutes into agreement with the practices followed in more recent decades, and they would also provide flexibility for future changes of a routine nature that can be expected to occur from time to time within the government.

Your Committee on Government Operations and Efficiency is in accord with the intent and purpose of S.B. No. 218 and recommends that it pass second reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 84 Military and Civil Defense on S.B. No. 248

The purpose of the Bill is to provide the legal authority to the Department of Defense to permit the use of or temporarily rent portions of its armories, rifle ranges, reservations and installations which are State-owned as well as on license from the federal government to civic, community, veterans and other non-profit public organizations and groups provided the use did not interfere with the military use thereof.

Valentine A. Siefermann, Adjutant General of Hawaii, testified in favor of the Bill. He stated that for many years, it has been the practice of the Department of Defense to permit the use of or temporarily rent portions of its facilities, which are State-owned as well as on license from the federal government, to various public and private organizations and groups provided the use did not interfere with the military use thereof. However, recently, the legal authority of the Department of Defense to do so in respect to State-owned facilities was questioned. The Bill by expressly providing the authority resolves the question.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 248 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 85 Military and Civil Defense on S.B. No. 752

The purpose of the Bill is expressed in its title.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 752 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 86 Military and Civil Defense on S.B. No. 755

The purpose of the Bill is expressed in its title.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 755 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 87 Government Operations and Efficiency on S.B. No. 74

The purpose of this bill is to require the registration of lobbyists to make available to the legislature and the public the identity of persons who seek to influence the content, introduction, passage or defeat of legislation.

Your Committee has primarily amended this bill as follows:

1. The scope of the bill has been expanded to cover persons who seek to influence administrative action by the executive branch of the State government.
2. Lobbyists are to register with the State Ethics Commission rather than the clerks of each house of the Legislature.
3. Excludes from the registration requirement, any lobbyist who receives compensation or reimbursement, or expends, less than \$100 in a calendar quarter for lobbying.
4. Requires lobbyists to file periodic supplementary reports for any change of information previously filed, including the termination of services as a lobbyist.
5. Prohibits public officials, or their staffs or immediate families, from soliciting or receiving gifts from or on behalf of lobbyists exceeding in the aggregate \$100 in any calendar year, and prohibits the making of such gifts by or on behalf of lobbyists.
6. Increases the maximum fine for persons other than individuals from \$1,000 to \$10,000, and expressly makes all fines applicable to each violation.

7. Authorizes the State Ethics Commission to adopt rules in accordance with Chapter 91.

Your Committee on Government Operations and Efficiency is in accord with the intent and purpose of S.B. No. 74, as amended herein, and recommends that it pass second reading in the form attached hereto as S.B. No. 74, S.D. 1 and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 88 Judiciary on S.B. No. 165

The purpose of this bill is to add the regulation of mortuaries to the responsibilities of an expanded Cemetery and Mortuary Board. The present Cemetery Board is composed of seven members (four cemetery members and three public members) and regulates cemetery and pre-need funeral authorities. The expanded board would be composed of three cemetery members, three morticians and three public members.

Mortuaries would be subject to the same controls presently being exercised over cemeteries and pre-need funeral authorities. Regulation of mortuaries would help protect the general public in its acquisition of at-need funeral services.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 165 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 89 Judiciary on S.B. No. 264

The purpose of this bill is to amend present law regarding credit disability insurance policies by amending exclusions permitted in such policies and clarifying the exclusion for pre-existing conditions.

At present section 435-7(c)(2) excludes disabilities resulting from foreign residence and from pre-existing conditions for which the insured received or was advised to obtain medical advice, consultation or treatment during the six-month period preceding the effective date of coverage. Both exclusions have been the source of many complaints and lend themselves to uneven interpretation by insurers. This bill eliminates the foreign residence exclusion, and the pre-existing condition limitation will be tightened up to require that the condition must have resulted in a loss within six months following the date of coverage in order for the insurer to rely on it as an exclusion. The effect is to broaden coverage for insureds.

These amendments have also been recommended by the National Association of Insurance Commissioners and have been adopted by many states.

Grammatical corrections are also contained in the Bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 264 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 90 Legislative Management

Informing the Senate that S.R. Nos. 294 and 295 and Stand. Com. Rep. No. 91 to 99 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 91 Human Resources on S.B. No. 168

The purpose of this bill is to amend the Workmen's Compensation Law to expand the discretionary authority of the director of labor and industrial relations to award an injured employee compensation to pay for the services of an attendant when necessary.

Section 386-23 now authorizes the award of a sum of not more than \$300 per month for the procurement of the services of an attendant if the director finds that such services are constantly necessary for an injured employee.

This bill proposes to also authorize the director to award an unspecified additional sum if the injured employee who requires the services of an attendant is totally disabled.

Most injured employees who require the services of attendants are totally disabled. This bill would therefore authorize an increase in the amount of compensation for attendant services payable in most cases where it is now paid. Your Committee is of the opinion that such an increase is presently necessary as \$300 per month would not compensate a full-time attendant at the present minimum wage level.

The bill as introduced did not specify a monetary limit to the director's discretionary authority. Your Committee is of the opinion that \$600 would be a reasonable limit under the circumstances and has amended the bill by specifying \$600 as the maximum amount which may be awarded.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 168, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 92 Human Resources on S.B. No. 466

The purpose of this bill is to amend the Workmen's Compensation Law by adding a new section covering the appointment of special medical panels for cardiovascular cases.

The specific provisions of the bill will:

1. Require the director of labor and industrial relations to appoint a medical panel of three cardiovascular specialists to review a claim for compensation based on cardiovascular injury or disease upon the request of any party.
2. Require the director to "take the opinion of the panel into account in rendering his decision".
3. Make the employer liable for the payment of the fees of panel members if he requests the review and the special compensation fund liable for such payment when the request is made by the employee.

Your Committee agrees that a panel of specialists may be of assistance to the director in the determination of a cardiovascular case under the Workmen's Compensation Law. The panel, however, should serve only in an advisory capacity and not usurp a function assigned to the director under the law.

The director in his testimony before your Committee raised some questions on the mandatory provisions of the bill covering the appointment of the panel and on other language which seemingly requires him to follow the panel's opinion in the determination of a claim. Your Committee is of the opinion that there is some validity to the reservations of the director and has accepted his suggestion to amend the bill.

The bill as amended by your Committee now provides the director with discretion to refer a cardiovascular case to a panel of three cardiovascular specialists before he makes a determination on the claim. The language which could serve to usurp the director's function has also been deleted. The fees of the panel members will be paid by the state rather than a party, as this will help to maintain impartiality in the panels.

Your Committee on Human Resources is in accord with the intent and purpose of S. B. No. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 466, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 93 Human Resources on S.B. No. 585

The purpose of this bill is to amend the Workmen's Compensation Law to cover domestic workers.

The definition of "employee" in Chapter 386 presently does not include an individual whose "employment is solely for personal, family or household purposes". This serves to exclude domestic workers such as gardeners, maids, chauffeurs, and valets from

coverage under the law. Thus a sizeable number of workers has been left without protection against wage loss from work-related injuries and disabilities.

This bill proposes to amend the definition of "employee" so that an individual employed "solely for personal, family, or household purposes" would be included within the meaning of the term and be afforded coverage and protection under the Workmen's Compensation Law.

Your Committee agrees that domestic workers should be covered under the law as they are exposed to the risk of injury and wage loss from work-related causes like all other workers.

The proposal was supported by the director of labor and industrial relations in his testimony before your Committee. However, his recommendation was that workmen's compensation coverage be extended only to those domestic workers who receive remuneration in cash amounting to at least \$50 in any calendar quarter from a single household. This would tend to exclude casual domestic employment and facilitate enforcement of the law as it will apply to domestic workers. Your Committee has adopted the foregoing recommendation of the director and amended the bill to limit the law's coverage of domestic workers only to those who are paid \$50 or more in cash during any calendar quarter from a single household.

Your Committee on Human Resources is in accord with the intent and purpose of S. B. No. 585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 585, S. D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 94 Human Resources on S.B. No. 256

The purpose of this administration bill is to amend the Temporary Disability Insurance Law by redefining the term "disability" as applied therein.

Section 392-3(5) presently defines "disability" as the "total inability of an employee to perform the duties of his employment caused by sickness, pregnancy, termination of pregnancy, or accident other than a work injury as defined in Section 386-3."

This bill proposes to redefine disability to mean an employee's inability to perform the regular duties of his employment as well as other duties which the employer may offer him without a wage reduction. The intent of the bill is to encourage the continued employment of an individual without a reduction in wages during a period when he may not be totally disabled for all employment.

An employee may be totally incapable of performing his regular job but still remain fit to perform some other job the employer may have available. Your Committee is of the opinion that the proposed amendment would encourage the temporary placement of the employee in the second job to the benefit of both employer and employee. The employer would retain an experienced worker for the performance of required work and the employee would not sustain a wage loss only partially covered by Temporary Disability Insurance benefits.

The bill as introduced deleted the word "total" from the amended definition. Your Committee is of the further opinion that "total" inability to perform the duties of a job should remain in the law as a benefit eligibility requirement. It has therefore amended Section 1 of the bill to retain "total" inability to perform the duties of a job as a qualifying requirement for benefits under the law.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 256, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 95 Human Resources on S.B. No. 257

The purpose of this bill is to amend the Workmen's Compensation Law by deleting therefrom the term "workmen's compensation" wherever it appears and substituting the term "workers' compensation".

The Workmen's Compensation Law was enacted in 1915 when the work force was composed predominantly of male workers. The word "workmen", however, does not accurately reflect the present composition of the work force. Your Committee agrees the Workmen's Compensation Law is a Workers' Compensation Law and that vestiges of past discrimination in employment based upon sex should be removed from the law.

This bill is an administration proposal. The Director of Labor and Industrial Relations, however, has called your Committee's attention to the fact that the term in question also appears in other statutes such as the Temporary Disability Insurance Law, Chapter 392. He has recommended that the scope of the bill be expanded to delete the term "workmen's compensation" from the Hawaii Revised Statutes, rather than from only Chapter 386.

Your Committee has accepted the foregoing recommendation of the Director and amended the bill by making the provisions of Section 1 of the bill apply to the Hawaii Revised Statutes. The intent of the bill as amended is to delete the term "workmen's compensation" from the Hawaii Revised Statutes wherever it appears and to substitute a term which now more aptly describes the law.

During the public hearing conducted on the bill by your Committee, the Board of Underwriters of Hawaii expressed concern over a problem which would arise in the transitional period. The particular problem is related to the use of the deleted term in existing policies and other official documents. The Department of Labor and Industrial Relations, however, has informed your Committee that this would pose no problem as it will continue to accept the present forms until existing supplies of such documents are exhausted.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 257, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 96 Intergovernmental Relations on S.B. No. 194

The purpose of this Bill is to add a new section to Chapter 46 of the Hawaii Revised Statutes, to allow for three appraisers to be hired by a County Council for the purpose of performing certain tasks in the improvement district process. This Bill also proposes that each County shall pay the difference between the total amount of the proposed assessments as determined by the appraisers and the total cost of the improvements.

Your Committee finds that the Bill does not distinguish between the various types of improvement districts. The Bill has been amended so as to have it apply only to improvement districts initiated by the State or a county and not one initiated by private property owners.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 194 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 194, S.D.1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 97 Intergovernmental Relations on S.B. No. 488

The purpose of this Bill is to enable the City and County of Honolulu to expand its Areawide Program of Aging Services, by providing congregate dining services to 3,000 persons 60 years or older.

Your Committee finds that the City and County of Honolulu, with the review and approval of the Hawaii State Commission on Aging, has satisfactorily provided congregate dining to the elderly in the Kalihi-Palama-Chinatown area. The program has been State and Federally funded. This Bill would extend similar congregate dining services to Waipahu, Waikiki, Pearl City, Nanakuli, Waianae, Aiea, McCully area, Ewa Beach, Laie, Kaneohe, Hauula, and Wahiawa.

Your Committee has amended the Bill to provide that (1) the State Commission on Aging shall be the expending agency, and (2) the Act shall be effective upon approval.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 488 as amended herein, and recommends that it pass Second Reading in

the form attached hereto as S.B. No. 488, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 98 Intergovernmental Relations on S.B. No. 510

The purpose of this bill is to relieve the police officers of the several Counties of the task of checking on business licenses.

Your Committee finds that Section 445-13 Hawaii Revised Statutes has been in effect since 1913. The section delegates the duties of license inspectors to police officers -- a task which is considered to be a non-police function. This bill would amend the law and provide that the Director of Finance of each County shall authorize and carry out the task of checking and reporting "persons within the district who are liable for the payment of license fees".

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 510 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 99 Consumer Protection on S.B. No. 91

The purpose of this Bill is to provide for the registration and certification of auto repair dealers beginning January 1, 1976. It provides for a system whereby the consumer will be able to identify a legally established automobile repair facility whose operations are regulated by guidelines. It requires the registration of any business enterprise which repairs motor vehicles for compensation, and exempts the federal, State or county governments and business or commercial enterprises that exclusively repair motor vehicles owned by same. Nor does this bill require the registration of an individual who repairs his own vehicle or the vehicles of his relatives and friends without receiving compensation.

The necessity for this Bill has been clearly demonstrated by the numerous continuing complaints received by the Office of Consumer Protection regarding unsatisfactory motor vehicle repairs and excessive charges. Being an extremely necessary "instrument" to the consumer the nonavailability of the automobile due to repairs is cause for considerable concern not only to the consumer, but to government and industry as well.

This Bill is unique in that it proposes to regulate the automotive repair dealer without the creation of a government regulatory board. Registration will be conducted by the Department of Regulatory Agencies, and the Director of Consumer Protection will administer and enforce the provisions of the Bill. Your Committee on Consumer Protection believes that this "new approach in government regulation" is innovative and will be successful.

The purpose of this Bill is to provide for the registration of automotive repair dealers. This Bill amends the Hawaii Revised Statutes by adding a new section entitled, "Regulation of Automotive Repairs".

Senate Bill No. 91, S.D. 1, is a unique proposal to regulate the automotive repair industry employing a new and innovative method.

Presently, government boards, which have been created by the Legislature to regulate various industries, vocations, and professions, are unable to react efficiently and expeditiously to consumer complaints.

This Bill would provide for the registration of automotive repair dealers without the creation of this type of government board or commission and at the same time provide adequate enforcement powers for the Office of Consumer Protection to accomplish the purposes of regulation. This Bill proposes to enact as law, certain unofficial procedures developed between the Office of Consumer Protection and the automotive repair industry association as a result of legislative encouragement. This arrangement has been successfully employed for three years by the consumer protector to satisfy consumer complaints.

Consumers have been frustrated by the delay and inaction of government regulatory boards when they registered a complaint. The member composition and the infrequency of meetings of the board preclude prompt action and effective follow up action to the satisfaction of the consumer.

The Office of Consumer Protection has provided quicker response through the use of volunteers from the auto repair industry. This arrangement has worked to the satisfaction of the consumers who have received restitution in the way of prompt corrective repairs, return of property, or recovery of payments which sometimes proved to be excessive; to the satisfaction of the volunteer who assisted his industry to maintain a "good image" by arranging the offending repair dealer to "clean house"; and to the satisfaction of the Consumer Protection Director. Whenever the volunteer found the plaintiff to be in apparent violation of business practices, he recommended that the Director conduct an official investigation.

Senate Bill No. 91, S.D. 1, continues this informal arrangement but places the activity under an official umbrella of rules to be established and administered by the Director. Prompt government action is a fact under this system.

Several earlier proposals have been studied by previous Legislatures, but the proposals were considered harsh and severe and were therefore rejected. This Bill before this Legislature is one that has removed the mechanic regulation provision from the proposal to regulate the Auto Repair Dealers. Your Committee recognizes the different nature of the two proposals.

Your Committee has held a public hearing at which the representatives from the motor vehicle mechanics union, the Hawaii Automobile Dealers Association, and the Hawaii Gasoline Dealers Association testified in support of the Bill. All witnesses testified that this registration program will eventually lead to an improved repair service.

Your Committee has made the following amendments:

1. The definition of "mechanic" was expanded to include "intermediate" or "Journeyman" as the terms are commonly used in the motor vehicle repair industry.
2. Definition of "Registered Mechanic" is added.
3. Definition of "Certified Mechanic" is added.
4. Definition of "Certified Registered Mechanic" is added.
5. The definition of "Repair motor vehicles" is added to exclude auto painting or work performed in installing or repairing auto glass, tops and seats.
6. The definition of "Service station attendant" is added.
7. Section 5 is amended by removing the apprentice from the qualification requirement and the word "may" has been changed to "shall".
8. Section 7 was amended to provide for the adoption of substantive and procedural rules.
9. Section 8(a)(10) is amended to provide for mobile repair facilities.
10. Section 8(b) is amended to reduce the number of fines from four to two and increasing the initial amounts.
11. Section 9 is amended to reduce the number of fines before suspension or revocation is considered; it also provides for the Director to exercise an option.
12. Section 12 is amended to provide a waiver base on mutual trust.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 91, S.D. 1, as amended herein and recommends that it pass Second Reading in the amended form hereto attached as S.B. No. 91, S.D. 2, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 100 Legislative Management

Informing the Senate that Gov. Msg. Nos. 58 to 73, S.C.R. No. 86, S.R. Nos. 296 and 297 and Stand. Com. Rep. Nos. 101 to 128 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 101 Human Resources on S.C.R. No. 25

The purpose of this resolution is to have the legislature adopt the Master Plan for the Elderly as an expression of state policy for the provision of services and programs to Hawaii's elderly.

At a public hearing before your Committee sitting in joint session with the House Committee on Youth and Elderly Affairs, witness testimony was unanimous in support of the resolution.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 102 Human Resources on S.B.R. No. 40

The purpose of this resolution is to request Congress to federalize welfare programs across the country.

Your Committee finds that the present welfare system is placing state governments in an impossible situation by precluding allocation of resources over other pressing areas of state responsibility. For Hawaii in 1974-75, the money payment cost is expected to reach 73.5 million dollars.

Also, in view of the high level of mobility, the states receiving a great influx of people on welfare are assuming a burden which should be the responsibility of the Federal Government.

Your Committee believes that the national problem of poverty must be dealt with by the Federal Government to provide for the poor on a uniform and equitable basis.

Your Committee on Human Resources is in accord with the intent and purpose of Senate Concurrent Resolution No. 40 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 103 Human Resources on S.R. No. 47

The purpose of this resolution is to request the Senate to explore ways to provide increased tax incentives for persons who provide care for the elderly.

Currently, we disrupt the natural family system by paying unrelated persons to care for the elderly.

Therefore, your Committee finds that granting income tax benefits will provide financial incentives for younger members of families to care for their aged parents. Such a program would support the continuation or re-creation of the extended family.

Your Committee has amended the resolution by requesting the Senate Majority Research staff instead of the Senate to review methods of increasing tax incentives for persons who care for the elderly.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 47, S.D. 1.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 104 Human Resources on S.R. No. 48

The purpose of this resolution is to request that the State of Hawaii increase its efforts in the development of housing for the elderly.

Housing has proven to be one of the most crucial needs of the elderly both nationally and statewide. Also, because of Hawaii's desperate land and housing situation, the problem appears to be even more acute for the local aged population.

Your Committee finds that housing means more than just a physical structure for the elderly. It provides satisfying living arrangements in which one can take pride and find resources needed to mold a meaningful life.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 48 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 105 Human Resources on S.R. No. 158

The purpose of this resolution is to urge Aloha Airlines and Hawaiian Airlines to petition the Civil Aeronautics Board for the re-establishment of reduced air fares within the State of Hawaii for the elderly.

Your Committee finds that air travel is costly for the elderly who oftentimes live below poverty level. And with increasing age, many elderly find that they need specialized medical services which can be found mainly in Honolulu. The cost of medical travel adds to the increasing burden of their limited income.

Many of the elderly have children who have moved away from the Island of their birth. Special discount fares would make these visits with their loved ones more frequent and, therefore, bring joy in the remaining years of life.

Furthermore, your Committee finds that Aloha Airlines and Hawaiian Airlines voluntarily terminated the reduced air fare program in 1974 in order to prevent a costly investigation by the Civil Aeronautics Board. Such an investigation would question the legality of discriminating in favor of senior citizens.

However, the Civil Aeronautics Board has stated that the two airlines may petition for reinstatement of reduced air fares for the elderly. Such a petition has been filed by Hawaiian Airlines and Aloha Airlines is being encouraged by this Committee to follow the same action.

Your Committee has amended the resolution by stating the purpose in a clearer and concise form.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 158, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 158, S.D. 1.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 106 Human Resources on S.B. No. 166

The purpose of this bill is to improve the coordination and delivery of programs and services to the elderly in Hawaii at both the state and county levels. Interim and pre-session work conducted by your Committee clearly established the fact that much of the dissatisfaction and problems associated with the current delivery of programs and services to the elderly were attributable to the fragmented fashion in which projects have been established, funded, and operated. This finding was confirmed by Gordon Associates, Inc., who in their report "Comprehensive Master Plan for the Elderly", December 15, 1974, noted that "The examination of current service delivery capabilities in Hawaii for service programs for the elderly presents a picture of a system operating in contradiction to itself. In the jargon of the analyst, there is no comprehensive, coordinated, and integrated delivery system for the elderly. There are a number of competing public and private agencies that have more finite managerial control over the development and implementation of service programs that impact on the elderly than either the commission on aging or local area agencies despite the latter's mandate for informal clearance and review of all elderly program matters. This condition deprives the State of any effective administrative and planning function that could effectively integrate service delivery functions."

The goal of strengthening programs and services for the elderly can be markedly enhanced by establishing an executive office on aging within the office of the governor and making the director of the executive office on aging the principal official in state government solely responsible for the conduct, development, and control of programs, policies, and activities on behalf of the elderly. The proposed bill (1) provides the director with a deputy director and other support staff; (2) creates a policy advisory board appointed by the governor, a majority of whom are over sixty years of age to assist the director in policy deliberations; (3) creates county offices for elderly affairs and county policy councils for elderly affairs; and (4) abolishes the existing commission on aging.

At a public hearing before your Committee sitting in joint session with the House

Committee on Youth and Elderly Affairs, witness testimony was unanimous in support of the basic structure and intent of the bill.

Your Committee after carefully considering the testimony has made the following amendments:

(1) Section 349-1(b), relating to the qualifications of the director of the executive office on aging, has been amended to expressly spell out the requirement for (A) professional training in the fields related to social work, education, public health; (B) extensive direct experience in programs and services for the elderly; and (C) recent experience in a supervisory, consultative, or administrative capacity.

(2) Section 349-2(3), relating to the principal functions of the director, has been amended to eliminate reference to the director's role in formulating and implementing other state agency policies and practices impacting on the elderly and to refocus the advocacy function from one of conducting such efforts to one of assessment and evaluation.

(3) Section 349-2(10), also relating to the duties of the director with respect to contracting for services, has been amended to provide that the director may enter into master contracts with other state agencies and purchase of service agreements with appropriate agencies.

(4) Section 349-3(a), relating to the deputy director, has been amended to specify that the deputy director shall be professionally trained in the field of law and be licensed to practice before the courts of this State.

(5) Section 349-4, relating to the policy advisory board for elderly affairs, has been revised to (A) specify that the number of board members shall be not less than twenty-one nor more than twentyseven; (B) affirmatively state that the board shall include one member from each county by name of county; (C) provide that the seven members representing the various state agencies shall serve as ex officio nonvoting members; (D) provide for staggered terms for the members; (E) specify that the chairman of the board shall be elected annually from among the nongovernmental voting members of the board; and (F) require that the board shall meet not less than twelve times a year.

(6) Section 349-8, relating to the powers of other departments and agencies and cooperation therewith with the executive office on aging, has been expanded to specify that it shall be the duty and responsibility of each state department and county agency serving the elderly to coordinate their efforts and programs with the executive office on aging and to clear its final plans with that office prior to implementation of such plans.

(7) A new Section 5 has been added to appropriate \$277,508.

(8) A new Section 6 has been added to provide that the sum appropriated shall be expended by the office of the governor.

(9) The existing Section 5 has been changed to a new Section 7 to provide, as previously, that the Act shall take effect upon its approval.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 166, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 166, S.D. 1.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 107 Human Resources on S.B. No. 172

The purpose of this Act is to appropriate monies out of the general revenues of the State of Hawaii to conduct a feasibility study relating to the Hawaii Income Assurance System (HIAS) for Hawaii's elderly.

Your Committee finds that one out of every five elderly persons live below the poverty level. Many of these elderly in Hawaii live on fixed incomes which are often insufficient to meet their basic living requirements. Furthermore, the present state and federal system of providing income for the elderly is often inadequate in meeting the rising cost of living.

Your Committee recognizes that the proposal for the Hawaii Income Assurance System presented in the Comprehensive Master Plan for the Elderly is an alternative for providing supplemental benefits to the elderly assuring them of an adequate level of income. However, an in-depth study on the feasibility of this program is required.

Your Committee recommends that an appropriation of \$50,000 be expended by the office of the Governor for the purpose of this Act.

Your Committee on Human Resources is in accord with the intent and purpose of Senate Bill No. 172 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlring.

SCRep. 108 Judiciary on S.B. No. 1469

The purpose of this bill is to permit a grand jury to sit until the completion of any matter in which such grand jury was impaneled.

Your Committee has amended S.B. 1469 by adding an amendment to Section 612-17(b) to reduce a trial jury panel from 26 to 18 names.

Your Committee is in accord with the intent and purpose of S.B. No. 1469, as amended herein, and recommends that S.B. No. 1469, S.D. 1, attached hereto, pass Second Reading and be recommitted to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 109 Housing and Hawaiian Homes on S.B. No. 19

The purposes of this bill are (1) to provide for state regulation of the reopening and renegotiation of lease contracts and (2) to amend chapter 516, Hawaii Revised Statutes, to enable more owner-occupants to acquire the fee interests in their lots.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 19 and recommends that it pass First Reading and be recommitted to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 110 Housing and Hawaiian Homes on S.B. No. 22

The purpose of this bill is to amend chapter 516, Hawaii Revised Statutes, to provide for the individual purchase by a lessee of the fee simple interest to a lot.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 22 and recommends that it pass First Reading and be recommitted to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 111 Housing and Hawaiian Homes on S.B. No. 24

The purpose of this bill is to appropriate monies from the general revenues of the State to improve housing programs for homeowners and tenants.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 24 and recommends that it pass First Reading and be recommitted to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 112 Housing and Hawaiian Homes on S.B. No. 25

The purpose of this bill is to increase the amount of interim construction money and long-term mortgage financing for housing development in the State.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 25 and recommends that it pass First Reading and be recommitted to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 113 Housing and Hawaiian Homes on S.B. No. 64

The purpose of this bill is to provide funds for home loans under the Hawaiian homes

program.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 64 and recommends that it pass First Reading and be recommitted to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 114 Housing and Hawaiian Homes on S.B. No. 67

The purposes of this bill are twofold: (1) to provide funds for Hawaiian home lands revolving funds and site improvements; (2) to amend the means of financing of Hawaiian home lands programs.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 67 and recommends that it pass First Reading and be recommitted to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 115 Health on S.B. No. 1264

The purpose of this bill is to increase the effectiveness and availability of mental health care services in Hawaii.

This bill was introduced in short form. It has been amended to provide the necessary details.

Your Committee on Health has considered said bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 1264, S.D. 1, and be recommitted to the Committee on Health.

Signed by all members of the Committee.

SCRep. 116 Intergovernmental Relations on S.B. No. 495

The purpose of this bill is to permit the City and County of Honolulu to make its own determination as to the appropriate use of its Highway Funds.

Your Committee finds that the present law, Section 249-18 Hawaii Revised Statutes, restricts the use of the highway special funds to a ceiling of \$500,000. This bill would remove the restriction, and thereby give the City and County of Honolulu the same flexibility of determination as in the case of the other Counties.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 495 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 117 Intergovernmental Relations on S.B. No. 496

The purpose of this Bill is to amend Chapter 246, Hawaii Revised Statutes, to provide that the costs of assessing and collecting real property taxes be prorated among the Counties on the basis of actual costs incurred, rather than on the basis of assessed valuations of the properties which are located within the County.

Under present law the Counties reimburse the State for the costs of real property assessment and collection. The amount to be reimbursed to the State is based on the total assessed valuations of the properties which are located within the County.

Your Committee finds that the present method of charging the Counties on the basis of total assessed valuations is not as equitable as would be a method on the basis of actual costs incurred. Presently the City and County of Honolulu is charged an amount which is about 81% of the total costs, Maui 6%, Hawaii 10%, and Kauai 3%.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 496 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 118 (Majority) Intergovernmental Relations on S.B. No. 634

The purpose of this bill is to amend Section 88-73, Hawaii Revised Statutes, so as to allow any member of the police force to retire with twenty-five years of service regardless of age and without penalty.

Your Committee finds that under present law, a policeman can retire at an age below the normal age of 55 if he has at least 25 years of credited service. However, the policeman so retiring is penalized, because the retirement benefit is computed and reduced for each year of the retiree's age which is below age 55.

This bill proposes that "any member of the police force may retire with twenty-five years of service, regardless of age and without penalty".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 634 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee. Senator Kawasaki did not concur.

SCRep. 119 Intergovernmental Relations on S.B. No. 708

The purpose of this Bill is to correct the law in order to achieve the intent of the differential tax rates by providing for the determination of real property tax rates by "category" rather than by "class" of property.

Your Committee finds that in enacting Act 218 SLH 1969 it was the intent of the legislature to separate residential property into two classes for assessment purposes. Improved residential property was to be excluded from the operation of the differential tax rate between land and improvements and taxed at a single rate as are agricultural and conservation property.

Unimproved residential land was to continue to be subject to the effects of the differential tax rates as is apartment/resort/ hotel property.

However, due to an oversight, Act 218 SLH 1969 did not include provision for the computation of tax rates by categories. As a result, unimproved residential properties are, in some cases, subject to lower tax rates than they would have been if they were classed with other residential properties. This bill would correct this inadvertent error.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 708 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 120 Human Resources on S.B. No. 32

The purpose of this bill is to appropriate an unspecified amount of money from the general revenues of the State of Hawaii to study and review employee benefit laws.

Your Committee has amended the bill to appropriate \$75,000 for the purpose of this study.

The study is to determine the standards and guidelines for establishing and defining what is "unified, fair, and coordinated system of compensation and application" provided by workmen's compensation, unemployment compensation, temporary disability insurance, and prepaid health insurance.

The department suggested an appropriation of \$75,000 for the study which will be contracted out; and recommendation for corrections on deficiencies are to follow with appropriate amendments in the 1976 legislature.

Your Committee on Human Resources is in agreement with the intent and purpose of S.B. No. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 32, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfing.

SCRep. 121 Human Resources on S.B. No. 713

The purpose of this bill is to provide certain retirement benefits for the Chief Clerk and the Sergeant-At-Arms of both house of the legislature.

Your Committee finds that under present statutes, elected officers and judges are provided a retirement benefit with ten years of credited service regardless of age. The ordinary disability retirement allowance is not amended to provide similar benefits to the Chief Clerk and the Sergeant-At-Arms of both houses.

Your Committee further finds that the cost per year to provide this benefit would be approximately \$27,000, with such cost to be reflected two years hence and thereafter.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 713, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfiing .

SCRep. 122 Human Resources on S.B. No. 853

The purpose of this bill is to provide retirement benefits for the appointed administrative director or managing director and their first deputy to the Chief Executive of the State, to the Chief Justice of the Judiciary and to the Chief Executive of each of the County Governments, an appointed department head, an appointed deputy department head, or a district court judge, on the same basis as for an elected officer or judge.

Your Committee finds that this bill is to grant these persons the benefit of receiving the credit of three per cent of their average final compensation for each year of service should they elect to receive service retirement. Estimated cost to provide this benefit is approximately \$1.6 million per year, of which the State's share will be \$1.2 million and the counties' \$.4 million.

Your Committee further finds that this bill would grant additional benefits to top level management executives, and will help to attract qualified persons to accept these positions. This bill was unanimously adopted by the Conference of Civil Service Commissions and Directors of Personnel Services.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 853, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfiing .

SCRep. 123 Human Resources on S.B. No. 858

The purpose of this bill is to authorize the establishment of a deferred compensation plan for the benefit of officers and employees.

Your Committee finds that deferred funds are not taxed until the employees concerned actually receive these funds which is usually when they retire and their tax liabilities are lower because of tax exemptions. The establishment of these plans will make the State and county governments more attractive as employers.

Your Committee further finds that this bill would provide an additional source of income to officers and employees when they retire. This bill was unanimously adopted by the Conference of Civil Service Commissions and Directors of Personnel Services.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 858, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfiing .

SCRep. 124 Judiciary on S.B. Nos. 113, 123, 124, 940, 1268, 1273, 1687, 1692, 1710, 1714, 1715, 1716, 1717, 1718, 1719, 1720 and 1730

Your Committee on Judiciary has considered the above listed bills and recommends that they pass First Reading by title and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Taira, George and Leopold.

SCRep. 125 Consumer Protection on S.B. No. 214

The purpose of this Bill is to prohibit licensed practitioners from appearing in Small Claims Court on behalf of another person.

This Bill amends Section 633-28, Hawaii Revised Statutes, by deleting the present provision which prohibits attorneys from practicing in Small Claims Court on matters involving security deposits in residential landlord-tenant cases, and by adding a new provision which would prohibit attorneys from representing any cause in the Small Claims Court.

The Small Claims Court was established to permit citizens to litigate relatively small disputes without incurring expensive legal expenses. Presently, attorneys may not appear on behalf of anyone in the Small Claims Court if the dispute relates to residential rental security deposits. This provision was enacted as part of the Landlord-Tenant Code and it was included because the Legislature felt that tenants would be at a disadvantage when opposed by attorneys retained by landlords who usually had more resources. For this same reason, consumers in other matters are also faced with this disadvantage in Small Claims Court when they must oppose an attorney retained by a businessman.

The Committee finds that this measure will help make the Small Claims Court truly a "People's Court" as it was originally intended to be.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 214 and recommends that it pass second reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 126 Military and Civil Defense on S.B. No. 174

The purpose of the Bill is to increase the uniform maintenance allowance for the enlisted personnel of the Army and Air National Guard of Hawaii while in training from 70 cents per day to \$1.50 per day and to provide for such allowance when they are ordered to active service by the Governor of the State.

Edward Yoshimasu, Legislative Committee Chairman of the Hawaii National Guard Association testified in favor of the Bill. He stated that the spiraling cost in recent years has made the 70 cents per day uniform maintenance allowance now paid to the enlisted personnel of the Army and Air National Guard of Hawaii while in training to be very inadequate. He further stated that there was a need to extend the uniform maintenance allowance to the enlisted personnel of the Army and Air National Guard when they are called into active service by the Governor of the State. For training purpose, he stated that the Bill would increase the cost of uniform maintenance allowance from about \$40,000 a year for 3,800 enlisted personnel to \$96,000 a year for 4,200 enlisted personnel or \$192,000 for the biennium.

Valentine A. Siefertmann, Adjutant General of Hawaii, also testified in favor of the Bill. He stated the increase in the uniform maintenance allowance will serve as an added incentive for the recruiting and retention program of the Hawaii National Guard.

Your Committee has amended the Bill as follows:

1. To cite the present language of Section 121-41. The section was amended in 1969 and the Bill incorrectly cites the section in its former language.
2. To make certain technical amendments.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 174, as amended in the form attached hereto as S.B. No. 174, S.D.1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 127 Military and Civil Defense on S.B. No. 612

The purpose of the Bill is to provide the enlisted members of the Hawaii National Guard

with tuition assistance for post secondary and vocational education at State educational institutions.

Valentine A. Siefertmann, Adjutant General of Hawaii, and Edward Yoshimasu, Legislative Committee Chairman of the Hawaii National Guard Association, both testified in favor of the Bill. They stated that the tuition assistance will encourage enlistment and retention in the Hawaii National Guard. It will also give the young people of the State an opportunity to pursue higher education where otherwise they may not be able to afford it. Tuition assistance to members of the National Guard is not something unique. There are about 10 states which provide some form of educational assistance to members of the National Guard. At the present time there is a bill pending in Congress which will provide Federal educational assistance to the members of the National Guard. In the event the Federal bill is enacted, this Bill provides that the State tuition assistance shall automatically terminate.

The Bill provides for tuition assistance in the form of monetary payment to an enlisted member of the Hawaii National Guard. Your Committee on Military and Civil Defense feels that it is more advisable to provide the tuition assistance in the form of a waiver or reduction of tuition at the State educational institution. The Bill has been amended accordingly. Your Committee has also made several technical amendments to the Bill.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 612, as amended in the form attached hereto as S.B. No. 612, 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. 128 Military and Civil Defense on S.B. No. 636

The purpose of this Bill is to exclude from gross income, adjusted gross income and taxable income, under the State income tax law any compensation received from the United States for services rendered as a member of the uniformed military services of the United States by a resident of Hawaii when the resident is serving in an area outside of the State not less than 365 calendar days in any taxable year.

No one testified for or against the Bill, however, Stanley Suyat, Deputy Director of Taxation, State Department of Taxation testified and informed your Committee as follows:

1. Under the present income tax law of the State the tax is imposed on any compensation received from the United States for services rendered as a member of the uniformed services of the United States by a resident of Hawaii whether or not the services are rendered within or without the State. An exception is when the services are performed in a combat zone, in which event any compensation received for such services may be entirely excluded by a non-commissioned member or partly excluded by a commissioned officer from the gross income.
2. The tax imposed by the State income tax law does not apply to the first \$500 received by a member of the reserve components of the Army, Navy, Air Force, Marine Corps, Coast Guard of the United States and the Hawaii National Guard as compensation for performance of duty as such whether or not the duty is performed within or without the State.
3. The Bill would have a two-way benefit. If a resident of Hawaii met the requirements, no income tax would be imposed by the State and the State in which he is performing the military duties cannot, under the Soldiers' and Sailors' Civil Relief Act of 1940, impose an income tax because of his presence in compliance with military orders.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 636 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 129 Legislative Management

Informing the Senate that S.R. Nos. 298 to 302 and Stand. Com. Rep. Nos. 130 to 155 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 130 Health on S.B. No. 13

The purpose of this bill is to establish a system for health planning and resource development and to implement the requirements of the National Health Planning and Resource Development Act of 1974.

This bill was introduced in short form. It has been amended to provide the necessary details.

Your Committee on Health has considered said bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 13, S.D. 1, and be recommitted to the Committee on Health.

Signed by all members of the Committee.

SCRep. 131 Intergovernmental Relations on S.B. No. 71

The purpose of this Bill is to transfer the responsibility for all assessments, collections, enforcement and first appeals of real property taxation from the State Department of Taxation to the several counties.

Your Committee has heard testimony to the effect that the cost of administration on the neighbor islands would be increased. However, the counties favor this measure. There should be a lowering of the cost of assessment on Oahu, and justification of home rule and county control over the primary source of county revenue justify this transfer. The City and County of Honolulu has introduced a substantially similar bill, S.B. 949, under which certain exemption powers would also be given to the counties. Such powers were also requested by Hawaii County. Your Committee seriously considered granting full exemption powers to the counties but determined that it was better to proceed one step at a time.

Your Committee has amended the Bill by deleting references to several inappropriate sections in Section 5.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 71, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 71, S.D. L, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 132 Higher Education on S.B. No. 6

The purpose of this bill is to appropriate monies out of the general revenues of the State of Hawaii for the expansion of the college work-study and cooperative education programs at the University of Hawaii.

Work-Study Program

Currently, 935 students are employed throughout the University System under this program which is financed by the Federal and State governments on a matching fund basis - (80% Federal, 20% State).

Cooperative Education Program

The expansion of the vocational education curriculum makes it necessary to expand the cooperative education program at the various community colleges. The monies appropriated by this bill will allow the community colleges to hire additional counselors to implement the expansion of the cooperative education program.

Your Committee has amended S.B. No. 6 to provide \$96,500 for the Work-Study Program and \$150,000 for the Cooperative Education Program.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 6, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 133 Higher Education on S.B. No. 336

The purpose of this bill is to appropriate monies out of the general revenues of the State of Hawaii for the State Higher Education Loan Fund (SHELF).

Established by the State Legislature in 1969, SHELF is assisting some 400 students. It has been of great assistance to students and their parents in the lower middle to middle income brackets.

Your Committee has amended S.B. No. 336 to include the sum of \$325,000 to be appropriated for the year 1975-76. The program is funded for only one year because estimates for the biennium were not available.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 336, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 134 Higher Education on S.B. No. 339

The purpose of this bill is to appropriate the sum of \$50,000 for the establishment of a Chair in Oceanography at the University of Hawaii.

While your Committee agrees with the concept of establishing such a Chair at the University, it feels that the University should follow the traditional practice and make a concerted effort to secure at least one half of the funds from private sources.

Therefore, your Committee has amended S.B. No. 339 to appropriate the sum of \$25,000.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 339, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 135 Higher Education on S.B. No. 361

The purpose of this bill is to expand educational assistance to Senior Citizens by allowing Senior Citizens to enroll in noncredit courses at any campus of the University of Hawaii without payment of tuition or fees.

The Seventh Legislature established a program to waive tuition and fees for Senior Citizens enrolled in regular credit courses at the University of Hawaii. At the same time, the Commission on Aging, with Federal funds, began a Senior Citizen free tuition program for non-credit courses through the College of Continuing Education and Community Service.

Both programs have been a success and your Committee agrees that the credit and non-credit programs should be combined.

Your Committee has amended the bill to include the sum of \$100,000 to be expended by the State Commission on Aging.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 361, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 136 Higher Education on S.B. No. 484

The purpose of this bill is to appropriate \$80,000 out of the general revenues of the State of Hawaii for conducting a leadership program under the University Extension Homemakers Program.

The strain of the current economic conditions of inflation and unemployment has increased

the demand for assistance to homemakers throughout the State.

There are some 2,000 University Extension homemaker volunteers who represent a leadership potential for the expansion of educational programs throughout the State.

The Hawaii Extension Homemakers Council has the ability to train and organize these volunteers. This bill will provide the necessary funds for the training. Once these volunteers are trained, there will be an able core of volunteers who can assist the professionals to bring help to those individuals and families who otherwise could not obtain the assistance they require.

Your Committee has amended the bill to emphasize that these funds shall only be used for the operation of this leadership program.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 484, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 137 Higher Education on S.B. No. 578

The purpose of this bill is to appropriate funds out of the general revenues of the State of Hawaii for the operation of the Comprehensive Training Program (University Without Walls).

The bill appropriates the sum of \$365,153. However, your committee has amended this figure to \$221,000 in order to sustain the program at its current level for the year 1975-76.

Your Committee recommends that no additional positions be allowed and no new equipment be purchased at this time.

Your Committee also recommends that the University consider the possibility of including the Comprehensive Training Program in the Hawaii Open Program for the Excluded (HOPE). HOPE is a more comprehensive program to educate the disadvantaged.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 578, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 138 Higher Education on S.B. No. 1185

The purpose of this bill is to provide funds to support the management, administration, and operation of the Canada-France-Hawaii Telescope Corporation during biennium 1975-77 in accordance with the Tripartite Agreement among the National Research Council of Canada, the Centre National de la Recherche Scientifique of France and the University of Hawaii signed on February 22, 1974.

The specific responsibilities of the members of the Corporation were set out in a Tripartite Agreement, signed on June 20, 1974, by representatives of these three Agencies. Under this Agreement, the French and Canadian parties will provide the estimated \$26 million required to construct the facility on Mauna Kea. In recognition of the substantial contribution, which had previously been made by the State of Hawaii to the development of Mauna Kea for astronomical research, the State was to provide no added funds toward the capital cost of the project. However, the State (through the University) was to receive 15-percent use of the facility in return for making a 15-percent contribution to the operating costs of the Corporation--the remaining 85 percent being shared equally by the French and Canadians. The University estimates it's share to be \$85,000.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1185 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 139 Higher Education on S.B. No. 1186

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii a sum to provide a basic level of funding for women's intercollegiate athletics at the University of Hawaii, Manoa and to ensure compliance with the legal requirements of Title IX of the Equal Education Act of 1972.

Your Committee has amended the bill to include the sum of \$170,000 in Section 2 for the fiscal year 1975-76.

Your Committee has funded this program for only 1 year because it feels that a clarification of the federal requirements of Title IX of the Equal Education Act of 1972 is necessary. Your Committee hereby requests that the University present such a clarification before the Regular Session of the Legislature of 1976.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1186, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 140 Higher Education on S.B. No. 1284

The purpose of this bill is to appropriate the sum of \$276,000, for the operation of the Statewide Athletics Program at the University of Hawaii.

Act 218 SLH 1974 provides for the operation of an intramural athletics program for the University system. Your Committee has been informed that the University estimates the cost of operation to be \$276,000 for the biennium of 1975-77.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1284 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 141 Higher Education on S.B. No. 1520

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$20,000 or as much thereof as may be necessary for the Kamuela Extension Service building.

The \$20,000 will be used to purchase office furniture and equipment for the Kamuela Extension Service building and is a supplement to prior appropriation made by Act 187 SLH 1970.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1520 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 142 Higher Education on S.B. No. 1677

The purpose of this bill are threefold:

- 1) To amend the existing statute to enable the State to participate with the Federal government in providing grants to substantially needy students as part of a total package of financial aid under the State Student Incentive Grant Program (SSIGP).
- 2) To amend the existing statute to enable the University to concurrently register a State scholarship holder at two or more campuses.

There are certain programs at various University of Hawaii campuses which require that a student register at more than one campus during the same semester in order to gain training in certain skills unavailable at the campus at which the student is seeking a degree. It appears that at the present time, when a scholarship holder at a baccalaureate campus must concurrently register at more than one campus, two financial aid units must be charged to meet the needs of one student.

- 3) To appropriate \$250,000 for the 1975-77 biennium for the Scholarship program.

The SSIGP requires that State funds match Federal funds on a 50/50 basis. The University of Hawaii estimates that \$250,000 in State funds are necessary.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1677 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 143 Ecology, Environment and Recreation on S.B. No. 42

The purpose of the bill is to preserve, protect and restore, where possible, the natural resources of the coastal areas of Hawaii and to provide an opportunity to the people of the State to guide the formulation of a State coastal zone conservation plan. To accomplish this, the bill proposes to establish a Hawaii Coastal Zone Conservation Commission and four (4) County Coastal Zone Conservation Commissions with the following provisions:

1. The Hawaii Coastal Zone Conservation Commission, on the advice and recommendation of the County Coastal Zone Conservation Commission, shall prepare, adopt and present to the Legislature for adoption and implementation a Hawaii Coastal Zone Conservation Plan.
2. Before December 1, 1978, the Hawaii Coastal Zone Conservation Commission shall adopt the Hawaii Coastal Zone Conservation Plan and submit it to the Legislature for its adoption and implementation.
3. The Hawaii Coastal Zone Conservation Commission and the County coastal Zone Conservation Commissions shall continue until superseded by an agency or agencies authorized by the Legislature to implement and enforce the Hawaii Coastal Zone Conservation Plan.
4. During the period prior to the adoption and implementation of the Hawaii Coastal Zone Conservation Plan by the Legislature, the County Coastal Zone Conservation Commissions, subject to appeal to the Hawaii Coastal Zone Conservation Commission, shall administer a permit system relative to any development in the coastal areas of the State. Under the permit system, no development shall be allowed in the coastal areas unless a permit is issued by a County Coastal Zone Conservation Commission and any other permit that may be required is also issued by other County or State agency.

Great interest was shown in the bill as evidenced by the numerous individuals and organizations testifying on the bill. They all seemed to be in agreement as to the need to effectively manage the coastal areas of the State; however, they differed as to the method. Many favored the creation of the Hawaii Coastal Zone Conservation Commission and four (4) County Coastal Zone Commissions; others favored the use of the existing State and County agencies.

Your Committee on Ecology, Environment and Recreation is informed as follows:

1. The Congress of the United States enacted the Federal Coastal Zone Management Act in 1972 and thereby recognized the importance of the coastal areas and the need for their effective management. The Federal Act provides for the states to develop coastal zone management programs.
2. The State Legislature by enacting Chapter 205A (Coastal Zone Management) authorized the State Department of Planning and Economic Development to develop the State Coastal Zone Management Program. The Department of Planning and Economic development is undertaking the task in cooperation with Federal, State, and County agencies and is expected to complete the program by July 1977.
3. The State Coastal Zone Management Program is to set forth objectives, policies and standards to guide the uses of the natural resources in the State's coastal areas. It is to guide the State and County agencies in the exercise of their authority to implement the program.

Your Committee on Ecology, Environment and Recreation finds as follows:

1. The Hawaii Coast Zone Conservation Plan proposed in the bill is similar to the State Coastal Zone Management Program being developed by the State Department of Planning and Economic Development.

2. It is highly desirable that the State Coastal Zone Management Program be completed on schedule and in full compliance with the Federal requirements, including the requirement for full and effective opportunity for public involvement in the development of the plan. To minimize the risk of delay in the completion of the program, the responsibility for developing the program should remain with the Department of Planning and Economic Development.

3. Strong public support was expressed for interim measures to protect the coastal zone during the development of the program, and to protect against an uncontrolled rush to develop before implementation of the program. Rather than implement a new permit system to achieve interim control of development in the coastal zone, such control could be achieved expeditiously by requiring existing agencies to adopt guidelines pursuant to a policy established by the Legislature. Such guidelines would apply to all agency actions including the granting of permits for actions within the coastal zone.

4. Improved means for participation by the public in decisions affecting the coastal zone are necessary and desirable. Although public hearings afford the opportunity for public participation in certain agency decisions, many agency actions on permits affecting the coastal zone may now occur without the requirement for a public hearing. To afford the public an adequate opportunity to participate in all major decision making affecting the coast zone during the interim until the program is implemented, provision should be made for public hearings on required permits where such hearings would otherwise not be required. Such provisions would apply to the issuance of building permits and similar actions considered ministerial in nature, if the permit was for a proposed action within the coastal zone.

5. The expanded review of actions in the coastal zone should be undertaken so as not to burden the agencies or applicants unnecessarily. Accordingly, exemptions should be provided to exclude the following actions from the requirements of this bill:

(1) Additions and improvements to existing single-family residences.

(2) Repair or maintenance activities of any sort; provided that such activities do not result in an addition to, or enlargement or expansion of, the object of such repair or maintenance activities and that the method by which the repair or maintenance activities are carried out would not have adverse environmental effects.

(3) Developments not in excess of \$25,000.

(4) Cases of emergency.

6. The Statewide Comprehensive Outdoor Recreation Program is an on-going State program funded by the Federal, State and County governments. Under this program, beach parks may be developed. However, there are several other programs of the State which if properly implemented can be used to preserve and protect the coastal areas of the State. They are Chapter 173A titled Acquisition of Resource Value Lands, Chapter 115 titled Public Access to Beaches and Chapter 57 titled Urban Design. These would achieve some of the purposes of coastal zone management but have been sorely lacking in implementation funds.

Your Committee on Ecology, Environment and Recreation has amended the bill in accordance with its findings above.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 42, as amended in the form attached hereto as S.B. No. 42, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 144 Housing and Hawaiian Homes on S.B. No. 773

The purpose of this bill is to appropriate the sum of \$350,000, for the construction of Waiakea Houselots at Hilo, Hawaii.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 773 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 145 Housing and Hawaiian Homes on S.B. No. 779

The purpose of this bill is to appropriate the sum of \$150,000, for the development of Kealakehe Houselots at Kealakehe Houselots, Kona, Hawaii.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 779 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 146 Economic Development on S.B. No. 33

The purpose of this bill is to allow an owner to petition for exemption from real property taxes by dedicating his property for hotel use, under the stipulations provided in Section 1 (b) of this bill.

The intent of the bill is to provide a viable vehicle which will facilitate the preservation of Hawaii's diminishing open space while also protecting hotel sites which have become of cultural, historical and aesthetic value.

As do many of the people of Hawaii, your Committee recognizes the urgency of the passage of this bill. Too quickly, the economic profitability of high-rise hotels on shoreline properties has taken precedence over the more intrinsic need to keep Hawaii as beautiful as its image purports it to be. Waikiki, in particular, often referred to as the "concrete jungle" of Honolulu, is beginning to look like a fortress of concrete cubicles. Tourists and residents alike fight their way from one airconditioned cubicle to another, from one concrete sidewalk to still another cold pavement. But for some potted plants on railed balconies, there is little of Hawaii's lush grass and curved palms left for people to enjoy. Furthermore, as hotel after hotel towers into the sky, the once pleasurable past-time of enjoying a swim and relaxing in the sun-filled tradewinds of Waikiki's beaches has become impossible. Instead, swimmers and sunbathers swelter in the suffocating heat created by hotels which block the tradewinds from our narrow beachlines.

Your Committee strongly feels that it is imperative to act now to preserve what is left of a more graceful Hawaii. Existing laws, pandering to the economically profitable practice of making every single inch of land usable, overshadow the psychological and physical necessity of open spaces and lush vegetation. These present laws, by their very existence, mandate the continuing destruction of older, low-density, low-rise hotels.

Your Committee further finds that the stipulations of this bill are not without precedent. Present real property law provides for the dedication of land for agricultural use, residential use, golf course use, and open space use. Under open space use, land is fully exempted. This bill would place appropriate hotel sites under the same auspices as the more general open space provision now enjoys.

In reviewing this bill, your Committee finds itself in agreement with the amendment recommended by the Department of Taxation given during the public hearing on this bill. The amendment disallows the provision for a gross excise tax exemption for dedicated sites. Further, as did the Department of Taxation, your Committee recognizes the difficulties in dealing with individual concessionaires and other businesses on these hotel sites as well as the lack of sufficient justification, at this time, for granting such a general excise tax exemption to private business enterprises operated for profit. The Committee recommends the deletion of Section 2 of the bill and subsequently the renaming of Section 3 as Section 2.

Your Committee also recommends that the bill be amended to provide for the additional requirement that hotels wishing to petition for this tax exemption must be within 100 yards of the shoreline, thus including item 6 under Section 1 (b).

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 33, as amended in the form attached hereto as S.B. No. 33, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Kuroda and Rohlifing.

SCRep. 147 Economic Development on S.B. No. 646

The purpose of this bill is to provide funds for various water projects located in the County of Maui.

This bill will enable the Maui Board of Water Supply to keep up with the tremendous growth and development currently taking place in the County of Maui. The expending agency shall be the Board of Water Supply, County of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 646 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 148 Economic Development on S.B. No. 868

The purpose of this bill is to provide funds for improvements to Ulupalakua-Kanaio Water System.

This bill will enable the Maui Department of Water Supply to keep up with the tremendous growth and development currently taking place in the County of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 868 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 149 (Majority) Economic Development on S.B. No. 871

The purpose of this bill is to provide funds for various water projects located in the County of Maui.

This bill will enable the Maui Board of Water Supply to keep up with the tremendous growth and development currently taking place in the County of Maui. The expending agency shall be the Department of Land and Natural Resources.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 871 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.
Senator King did not concur.

SCRep. 150 Ways and Means on S.B. Nos. 99, 109, 122, 126, 178, 471, 472, 473, 474, 549, 550, 551, 552, 553, 554, 555, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938 and 939

Your Committee has considered the above-listed bills and recommends that they pass First Reading by title and be recommitted to the Committee on Ways and Means for further consideration

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 151 Intergovernmental Relations on S.B. No. 1145

The purpose of this bill is to amend Section 62-33 Hawaii Revised Statutes relating to county supervisors' traveling expenses, to provide that the director of finance with the approval of the Mayor, shall prescribe procedures for travel or other necessary expenses.

Your Committee finds that this Bill would remove the outdated references such as 'supervisors', 'chairman', 'executive officer', and 'board'. This bill would provide that "subject to procedures prescribed by the director of finance and approved by the mayor, all officers and employees of the county shall be entitled to travel or other necessary expenses in the performance of their duties".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose

of S.B. No. 1145 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators George and Yee.

SCRep. 152 Intergovernmental Relations on S.B. No. 1253

The purpose of this bill is to remove that portion of section 281-78(a), Hawaii Revised Statutes, relating to the sale of liquor on election days.

Your Committee finds that prohibiting the sale of liquor during the hours that polling places are open for voting is out of step with today's voter attitudes. Under present law, Counties may take action to permit the sale of liquor on election days. The Counties of Hawaii and Kauai have taken such action with no known problems. The City and County of Honolulu has withheld action, feeling it advisable to have uniform legislation in this regard.

Your Committee further finds that prohibiting the sale of liquor on election days causes loss of income and revenue to employees and operators of business establishments involved in the sale of liquor.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1253 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators George and Yee.

SCRep. 153 Intergovernmental Relations on S.B. No. 1473

The purpose of this Bill is to reimburse the City and County of Honolulu the sum of \$671,070.11, being the amount advanced for the cost of general and sewer improvements performed within the City and County of Honolulu.

Your Committee finds that the amount of reimbursement requested by the City and County of Honolulu constitutes the State's share of money advanced for general and sewer improvements performed within the various improvement districts of the city.

Section 70-111 Hawaii Revised Statutes, states in part: ". . . the city and county shall be entitled to be reimbursed out of state revenues by appropriations to be made from time to time by the legislature. . . ." for money advanced for such improvement districts which "are exempt by law from the payment of such assessments".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1473 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators George and Yee.

SCRep. 154 Human Resources on S.B. No. 317

The purpose of this Bill is to provide for the accreditation, as distinguished from licensing of therapeutic programs for persons who are six years or older and socially and emotionally disabled.

Such ongoing programs are neither accredited nor licensed at the present time, and the State has entered into several contracts to obtain rehabilitative services for alcoholics and drug abusers, certain mentally ill persons, and runaway children. Under recently enacted Federal legislation, such programs must meet appropriate standards established by the State if they are to continue participation in the State's contracting for Federally funded services. This Bill would establish standards that must presently be satisfied to qualify a program for Federal funding. Programs that do not satisfy such standards are not prevented from otherwise operating.

The Bill is supported by the Mental Health Association of Hawaii, The House, and The Salvation Army Social Services Center.

Your Committee has amended section -11 of the new chapter by deleting, at the recommendation of the Director of Social Services, the references therein to sections -10(5) (a) -10(5)(b), -10(6)(a), -10(6)(b) and -10(7).

Your Committee on Human Resources is in accord with the intent and purpose of

S.B. No. 317, as amended in the form attached hereto as S.B. No. 317, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 155 Human Resources on S.B. No. 983

The purpose of this Bill is to provide for a legislative task force to develop an overall program design and organizational structure for the efficient and effective integration of the human service programs of the State, currently delegated to several agencies, under a new department. The task force is to submit its recommendations to the Legislature twenty days before the convening of the Regular Session of 1976.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 983 and recommends that it pass Second Reading and that it be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 156 Legislative Management

Informing the Senate that S.C.R. Nos. 87 to 89, S.R. Nos. 303 to 306, and Stand. Com. Rep. Nos. 157 to 350 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 157 Higher Education on S.B. No. 423

The purpose of this bill is to appropriate from the general revenues of the State of Hawaii the sum of \$100,000 for the operation of the Young Farmers Program for the biennium 1975-77.

The funds appropriated by this bill will be expended by the University of Hawaii and will complement the loan program of the Department of Agriculture by helping persons interested in farming to qualify for New Farmer Loans.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 423 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 158 Higher Education on S.B. No. 985

The purpose of this Bill is to continue tutorial program for immigrant children known as Operation Manong.

This program was started with federal funds which will be exhausted as of January, 1976. Your Committee believes that the program should be allowed to continue at least until the end of the biennium so that it can be properly evaluated.

Therefore, your Committee has amended the Bill to include an appropriation of \$46,000.

There is also a serious question as to whether this program should be in the Department of Education rather than the University.

If the evaluation of the program indicates that the program should be continued on a permanent basis, then it is expected that the proper locus for this program shall be determined by those who conduct the evaluation.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 985, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 159 Higher Education on S.B. No. 1513

The purpose of this bill is to appropriate out of the general revenues of the State

of Hawaii, the sum of \$115,000 for the Young Farmers Program for the fiscal biennium 1975-77.

The funds appropriated by this bill will be expended by the Hawaii Community College and will complement the loan program of the Department of Agriculture by helping persons interested in farming to qualify for New Farmer Loans.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1513 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 160 Higher Education on S.B. Nos. 650, 768, 1070, 1190, 1221, 1222, 1392, 1533, 1569 and 1571

These Bills appropriate funds for various capital improvement projects for the University of Hawaii system.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. Nos. 650, 768, 1070, 1190, 1221, 1222, 1392, 1533, 1569, 1571 and recommends that these Bills pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 161 Higher Education on S.B. No. 1275

The purpose of the short form bill is to integrate the Pacific and Asian Affairs Council into the higher education system of the State of Hawaii.

The University of Hawaii testified against the integration of the Pacific and Asian Affairs Council (PAAC) into the University system. First, the University does not consider this a higher education program. Second, the University objects to the placement of a program into the University by statute since the Board of Regents is responsible and held accountable for all planning and programming at the University.

Your Committee is concerned about the future of this program. PAAC has been shifted from the Department of Education to the Community College System and most recently to the College of Continuing Education and Community Service. These shifts have added an unnecessary burden to the staff and have detracted from the program.

Therefore, your Committee has amended the bill to provide for a grant in aid which shall be matched by the PAAC on a 50-50 basis and names the College of Continuing Education and Community Service as the contracting agency.

The amended bill also provides that no officer or employee of the State or Legislature shall serve as a member of the executive board or committee of the PAAC.

Your Committee believes that these provisions will give much the needed stability to the PAAC program.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1275, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 162 Higher Education on S.B. No. 347

The purpose of this Bill is to continue the Hawaiian students' research project.

Your Committee has amended the Bill to appropriate the sum of \$20,000 for the project for the year 1975-76.

Your Committee requests that the project be evaluated by the University. If the University determines that the project should be an ongoing project, then your Committee requests that the program be reviewed and considered as part of an existing department or program at the University. Such an assignment should reduce the administrative costs of the project without any loss of value and meaning to the actual research conducted.

Your Committee on Higher Education is in accord with the intent and purpose of S.B.

No. 347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 347, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 163 Higher Education on S.B. No. 986

The purpose of this bill is to establish a Philippine Studies Program at the University of Hawaii.

It is the understanding of your committee that the plans for this program are being finalized for presentation to the President of the University of Hawaii and the Board of Regents for their approval. It is further understood that the specifics of the academic curriculum are lacking and that this curriculum is necessary before the President and the Board can give final approval.

Therefore, your committee has amended the bill to appropriate \$1,000 to purchase the supplies necessary to complete the curriculum for presentation to the University Administration.

The \$1,000 should not be considered as a facetious appropriation. Your Committee knows that there is sufficient expertise available on campus which can be tapped without additional funds for this worthwhile project.

It is expected that after final approval by the President and Board of Regents, funds for implementation should be included in the executive budget.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 986, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 164 Higher Education on S.B. No. 1370

The purpose of this bill is to provide funds for a feasibility and cost study to establish a Hawaiian Studies Program at the University of Hawaii.

Your Committee agrees that a Hawaiian Studies Program at the University of Hawaii would be of great value to the students and community as a whole. Your Committee also agrees that a feasibility study is an unnecessary expense and an unnecessary step.

Programs such as this should evolve naturally and routinely within the guidelines established by the University. Special funds are not necessary for program planning because there is sufficient resources in terms of expertise and motivation at the University and within the community to develop these plans.

After the program is planned, evaluated and approved by the President and Board of Regents, funds for implementation should be included in the Executive Budget.

In view of Your Committee's firm belief that a Hawaiian Studies Program can be planned without additional major funding, Your Committee has amended the bill to provide an appropriation of \$1,000 to develop the necessary program.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1370, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 165 Higher Education on S.B. No. 1636

The purpose of this bill is to provide funds to the Honolulu Community College to plan and develop a comprehensive community service program.

Your Committee believes that such a program will be of great value to the residents of Kalihi-Palama. At the same time, your Committee also believes that there are considerable resources in terms of expertise and motivation which exist in the community to develop

the plans for this program without a major dollar outlay.

Your Committee therefore has amended the bill to appropriate \$1,000 to develop a comprehensive plan. It is expected that after review and evaluation, if the plans are approved by the President and Board of Regents, funds for implementation should be included in the executive budget.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1636, S.D. No. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 166 Economic Development on S.R. No. 192

The purpose of this resolution is to cause the Department of Land and Natural Resources to clarify and articulate the present land leasing policies of the State.

Your Committee finds that the nature of the leases of State land may have a considerable effect upon the future development of both the agricultural sector and the economy of the State, especially in light of the recent demands for increased diversification and self-sufficiency in agriculture.

Your Committee has amended the resolution to direct the request to the Chairman of the Department of Land and Natural Resources.

For clarification of intent, the Chairman should include in his report the areas noted in the resolution, as well as the following:

1. What priorities, if any, are given to:
 - a. full time versus part time farmers;
 - b. new businesses as opposed to established economic entities;
 - c. farm units which have arranged for financing and those that have less than a formal commitment for financing;
 - d. established economic entities being forced to relocate due to urbanization?
2. What are the criteria for determining the size of State lands to be leased?
3. What is the justification for public auction and what are the alternatives?
4. State the past practices of the Board regarding all of the above.
5. What are the land policies that the Chairman proposes to implement and recommend for approval to the Board?

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 192, as amended herein, and recommends its adoption in the form attached hereto as S.R. 192, S.D. 1.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 167 Economic Development on S.B. Nos. 560, 561, 562, 563, 564, 565, 566, 676, 797, 798, 800, 801, 823 and 824

The purpose of these bills are to fund projects which will improve water service and provide an adequate supply of water for fire fighting purposes in the above mentioned areas.

Your Committee has held a public hearing on these bills and finds that these projects are necessary for the welfare of the affected areas.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. Nos. 560, 561, 562, 563, 564, 565, 566, 676, 797, 798, 800, 801, 823 and 824 and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hulten and Rohlfling.

SCRep. 168 Economic Development on S.B. No. 340

The purpose of this bill is to cause the State Department of Planning and Economic Development to allocate funds for the promotion of Kona coffee.

The Kona coffee industry is experiencing many serious difficulties involving rising operating costs, milling costs and harvesting costs. The DPED, in cooperation with other State agencies, has been working with the marketing agencies for Kona coffee in the areas of product promotion, as well as developing financial incentives for farmers.

Your Committee is in accord with testimony given by the Department of Planning and Economic Development and recommends that the amount of funds allocated to the promotion of Kona coffee be \$50,000.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 340, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfsing.

SCRep. 169 Economic Development on S.B. No. 341

The purpose of this bill is to cause the State Department of Agriculture to develop a program to provide subsidies, on a fifty-fifty matching basis between the State and County of Hawaii, to Kona Coffee processors during periods when operations incur a deficit due to uncontrollable circumstances.

The Kona Coffee industry has been in a decline for many years, and is in danger of losing its fight for survival. Loss of this industry would affect not only some export income for the State, but also the lifestyles of an estimated 25% of the residents of North and South Kona who live on coffee farms.

Your Committee recommends that the amount of funds appropriated out of the general revenues be \$25,000.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 341 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfsing.

SCRep. 170 Economic Development on S.B. No. 424

The purpose of this bill is to provide funds for improvements for the Maui Vacuum Cooling Plant at Omaopio.

Your Committee heard testimony stating that construction of a chain link fence around the vacuum cooling plant would protect not only the State's \$400,000 investment in building and equipment from vandalism, but would also safeguard against possible injury to any unauthorized person who might wander into the facility during off hours. A loading ramp would also improve the efficiency in the loading and unloading of trucks and trailers which haul the farmer's produce.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 424, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfsing.

SCRep. 171 Economic Development on S.B. No. 571

The purpose of this bill is to provide funds for the planning and engineering for the completion of Hamakua Drive.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 571 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfsing.

SCRep. 172 Economic Development on S.B. No. 601

The purpose of this bill is to provide funds for land acquisition and design of the Wahiawa Civic Center at Wahiawa, Oahu.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 601 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 173 Economic Development on S.B. No. 614

The purpose of this bill is to provide funds for the development of a pilot papaya processing plant, including design, plans, and remodeling of the processing plant by the University of Hawaii College of Tropical Agriculture.

Additional funds for the support of this project are needed to supplement the initial appropriation to ensure the generation of the most pertinent and useful data.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 614 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Senators Hara and Rohlfing.

SCRep. 174 Economic Development on S.B. No. 632

The purpose of this bill is to provide funds to improve water service and provide an adequate supply of water for fire fighting purposes in the Third District.

Your Committee adopted the recommendation of the Honolulu Board of Water Supply by amending SECTION 2, Line 14 of the bill by adding the words "Board of Water Supply" after the word "Honolulu". This amendment will make the Board of Water Supply the expending agency, consistent with previous bills providing grants-in-aid for water system improvements.

Your Committee on Economic Development is in accord with S.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 632, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 175 Economic Development on S.B. No. 651

The purpose of this bill is to provide funds for the realignment and widening of Fort Weaver Road at Ewa, Oahu.

Realignment of Fort Weaver Road is necessary to eliminate substandard curves and to provide a good access to the Kunia Interchange on the Interstate Highway System. Widening is necessary to relieve existing congestion and to accommodate future planned growth. Your Committee was pleased to learn that although the realignment and widening will be in two increments, they will be constructed almost at the same time. However, your Committee hopes that the Department of Transportation will be able to complete the project prior to the projected date of completion, early in 1979.

Your Committee is in accord with the intent and purpose of S.B. No. 651 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 176 Economic Development on S.B. No. 694

The purpose of this bill is to provide funds for a vegetable production research program at the Maui Agricultural Research Station in Kula.

Maui's vegetable industry is a strong factor in the County's economy producing over two and a half million dollars annually. Your Committee heard testimony stating that there is no vegetable research scientist located on Maui at the present, and therefore, all requests are channeled to Honolulu, causing a delay which could result in severe

financial losses for individual growers. This program in support of the vegetable industry would assist in moving Hawaii toward self-sufficiency in vegetable production.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 694 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 177 Economic Development on S.B. No. 724

The purpose of this bill is to provide funds for construction of a new Wailoa Bridge and a divided highway beginning at Wailuku River and ending at the junction with Kalaniana'ole Avenue.

Your Committee heard testimony reporting that the present highway is inadequate for the increased volume of traffic which includes large bulk-sugar trucks and other freight-hauling semi-truck trailers. The existing Wailoa Bridge is structurally deficient and does not meet the present loading requirements and is too narrow to accommodate projected traffic volume.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 724 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 178 Transportation on S.B. Nos. 27, 28, 29, 119, 1698, 1699, 1700, 1701, 1702, 1703, 1704 and 1705

Your Committee on Transportation has considered the above-listed bills and recommends that they pass First Reading by title and be recommitted to the Committee on Transportation for further consideration.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 179 Consumer Protection on S.B. No. 1728

Your Committee on Consumer Protection has considered said Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 1728, S.D. 1, and be recommitted to the Committee on Consumer Protection for further consideration.

Signed by all members of the Committee.

SCRep. 180 Consumer Protection on S.B. No. 526

The purpose of this bill is to appropriate \$15,000 to be expended by the Office of Consumer Protection for the purposes specified by Section 487-5(10), Hawaii Revised Statutes.

Act 127, Session Laws of Hawaii, 1974, which is now Section 487-5(10), Hawaii Revised Statutes, authorized the director of the Office of Consumer Protection to contract with other county, state, or federal agencies with non-profit social services, societies or with non-profit trade, professional, or business organizations for the performance of any of the functions of the office not involving the enforcement of rules and regulations.

The Office of Consumer Protection is the designated advocate for the consumers of Hawaii. Due to staffing and funding constraints, vital resources and expertise are sometimes unavailable to the office. The Legislature adopted Act 127 to alleviate this situation but funds were not provided for this activity. The Office of Consumer Protection is responsible for a new and constantly-expanding area, and support for its functions is usually a follow-up matter rather than a planned investment.

Your Committee on Consumer Protection finds that although the proposed \$15,000 appropriation does not reflect a full level of funding for the specified activities, it will greatly assist the Office of Consumer Protection in effectively acting rather than reacting to the State's growing consumer concerns.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 526 and recommends that it pass second reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 181 Consumer Protection on S.B. No. 701

The purpose of this bill is to permit the purchaser of an individual life or disability insurance policy to retain his policy for a ten-day review period without obligation and if he is not satisfied, he is entitled to return the policy and his premium refunded.

This bill amends chapter 431, Hawaii Revised Statutes, by adding a new section.

Since a life insurance or disability policy is a complex, legal document, the policyholder may not fully understand all of its provisions and ramifications during negotiation stages. Most insurers presently do not allow the purchaser to inspect the policy without obligation. Frequently, it is only after the policyholder has taken delivery of the policy and is committed to the purchase that he has ample opportunity to study the policy's terms and conditions. This bill would permit consumers to make a more informed decision relative to their insurance coverage and will encourage them to make a prompt review of any policy conditionally purchased.

Your Committee amended the bill by beginning the ten-day period from the date of receipt rather than delivery to clarify the intent. The return of the policy is defined as mailing or delivering the policy, also for clarification.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 701, as amended and attached hereto as S.B. No. 701, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 182 Consumer Protection on S.B. No. 1140

The purpose of this bill is to add a definition to the residential landlord-tenant code, regarding "normal wear and tear".

This bill amends Section 521-8, Hawaii Revised Statutes, by defining "normal wear and tear" as deterioration or depreciation in value by ordinary and reasonable use but does not include items that are missing from the dwelling unit.

"Wear and tear" is referred to in two sections of the residential landlord-tenant code, but it is not defined. This has led to some uncertainty regarding the intent of the law and this bill will provide clarification.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1140 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 183 Consumer Protection on S.B. No. 1546

The purpose of this bill is to make an appropriation to be expended by the Office of Consumer Protection to implement training for its investigative and legal staff.

This bill appropriates \$5,000 to enable the Office to send investigators and attorneys to attend trial seminars on the mainland and to conduct local seminars in which experts in various areas of consumer litigation can participate.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1546 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 184 Consumer Protection on S.B. No. 1555

The purpose of this bill is to restrict and limit the building and loan associations from advertising or distributing giveaways to the general public on the condition that the recipient possess, open, or add to checking account, savings account, certificate or debenture, or maintain a minimum balance therein, and to restrict the building and loan associations from advertising the giving of gifts or premiums to investors conditioned

upon the payment by the investor of a specified sum of money to cover all or part of the cost of the gift or premium.

Your Committee finds that the enactment of this bill will result in a considerable amount of savings to the savings and loan industry, which can be passed on to the depositor or customer in the form of increased services which the industry can make available. Presently, the savings and loan industry expends anywhere between \$750,000 to a \$1,000,000 per annum in the giveaway program. This cost does not involve the numerous hours and efforts spent by the personnel and the cost of warehousing, all of which are necessarily involved in the premium program. A great portion of these funds presently go directly out of the State of Hawaii in direct purchasing of these gifts and premiums. An elimination of this cost will help to keep the funds saved within the State of Hawaii, in the form of increased or upgraded branch facilities and offices, better trained personnel, and the greater availability of mortgage funds which can be made available to the general public.

Your Committee also finds that the prestige and image of the savings and loan industry will be greatly enhanced by eliminating this program. The "bargain basement" image that is associated with the industry by reason of the massive and costly advertisement program presently undertaken in the giveaway program tends to distract the public away from the meaningful and salutary purpose of the industry, that is, a source of savings and home loans.

Your Committee is in accord with the intent and purpose of S.B. No. 1555 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 185 Education on S.B. Nos. 112, 1010, 1011, 1012, 1013, 1014 and 1709

Your Committee on Education has considered said bills and recommends that they pass First Reading by title and be recommitted to your Committee on Education for further consideration.

Signed by all members of the Committee.

SCRep. 186 Education on S.B. No. 288

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee has amended the bill by adding to it other Department of Education capital improvement projects for the senatorial district.

The purpose of the amendment to the bill is to consolidate the Department of Education's various capital improvements projects by senatorial district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 187 Education on S.B. No. 289

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 289 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 188 Education on S.B. No. 290

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 290 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 189 Education on S.B. No. 291

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 291 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 190 Education on S.B. No. 292

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 292 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 191 Education on S.B. No. 293

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 293 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 192 Education on S.B. No. 295

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 295 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 193 Education on S.B. No. 296

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 296 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 194 Education on S.B. No. 297

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 297 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 195 Education on S.B. No. 298

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 298 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 196 Education on S.B. No. 299

The purpose of this Bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 299 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 197 Education on S.B. No. 418

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 418 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 198 Education on S.B. No. 419

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 419 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 199 Education on S.B. No. 453

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 453 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 200 Education on S.B. No. 460

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee has amended the bill by adding to it other Department of Education capital improvement projects for the senatorial district.

The purpose of the amendment to the bill is to consolidate the Department of Education's various capital improvements projects by senatorial district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 460, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 201 Education on S.B. No. 485

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee has amended the bill by adding to it other Department of Education capital improvement projects for the senatorial district.

The purpose of the amendment to the bill is to consolidate the Department of Education's various capital improvements projects by senatorial district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 485, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 202 Education on S.B. No. 487

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee has amended the bill by adding to it other Department of Education capital improvement projects for the senatorial district.

The purpose of the amendment to the bill is to consolidate the Department of Education's various capital improvements projects by senatorial district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 487, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 203 Education on S.B. No. 544

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 544 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 204 Education on S.B. No. 591

The purpose of this bill is to make funds from the No-Fault Insurance Driver Education Fund Underwriters' fee available for use for the operation of the High School Driver Education Program. These monies are now available for use by the court's remedial driver program.

Your Committee has learned that there are excess funds available in this account and therefore has changed the language of the statutes to make this money available for use to fund the High School Driver Education Program.

Section 286-140 (b) and (c) have been amended to provide that no less than 50 percent of that account shall be expended for the Driver Education Program.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 591, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 591, S.D. 1.

Signed by all members of the Committee.

SCRep. 205 Education on S.B. No. 635

The purpose of this bill is to appropriate capital improvement funds for educational

facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 635 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 206 Education on S.B. No. 673

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 673 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 207 Education on S.B. No. 799

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 799 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Ching.

SCRep. 208 Education on S.B. No. 979

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee has amended the bill by adding to it other Department of Education capital improvement projects for the senatorial district.

The purpose of the amendment to the bill is to consolidate the Department of Education's various capital improvements projects by senatorial district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 979, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 209 Education on S.B. No. 1041

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1041 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 210 Education on S.B. No. 1042

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1042 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 211 Education on S.B. No. 1368

The purpose of this bill is to appropriate capital improvement funds for educational facilities.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1368 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 212 Housing and Hawaiian Homes on S.B. No. 18

The purpose of this bill is to provide bond authorizations to carry out the programs of chapter 359G, Hawaii Revised Statutes.

Your Committee has provided appropriations and general obligation bond authorization in the amount of \$20,000,000 for the financing of housing projects under section 359G-11.1, Hawaii Revised Statutes; and for independent development projects under section 359G-10.5, Hawaii Revised Statutes, the sums appropriated to be expended by the Hawaii housing authority.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 18, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 213 Housing and Hawaiian Homes on S.B. No. 19

The purpose of this bill is to regulate the residential lease rent renegotiation process.

Your Committee has amended the bill by imposing specific restrictions on the frequency of renegotiations of residential lease rent terms and on the amount of the residential lease rent that may be fixed on renegotiation, and by providing for arbitration as to rent if the parties fail to arrive at mutually agreeable terms.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 19, as amended in the form attached hereto as S.B. No. 19, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 214 Housing and Hawaiian Homes on S.B. No. 22

The purpose of this bill is to provide for individual purchase of the fee title to a residential leasehold.

Your Committee has converted this short form bill to appropriate \$1.5 million for the condemnation of leased residential lands by the Hawaii Housing Authority to enable individual lessees to purchase the fee interests of their respective leaseholds, pursuant to chapter 516, Hawaii Revised Statutes. The sum appropriated may also be expended for all incidental costs of condemnation, including attorneys' fees, and appraisal expenses.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 22 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 22, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 215 Housing and Hawaiian Homes on S.B. No. 24

The purpose of this bill is to improve programs involving housing and the residential tenant.

Your Committee has amended this bill to specify the means through which the bill's purpose is to be accomplished. Specifically, the amended bill calls for the development of a sound, comprehensive policy and strategy for housing under the direction of a

special joint Senate-House Committee.

Your Committee on Housing and Hawaiian Home Lands is in accord with the intent and purpose of S.B. 24, as amended in the form attached hereto as S.B. 24, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 216 Housing and Hawaiian Homes on S.B. No. 64

The purpose of this bill is to provide funds for home loans under the Hawaiian homes program.

Your Committee has converted this short form bill to allow the dwelling unit revolving fund established pursuant to Section 359G12, Hawaii Revised Statutes, to guarantee up to 100 per cent of the principal balance of qualified, single-family mortgage loans issued under Section 213 of the Hawaiian Homes Commission Act.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 64, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 64, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 217 Housing and Hawaiian Homes on S.B. No. 275

The purpose of this bill is to provide for the dedication of land to residential use in any urban or agricultural district; provided that the land is used only for single-family residential use, the owner of the land has been granted a home exemption, and not more than one parcel is dedicated by such owner.

The homeowner must petition the director of taxation to allow the dedication. the director shall grant the petition after finding that the property is being used for residential purposes.

The owner must dedicate his land for a period of at least ten years. If the owner fails to observe the restrictions placed upon his use of the land, he shall pay all differences in the amount of taxes that were paid and which would have otherwise been due plus an 8 per cent penalty.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 275 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 218 Housing and Hawaiian Homes on S.B. No. 398

The purpose of this bill is to require the lessor to compensate the lessee for the fair market value of the lessee's improvements should the lessee, within sixty days prior to the lessee's termination or expiration, inform the lessor that he does not intend to remove his improvements.

Your Committee amended section 1 of the bill by adding the following paragraph:

"At the termination of any condominium residential leaseholds, the lessor shall be required to compensate the lessee for the current fair market value of all improvements which were constructed at the cost of, or otherwise paid for by the lessee."

The purpose of the amendment to the bill is to include the residential leasehold condominium under the provisions of this section.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 398, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 398, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 219 Housing and Hawaiian Homes on S.B. No. 541

The purposes of this bill are: (1) to increase the amounts of the exemption, (2) to allow the exemption to the taxpayer only on the home that he occupies as his principal home, (3) to repeal the requirement that the taxpayer occupies the home during the first three months following July 1 of the tax year to qualify for the exemption, and (4) clarifies ownership.

In 246-26(a), language concerning occupancy has been added. This new language requires that the homeowner occupy the property as his principal home. The present law allows any home to qualify for a home exemption, but the owner must reside in that home at least the first three months of the tax year. This has resulted in a difficult administrative problem, since it is not possible to check annually the 115,000 claims to determine if the owner had resided in the home during the 3-month period. HRS Section 246-26(a)(2)(F) was originally enacted to disallow claims by those who rented their homes for profit or only stayed there a short time. However, this clause has created problems for those who may have to move within the State during the first three months due to a new job or for other reasons beyond the homeowners' control. This requirement is no longer needed and should be repealed since the "principal" home shall be used as the basis to determine as to who shall qualify for the exemption.

In HRS Section 246-26(c), language concerning "joint" ownership has been added. Presently, HRS Section 246-26(c) provides that if more than one house is located on a single tax parcel, only taxpayers as tenants in common are given full exemption. This limitation is unfair to joint owners of land.

HRS Section 246-26(d) has also been amended by adding the words "by the entirety or in common" to make clear that all types of ownership between husband and wife will qualify for a home exemption.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 541 and recommends that it pass Second Reading and that it be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 220 Housing and Hawaiian Homes on S.B. No. 543

The purpose of this bill is to appropriate \$375,000 to provide for the planning and construction of a roadway 4,600 feet in length in Papakolea, Oahu.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 543, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 543, S.D. 1.

Signed by all members of the Committee.

SCRep. 221 Housing and Hawaiian Homes on S.B. No. 874

The purpose of this bill, as amended, is to appropriate \$12,150 for the continued operation of the Inter-Agency Council, and \$10,000 for the continuation of the tenant operated program at Koolau Village, Oahu.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 874, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 222 Housing and Hawaiian Homes on S.B. No. 875

The purpose of this bill is to amend Chapter 514, Hawaii Revised Statutes to accomplish the following: (1) limit the contract period of a condominium to one year when the managing agent is affiliated with the developer. (2) give purchaser under agreements of sale the rights of an owner, including the right to vote. (3) permits the merger of increments in condominium developments. (4) adds to the required bylaws the provision that the first meeting of the association of owners shall be held within 180 days of the issuance of a certificate of occupancy. (5) exempts real estate brokers and salesmen from the requirements of the Uniform Securities Act in certain instances.

Your Committee has made the following amendments: (1) require the developer of a horizontal property regime to give notice, by certified mail, to all members of the association of apartment owners that their normal one-year warranty period will expire in ninety days; (2) require all records to be kept and maintained at the address or the project, or elsewhere within the State as determined by the board of directors; (3) prohibit any director of a condominium association board to vote on matters in which he has a conflict of interest.

For the purposes of consistency your Committee also recommends that this Act should be further amended as follows:

(a) The word "three" in line 2 of the first page be changed to "four".

(b) Sections 4, 5, 6 be changed to 5, 6, 7 respectively.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 875, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 223 Housing and Hawaiian Homes on S.B. No. 1104

The purpose of this bill is to clarify the responsibility and liability of landlords for security deposits of tenants upon sale or other transfer of rental units resulting in a change of landlord.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1104 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 224 Housing and Hawaiian Homes on S.B. No. 1244

The purpose of this bill is to propose amendments to the Constitution of the State of Hawaii to expressly authorize the State to generally provide needed housing for its citizens.

The State is currently contemplating the condemnation of private property under existing statutes for ultimate conveyance to individuals for residential purposes in fee, absolute or otherwise. This has raised some concern regarding the interpretation of these laws in view of a possible strict construction as to authority of the State to exercise its powers of eminent domain for a public use and of using public funds directly or indirectly except for a public purpose.

This bill is intended to remove that concern by expressly including what was apparently impliedly intended by the original framers of our State Constitution as expressed in the 1950 Proceedings of the Constitutional Convention of Hawaii due to the then existing housing shortage for persons not necessarily of the lowest income group.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1244 and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 225 Housing and Hawaiian Homes on S.B. No. 1250

The purpose of this bill is to appropriate funds for a mortgage processor and clerk for the Department of Hawaiian Home Lands in the administration of their loan program.

Your Committee has amended this bill by including an appropriation of \$39,000 for the mortgage processor and clerk for the 1975-1977 biennium.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. 1250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 226 Housing and Hawaiian Homes on S.B. No. 1324

The purpose of this bill is to appropriate \$200,000 to the Hawaii housing authority for rent supplements to the elderly on a statewide basis.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1324 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 227 Housing and Hawaiian Homes on S.B. No. 1337

The purpose of this bill is to appropriate the sum of \$360,000 for the Hawaii Housing Authority to make improvements to Kaahumanu Homes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1337 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 228 Housing and Hawaiian Homes on S.B. No. 1338

The purpose of this bill is to appropriate the sum of \$325,000 for the Hawaii Housing Authority for improvements to Kalanihua Homes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1338 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 229 Housing and Hawaiian Homes on S.B. No. 1339

The purpose of this bill is to appropriate the sum of \$435,000 for the Hawaii Housing Authority for improvements to Kamehameha Homes.

The Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1339 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 230 Housing and Hawaiian Homes on S.B. No. 1355

The purpose of this bill is to appropriate \$500,000 for the Hawaii Housing Authority for the construction of a recreational community center and office complex at Hoolehua, Molokai, including landscaping and equipment.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1355 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 231 Housing and Hawaiian Homes on S.B.No. 1540

The purpose of this bill is to strengthen the provisions designed to discourage the speculative resale of residential leaseholds acquired under the provisions of Chapter 516, Hawaii Revised Statutes.

The bill accomplishes this purpose by extending from five to ten years the period from date of acquisition of a residential leasehold that the Hawaii Housing Authority has the first option on any such leasehold offered for assignment or sale.

The bill also extends the period of time Hawaii Housing Authority has to exercise its option from 30 to 90 days.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1540, as amended in the form attached hereto as S.B. No. 1540, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 232 Housing and Hawaiian Homes on S.B. No. 1541

The purpose of this bill is to supplement the \$1,000,000 in capital improvement costs for the HHL III 1975-1976 budget to upgrade and improve the Molokai Water System. The \$4,600,000 appropriated in this bill meets the current costs of the projects, which have risen since the original appropriation.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1541 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 233 Housing and Hawaiian Homes on S.B. No. 1543

The purpose of this Bill is to reaffirm and reiterate the findings and declarations of necessity originally set forth in adoption of Act 307, Session Laws of Hawaii 1967, regarding the monopolistic tendency pervading the pattern of land ownership and disposition which was inimical to the public health, and to amplify and clarify those findings and declarations of necessity in view of the increasing detriment such tendency will impose on the public if left unchecked.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1543, as amended in the form attached hereto as S.B. No. 1543, S.D. 1, and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 234 Housing and Hawaiian Homes on S.B. No. 1644

This bill amends Chapter 521, Hawaii Revised Statutes, in the following manner: (1) requires an absentee owner to designate an agent to act in his behalf; (2) establishes that the security deposit is to be held in trust for the use and benefit of the tenant; (3) gives remedies to the tenant should the landlord fail to make required repairs of up to \$200 within five business days; (4) allows the tenant to either terminate his rental agreement or seek injunctive relief for unreasonable entry by the landlord and provides for a fine not to exceed \$100 for such abuse of access; and (5) prohibits a landlord from increasing rents in retaliation for a tenant's complaint to the landlord himself, the department of health, the city and county building department, the office of consumer protection, or any other concerned government agency.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1644 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 235 Housing and Hawaiian Homes on S.B. No. 1213

The purpose of this bill is to eliminate the mandatory requirement that the Hawaii housing authority set maximum income limits for tenant selection in public housing projects. This amendment to section 356-35, Hawaii Revised Statutes, allows the Hawaii housing authority to conform with newly passed federal legislation which has eliminated the maximum income limits for tenants in public housing and sets rents based upon a percentage of the tenants' incomes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1213 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 236 Human Resources on S.B. No. 142

The purpose of this bill provides an incentive not to abuse sick leave and should

expedite retirement and the subsequent filling of the position. This bill also favors the conscientious employee who does not abuse sick leave benefits.

Your Committee finds that employer cost to provide service credit for unused sick leave, on the assumption that an employee uses seven days per year and accumulates fourteen days per year sick leave is estimated at \$5.3 million per year, of which the State's share is approximately \$4.0 million and the counties \$1.3 million.

Your Committee further finds that close to retirement there is a tendency to use as much sick leave as possible. Sick leave policies are most liberal and therefore abuse is very difficult to control. Consequently production suffers due to the vacant position which cannot be filled.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 142, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 237 Human Resources on S.B. No. 147

The purpose of this bill is to provide retirement credit for prior military service based upon length of State or county governments service.

Your Committee finds that at the present time military service is creditable for retirement only when the military service is earned after the person becomes an employee of the State or county.

Your Committee is amending Section 1 by changing the word "four" in line 7, to "two", and deleting subsection 2 and 3 and adding the phrase "or more", after "fifteen years".

The purpose of the amendment to the bill is to give recognition of those who gave service to the nation, and it is related to the idea of offering retirement incentives to those who would choose such options. The cost to provide this service would be reduced from about \$185,000 to about \$92,500.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 147, as amended in the form attached hereto as S.B. No. 147, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 238 Human Resources on S.B. No. 171

The purpose of this bill is to appropriate the sum of \$140,891 or so much thereof as may be necessary for expanding the operations of the Hawaii State Senior Center.

Your Committee adopted the recommendation of the Hawaii State Senior Center by amending the sum of \$140,891 to \$150,170 and by deleting the clause "or so much thereof as may be necessary". Such amendment would be as follows:

"There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,170, for expanding the operation of the Hawaii State Senior Center."

The increase of \$9,279 is due to the indirect cost involved.

Your Committee is in accord with the intent and purpose of S.B. No. 171 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 171, S.D. 1, and recommends its referral to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfiing.

SCRep. 239 Human Resources on S.B. No. 228

The purpose of this Bill is to make the Hawaii Public Health Fund subject to be excluded from the scope of negotiations.

Your Committee finds that Chapter 87, Hawaii Revised Statutes, provides the authority which created the Health Fund and the Board of Trustees with its powers and duties. Chapter 89, Hawaii Revised Statutes, permits the negotiations over the Hawaii Public Health Fund by the exclusive representatives of the 13 bargaining units.

Your Committee further finds that a joint bargaining effort has not been successful and as a result an increase in individual union activity to modify the Health Fund. As the pressures of negotiations increase, there exist a definite possibility of fragmenting the existing Health Fund into 14 different Medical, Dental and Group Life Insurance Plans. This fragmentation will only result in increased cost because it is more expensive to purchase a given level of benefits if the risk is spread over a smaller group and the requirement for additional staff to administer the many different plans. There is no direct benefit to the employees associated with cost increase of this nature. Further, the authority and responsibility of the Board of Trustees is clarified when the Health Fund is made non-negotiable.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 228 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 240 Human Resources on S.B. No. 245

The purpose of this bill is to increase the monthly dental plan contribution from \$2.04 to \$2.24, and to clarify the language of prior amendments to Section 87-4, Hawaii Revised Statutes.

Your Committee finds that \$223,500 is needed to maintain a current level of dental benefits for the children of employee-beneficiaries under the age of 19, who are enrolled in the Health Fund's Dental Plan. Without additional funds, the parents of such children will be required to pay a higher portion of the dentist's billing.

The bill further proposes to assess the several counties their pro rata share of the cost of administering the Health Fund. About \$110,700 will be recovered from the counties during the 1975-1977 biennium.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 245 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfling.

SCRep. 241 (Majority) Human Resources on S.B. No. 254

The purpose of this bill is to amend the unemployment compensation law by adding a new disqualification provision applicable only to retirees and pensioners.

Section 383-30, the disqualification section of the law, presently has no provision with specific application to retirees and pensioners. The fact that claimants have retired from employment of itself does not affect their benefit rights if they meet all eligibility requirements under the law. Therefore a retired individual can collect benefits if there is some indication of his continued attachment to the work force.

This bill proposes to amend section 383-30 to disqualify a person from receiving benefits during any week he receives payments, other than Social Security benefits, from a government or private retirement, pension or annuity plan to which any of his base period employers have contributed, even though he may meet all eligibility requirements. Where his weekly retirement benefit is less than the weekly unemployment benefit he would have received, but for the special disqualification, he would receive the difference between said unemployment benefit amount and the retirement benefit. The intent is to make it possible for a retired individual to receive in retirement and unemployment benefits, an amount equal to the unemployment benefit he would have received if he were not retired. An example of the application of the foregoing proposal would be a state employee who retires and shortly thereafter files for unemployment benefits. As the State is his base period employer and has contributed toward his retirement pay, the claimant would be disqualified. However, if the weekly amount he would have received in unemployment benefits, but for the special disqualification, is \$90 and his retirement pay is \$80 per week, he would be entitled to receive \$10 in unemployment benefits. Social Security benefits would not be included in the foregoing computations.

The policy of the unemployment compensation law is to provide benefits for temporarily unemployed individuals who are still members of the work force. The allowance of benefits to retirees and pensioners on the same basis as other claimants has been criticized by employers. Employer spokesmen have suggested to your Committee that retirees are not actually attached to the labor market and therefore are not intended beneficiaries

of the law. They have urged that retirees be disqualified from receiving any benefits. While your Committee feels the foregoing criticism is not totally devoid of substance, it believes many persons are compelled by economic necessity to remain in the labor market beyond retirement age. It is of the opinion that this bill represents a suitable compromise between the arbitrary disqualification of all retirees and the present situation. Persons receiving small pensions, for example, would most probably desire to remain in the labor market and they would receive unemployment benefits, if they are otherwise eligible, to supplement their pensions. Persons receiving substantial retirement benefits, however, would be disqualified.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 254 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.
Senator Yamasaki did not concur.

SCRep. 242 Human Resources on S.B. No. 258

The purpose of this bill is to amend the Hawaii Wage and Hour Law by abolishing the exemption from coverage of individuals employed at guaranteed monthly compensation of \$700 or more.

Section 387-1 presently excludes several categories of individuals from coverage under the Wage and Hour Law. Among those denied the law's protection are persons who are employed at guaranteed monthly salaries of \$700 or more and their employers can compel them to work for more than 40 hours a week without the payment of overtime compensation.

This bill proposes to abolish the exemption from coverage based upon the payment of guaranteed monthly salaries of \$700 or more, thereby making individuals who are paid such salaries subject to coverage and entitled to the protection the law provides.

Your Committee agrees with the director of labor and industrial relations that an exemption based solely upon the payment of a rather moderate monthly salary serves to deprive many non-supervisory, manual workers of the benefits of overtime compensation. The exemption level is clearly too low under present salary levels.

Your Committee upon consideration of the bill is of the opinion that the interests of these employees would be better served by raising the exemption level rather than by abolishing the exemption. It has therefore amended the bill to raise the exemption level from the present \$700 guaranteed monthly salary to \$1,000.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 258, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 243 Human Resources on S.B. No. 259

The purpose of this bill is to amend the Hawaii Occupational Safety and Health Law in several respects to keep it in conformity with federal standards.

Public Law 91-596, the Federal Occupational Safety and Health Act, prescribes standards on occupational safety and health which are applicable on a nation-wide basis. However, a state is permitted to administer and enforce occupational safety and health standards under its own law if the state law is "as effective" as the federal law. Act 57, Session Laws of 1972, was enacted so the state could retain the authority to administer its own law. The law was recently reviewed and federal authorities have recommended several amendments designed to strengthen the law and keep it "as effective" as the federal law. The recommendations are embodied in Sections 1 to 7 of the bill and the director of labor and industrial relations urges their adoption.

The specific proposals for amendment of the Hawaii Occupational Safety and Health Law are:

1. Section 1 of the bill proposes a change in the definition section of the law which would clarify the state's jurisdiction to include every place of employment other than

a place where the exclusive safety jurisdiction is vested in a federal agency.

2. Section 2 proposes to add new language which would permit the department of labor and industrial relations to prosecute, defend, and maintain actions to enforce the law.

3. Section 3 proposes criminal sanctions against persons who unlawfully use or possess explosives.

4. Sections 4, 5, and 6 propose clarifications in the administrative appeals procedures and in the provisions for judicial review of decisions of the labor and industrial relations appeals board.

5. Section 7 proposes to authorize the appeals board to issue orders to protect the confidentiality of trade secrets.

Your Committee agrees that the Hawaii Occupational Safety and Health Law should be amended to improve its effectiveness and to keep it in compliance with federal standards.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 259 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 244 Human Resources on S.B. No. 260

The purpose of this bill is to redefine "principal employer" in providing health care coverage for an employee when he is employed by more than two employers.

This administration bill hopes to bring about a more equitable distribution of costs to the employer. By amending the bill, the principal employer is designated to be the employer who pays the most wages.

The present law leaves it to the discretion of the employee to make the choice of employer when he is employed by two different employers. There have been cases where the employee selects the part time employer as his principal employer. Thus, the premium he pays is small and the employer bears the burden. This is due to deduction limitation of 1.5 percent of wages under Section 393-13 which provides that the employee may only be required to pay the lesser of one half the premium cost or 1.5 percent of his monthly wages. As a result, the employer may pay a greater share of the premium for part time employees than the full time ones.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 260 in the form amended and attached hereto as S.B. No. 260, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Health for further consideration.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 245 Human Resources on S.B. No. 266

The purpose of the bill is to permit the Chief Executives of the State or Counties, Board of Education or Board of Regents to grant adjustment of compensation, hours, terms and conditions of employment and other benefits to officers and employees excluded from collective bargaining.

Your Committee finds that the Collective Bargaining Law does not provide a means of granting excluded officers and employees equal benefits to officers and employees covered by collective bargaining, other than through legislative acts. The present method of granting benefits to excluded officers and employees is inadequate, cumbersome and untimely.

Your Committee finds that there is a moral obligation to the excluded officers and employees in seeing that they are treated equitably and not deprived of benefits granted to other officers and employees, since they are excluded not by choice. The bill provides that benefits shall be similar and granted no earlier than what their counterparts in the bargaining units receive.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 266, and recommends that it pass Second Reading and be referred to the

Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 246 Human Resources on S.B. No. 314

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes by establishing that any payment of public assistance monies made to or for the benefit of children constitute a debt owed the Department of Social Services and Housing by the non-supporting parent.

The proposed bill will provide the state with a mechanism to protect rights of dependent children to be supported by their legally responsible parents. This bill would comply with Public Law 93-647, Child Support Programs, enacted on January 4, 1975. This public law specifically requires states to have laws for assignment of support rights to the state as a condition of eligibility for federal funds in the AFDC program and treatment of welfare support provided as a debt owed to the state.

In view of the fiscal benefits due to the Child Support Program, the state would receive 75% federal matching for State administrative cost instead of 50% providing the program is in operation effective July 1, 1975.

Your Committee is amending the bill by adding the following statement in order to provide a statutory basis for compliance with federal requirements:

"The Department shall adopt such rules and regulations as required or permitted by the Federal Government for the receipt of federal funds."

Your Committee further finds that reduction in welfare cost will result from collection of child support obligations. 70% of the AFDC caseload or 9,745 cases are single parent households. The cost to the State represented by non-supporting absent and deserting parents are estimated to be \$750,000 for approximately 1,000 cases.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 314, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 247 Human Resources on S.B. No. 315

The purpose of this bill is to amend Section 346-37, Hawaii Revised Statutes. It essentially deals with the proper administration of its money payment and medical assistance (Medicaid) programs. There are two major provisions contained in the amendment of this bill: 1) claim for recovery from the estate of a deceased recipient, and 2) assignment of a third party payment to Medicaid.

The chief benefit deriving from the proposed statutory provision is obviously the recovery of State General Funds. Very often, recipients passing away in their long-term care facilities leave small sums of money safekeeping account. The facilities, under State statute, are required to distribute the estate if the amount involved is \$100 or less. The County-State Hospital System is faced with a problem when they are unable to find any appropriate distributee of the estate. DSSH could submit claim for recovery from the estate if favorable action is taken in this bill.

Also, there is an urgent need to provide DSSH with a statutory authority to require applicants and recipients of Medicaid to assign third party benefits for medical payments to be made, or made in their behalf. Oftentimes, the existence of a third party resource is unknown to the Department at the time medical assistance is provided. It occurs mostly in cases involving accidental injuries. The Department is occasionally unable to obtain refund when recipients refuse to sign assignment forms.

Your Committee is amending the bill by adding a provision requiring a third party agency, including a health insuring organization to honor the recipient's assignment of benefits to the Department. Recipients with private health plans are often assisted by Medicaid in meeting their portion of the cost of covered services. For those with major medical coverage, additional benefits become available in the form of 80% reimbursement beyond \$100 cost-sharing (paid by Medicaid). It often involves large sums of money and the Department is unable to obtain reimbursement as it does not have the legal authority to require the assignment of such benefits. Checks are sent to the recipients

who, in many cases, are unwilling to refund the Department.

We recommend the following change on Section 346-37, (b), Page 2 by revising in its entirety:

(b) "Where a third party liability may exist and medical care and services have been provided, the Department of Social Services and Housing shall seek reimbursement of an amount not to exceed the amount of medical payment made by the Department. The Department of Social Services and Housing shall require the recipient of such payments to execute an assignment of the proceeds of any settlement to be made by a responsible third party. The responsible third party shall, upon receipt of a valid assignment form, make payment to the Department."

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 315, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 248 Human Resources on S.B. No. 316

The purpose of this bill is to amend Section 346-29 of the Hawaii Revised Statutes. The amendment calls for additional exemptions in determining the needs of an applicant for medical assistance only.

Your Committee finds that present regulations imposes serious limitations for health care services to persons with low income. It was also found to be in partial compliance with Federal regulations as the amounts specified for retention does not increase proportionately with the number of persons beyond three.

This bill will help people to remain self-supporting during and after illnesses. It will also 1) allow for more people with the target population to be assisted, 2) encourage more people with small cash resources to apply earlier, before a serious deterioration of health occurs, 3) enable such individuals to meet emergency needs which are not provided for by any assistance programs, and 4) raise Medicaid's resource level closer to the amount provided for Supplemental Security Income under Title XVI of the Social Security Act.

Your Committee on Human Resources thusly, is in accord with the intent and purpose of S.B. No. 316 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 249 Human Resources on S.B. No. 359

The purpose of this bill is to increase statewide outreach services for the elderly.

Your Committee adopted the recommended appropriations figure as submitted by the Commission on Aging of \$415,946. The distribution by outer islands is as follows: Kauai - \$ 57,180; Honolulu - \$135,365; Maui - \$58,448; and Hawaii - \$164,953; for a total of \$415,946.

Your Committee recommends an amendment for the purpose of expending the appropriated funds in Section 3 of this bill, substituting Department of Social Services and Housing for the Commission on Aging. Such amendment would be as follows:

"The sum appropriated shall be expended by the Commission on Aging for the purposes of this Act."

The purpose of the amendment to the bill is to keep the Commission on Aging the channel for all elderly affairs.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 359 as amended in the form attached hereto as S.B. No. 359, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Rohlfiing.

SCRep. 250 Human Resources on S.B. No. 360

The purpose of this bill is to make appropriation for the planning and operation of a pilot program for senior citizens who shall participate as observers in the legislature for a one-week period during the 1976 Legislative session.

Your Committee finds vigorous support on the part of the elderly to develop broader interest in their local, state and national governments. They also seek to function more fully and effectively in our governmental system.

Your Committee has inserted a sum of \$50,000 for planning and operations.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 360, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 251 Human Resources on S.B. No. 637

The purpose of this Bill is to make changes to the retirement benefit formula for certain members of the Employees' Retirement System.

Presently the retirement benefit formula for general members, including policemen and firemen, allows them to retire before attaining age fifty-five if they have at least twenty-five years of credited service, but at a reduced benefit rate.

The maximum benefit of eighty per cent of final average compensation for firemen and policemen is not reached until thirty-two years of service. A review of this current retirement and replacement trends suggests that the cost impact of a "thirty and out" provision would be within reasonable limits.

Your Committee has amended the Bill by substituting a "thirty and out" provision for the "twenty-five and out" provision. Your Committee also proposes to retain the eighty per cent maximum included in the present law.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 637, as amended in the form attached hereto as S.B. No. 637, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senators R. Wong and Rohlfling.

SCRep. 252 Human Resources on S.B. No. 638

The purpose of this bill is to amend Chapter 373, Hawaii Revised Statutes, by

1. Adding a new section that will require the testing of all applicants for commercial employment agency licenses;
2. Increasing the annual license fee from \$25 to \$300; and
3. Increasing the amount of the bond required of a licensed employment agency from \$5,000 to \$10,000.

Chapter 373 presently contains no requirement that applicants for licenses be examined to determine qualifications and competence. Presently, the emphasis of the law is on the regulation of practices related to the referral of job seekers and fees charged.

The specific proposal on testing will require all applicants for licenses, other than those certified as "certified employment consultants" by the National Employment Association and those holding licenses as of June 30, 1975, to be subjected to examinations before they are licensed.

Your Committee agrees that the three proposals contained in the bill would strengthen the law regulating commercial employment agencies and afford greater protection to the public.

At the hearing on the bill, the director of labor and industrial relations recommended

a clarification in subsection (c) of the new section. He suggested that the sentence "The answers of the applicant to the examination shall be written by the applicant under the director's supervision" be deleted and a new sentence reading "The examination shall be given and monitored by the director" be substituted. Your Committee has accepted the foregoing recommendation and has amended the bill in accord therewith.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 253 Human Resources on S.B. No. 846

The purpose of this bill is to defer incremental and longevity pay increases to employees of all bargaining units in any fiscal year that an increase in the applicable wage schedule is affected.

Your Committee finds that, prior to collective bargaining, the granting of incremental and longevity pay increases was an acceptable practice in as much as the State Legislature did not provide for general wage or salary increases on an annual basis.

Your Committee finds that the Collective Bargaining Law does not invalid Section 77-12, Hawaii Revised Statutes, that provides for the granting of incremental and longevity pay increases. The present method of granting incremental and longevity pay increases is costly and inappropriate under the current collective bargaining system.

Your Committee further finds that July 1, 1976, is an acceptable cut off date for implementing the deferral concept because the majority of the collective bargaining contracts expire on June 30, 1976, and wage commitments are firm up to this date.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 846, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 254 Human Resources on S.B. No. 849

The purpose of this bill is to update the meaning of the term "transfer" by covering four specific categories under which transfers will occur. The four categories of transfer are: (1) in the same class; (2) in a different class assigned to the same pay range in the same salary structure; (3) in a different salary structure and in a class assigned to a pay range whose highest pay rate is the same as the highest pay rate of the pay range of the class which the employee is transferring from, or; (4) in a different salary structure and in a class assigned to a pay range whose highest pay rate is less than or exceeds the highest pay rate of the class which employee is transferring from, by no more than the dollar difference between the first and second step of the pay range of the class the employee is transferring from.

Your Committee finds that Section 76-35, Hawaii Revised Statutes is obsolete and was written when all Civil Service employees were under the same salary schedule. With Collective Bargaining, there are ten salary schedules for Civil Service employees with variations in rate for different bargaining units.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 849, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 255 Human Resources on S.B. No. 850

The purpose of this bill is to expedite the hiring of non-civil service employees for Federally funded projects that are normally for a short duration.

Your Committee finds that the major change proposed is that employment in Federally funded projects which are demonstration, manpower development and training, public employment and research in nature, be outside civil service system, unless required by Federal laws.

The bill also proposes to make it clear that regardless of whether Federal or State funds are used, the employment of students shall be outside of the civil service system.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 850, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 256 Human Resources on S.B. No. 857

The purpose of this bill is to correct the reference to the Charter of the City and County of Honolulu.

Your Committee finds that this correction is necessary due to the recent revision of the Charter of the City and County of Honolulu which changed the numbering of the Sections from "5.603" to "6-303".

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 857 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 257 Human Resources on S.B. No. 860

The purpose of this bill is to amend Sections 79-17 Hawaii Revised Statutes, by requiring that an officer or employee shall have earned tenure or permanent status before he can be granted a leave so as to be loaned to another government.

Your Committee finds that at the present time any officer or employee is eligible to be loaned to another government jurisdiction with full rights to return to his position. Such person's position may be an exempted or temporary one. Guaranteed return rights for such exempted or temporary employees are not consistent with the nature of such positions.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 860, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 258 Human Resources on S.B. No. 1326

The purpose of this Bill is to establish an office of Collective Bargaining within the office of the Governor to serve the Governor in discharging the duties set forth in the public employment collective bargaining act.

Your Committee finds that the chief negotiator of the State is currently a one-man office attempting to meet the demands of bargaining with the exclusive bargaining agents of the various units. This organization is not the most efficient way to cope with the demands made by collective bargaining. An immediate and urgent need for a team of trained negotiators is demanded in view of the up-coming program demands.

Your Committee further finds that it is important to delineate the functions of the proposed office of Collective Bargaining to coordinate the labor relation functions of the Department of Education, the University of Hawaii and the county jurisdictions to avoid duplication of efforts.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1326, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 259 Health on S.B. No. 110

The purpose of this Bill is to update and streamline the programs of the Department of Health. This Bill effects a transfer in administration of Leahi Hospital from the University of Hawaii to the Department of Health.

This Bill was introduced in short form. It has been amended to provide the necessary details.

Your Committee on Health has considered said Bill and recommends that it pass First Reading by title, in the amended form attached hereto S.B. No. 110, S.D. 1, and be recommitted to the Committee on Health for further consideration.

Signed by all members of the Committee.

SCRep. 260 Health on S.B. No. 1263

The purpose of this bill is to appropriate funds to Hawaii State Hospital to enable it to meet accreditation standards, licensing standards, and other standards deemed essential for the adequate care and treatment of patients.

Your Committee finds that the State mental hospital in Kaneohe has recently been denied Joint Commission on the Accreditation of Hospitals (JCAH) certification, because of its substandard staffing patterns, lack of written policies and procedures, and inadequate patient housing.

Your Committee further finds that the State Hospital program change requests included in the Executive budget and the supplemental budget, were all deferred. These requests included 68 additional positions and general operating funds for the Hawaii State Hospital. Among the units involved were the Closed Intensive Supervision Unit, the Adult Psychiatric Ward, the Medical Surgical Unit, the Alcoholism projects, and the dietary section of the hospital. Capital improvement funds were also included in the deferred requests. If the Kaneohe facility is to win back its accreditation and maintain the license, the above budget requests will need to be met.

Your Committee feels it is imperative for the State Hospital to regain accreditation and certification to restore the confidence of Hawaii's people in our State mental institution and to provide the best quality of care possible for those citizens who require its services.

Your Committee has amended this bill to provide for an appropriation of \$1,263,649 as requested by the Department of Health.

Your Committee is in accord with the intent and purpose of S.B. No. 1263, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1263, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 261 Health on S.B. No. 456

The purpose of this Bill is to provide local matching funds for federal contracts and direct support to a number of community drug abuse service programs.

Your Committee finds that the private sector agencies mentioned in the bill are providing much needed services to the substance abuse community which are not available elsewhere in the public sector. It is felt that these needed services would cost considerably more if they were initiated and administered by the Department of Health. Dissolution of these programs would create significant gaps in the network of drug abuse services.

Your Committee further finds that funding support for these programs should be given with the understanding that all program objectives will be defined in measurable terms, and that such data will be turned in to the Department of Health on a regular basis. Only in this way can overly expensive or unproductive programs be minimized and efficient programs maximized.

Your Committee has amended this bill to change the expending agency from the State Drug Abuse Agency to the Department of Health. The purpose of this amendment is to ensure that appropriated funds are released. Your Committee is concerned that the Substance Abuse Agency does not now have the personnel to properly administer the program funding.

Your Committee has further amended the bill to provide for a more detailed appropriation figure of \$212,259.

Your Committee is in accord with the intent and purpose of S.B. No. 456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as

S.B. 456, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 262 Health on S.B. No. 1178

The purpose of this Bill is to provide for a statewide school health services program. The need for this has been adequately demonstrated by the School Health Services Pilot Project (ACT 130, SLH 1970) in the 81 schools in the 11 complexes which is now in its fifth year of operation.

Your Committee finds that additional benefits have arisen from the program. The threat of successful legal actions for negligence suits against the State has been diminished because of the presence of qualified personnel. There has also been a considerable reduction of injuries in schools in the pilot project due to a safety and accident prevention program initiated by the school health personnel.

Your Committee also finds that there has been a large number of pupils returned to their classroom after evaluation and observation by the health aides, rather than being sent home, the loss of time from the classroom has been reduced. Also, since parents are usually required to call and pick up their children in case of injury or illness sometimes unnecessarily and since many of these parents are employed, there has been a reduction in economic loss to the State by the employment of the health aides.

Your Committee is in accord with the intent and purpose of S.B. No. 1178 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 263 Health on S.B. No. 1228

The purpose of this Bill is to provide State support to the breast cancer detection project of the Pacific Health Research Institute.

Your Committee finds that breast cancer in women is the most common cancer and that one of every 15 women can expect this disease during her lifetime. In Hawaii, between 1960 and 1970, more than 1400 women were diagnosed as having breast cancer.

Your Committee further finds that in the past few years, several new and effective screening techniques have been developed which, when combined with breast examination, can detect abnormalities very early in their development. These techniques have been used locally in the breast cancer detection project of the Pacific Health Research Institute in cooperation with the American Cancer Society. Breast cancer is nearly 100% curable when diagnosed before a bump can be felt and projects such as the above can detect cancer before it has time to spread.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1228 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 264 Transportation on S.B. No. 417

The purpose of the bill is expressed in its title.

Your Committee adopted the recommendation of the City and County of Honolulu by amending Section 1 of the bill by changing the amount to \$950,000 to reflect increased costs. Also your Committee changed the expending agency to City and County of Honolulu to be consistent with prior project designation.

The purpose of these amendments is to expedite the implementation of the project.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 417 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 265 Transportation on S.B. No. 603

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 603 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 266 Transportation on S.B. No. 639

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 639 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 267 Transportation on S.B. No. 644

The purpose of the bill is expressed in the title.

Your Committee amends the bill to insert the total sum of \$10,820,000 as reflected in the projects' descriptions.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 644, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 268 Transportation on S.B. No. 663

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 663 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 269 Transportation on S.B. No. 664

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 664 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 270 Transportation on S.B. No. 665

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 665 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 271 Transportation on S.B. No. 669

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 669 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 272 Transportation on S.B. No. 737

The purpose of the bill is express in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 737 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 273 Transportation on S.B. No. 740

The purpose of the bill is expressed in its title.

Your Committee adopted the recommendation of the State Department of Transportation to amend the amount to \$7,000,000 to reflect escalation in construction costs and expansion of the size of the subdivision as a result of additional user request.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 740, S.D. 1, and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 274 Transportation on S.B. No. 742

The purpose of the bill is expressed in its title.

Your Committee adopted the recommendation of the State Department of Transportation by amending Section 1 of the Bill to change the amount to \$1,525,000 to reflect current cost estimate for the prescribed project.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 742, S.D. 1, and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 275 Transportation on S.B. No. 743

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 743 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 276 Transportation on S.B. No. 750

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 750 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 277 Transportation on S.B. No. 751

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 751 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 278 Transportation on S.B. No. 758

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 758 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 279 Transportation on S.B. No. 760

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 760 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 280 Transportation on S.B. No. 764

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 764 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 281 Transportation on S.B. No. 766

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 766 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 282 Transportation on S.B. No. 767

The purposes of the bill is expressed in its title.

Your Committee adopted the recommendations of the State Department of Transportation by amending Section 1 of the Bill by changing the amount for construction for the realignment of highway between Mud Lane and Kamuela Race Track on alignment by-passing Waimea to \$4,647,000 and Kahue Bridge revised to read Kaalau Bridge.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 767 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 767, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 283 Transportation on S.B. No. 774

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 774 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 284 Transportation on S.B. No. 778

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B.

No. 778 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 285 Transportation on S.B. No. 869

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 869 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 286 Transportation on S.B. No. 870

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 870 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 287 Transportation on S.B. No. 872

The purpose of the bill is expressed in its title.

Your Committee adopted the recommendation of the State Department of Transportation by amending Honoapiilani Highway, Lahaina funds to \$7,918,000 to reflect added costs.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 872 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 872, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 288 Transportation on S.B. No. 1026

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1026 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 289 Transportation on S.B. No. 1059

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1059 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 290 Transportation on S.B. No. 1072

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1072 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 291 Transportation on S.B. No. 1134

The purpose of the bill is expressed in the title.

Your Committee amends the bill to insert the total sum of \$27,000,000 as reflected in the projects' descriptions.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1134 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1134, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 292 Transportation on S.B. No. 1201

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1201 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 293 Transportation on S.B. No. 1204

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1204 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 294 Transportation on S.B. No. 1299

The purpose of the bill is expressed in the title.

Your Committee recommends that the bill be amended to allow the State Department of Transportation to utilize the funds previously appropriated in Act 218, 1974 to accomplish the purpose of the bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 295 Transportation on S.B. No. 1310

The purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1310 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 296 Transportation on S.B. No. 1349

The purpose of the bill is expressed in the title.

Your Committee recommends that the project description be changed to be consistent with the Department of Transportation's recommendations. Also, the sum amount of \$200,000 has been changed to \$620,000 to efficiently fund the project.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1349, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 297 Transportation on S.B. No. 1350

Your Committee has amended the bill to increase the dollar amount to \$420,000 to cover the cost of resurfacing the entire seven mile section of this vital highway .

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 1, and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 298 Transportation on S.B. No. 1421

The purpose of the bill is express in the title .

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1421 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 299 Transportation on S.B. No. 1465

The purpose of the bill is expressed in the title .

Your Committee finds that additional funds are necessary to facilitate the proper investigation of the proposed project and has amended the bill to reflect its findings .

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1465, S.D. 1, and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 300 Transportation on S.B. No. 1498

The purpose of the bill is expressed in the title .

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1498 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 301 Transportation on S.B. No. 1507

The purpose of the bill is expressed in the title .

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1507 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means .

Signed by all members of the Committee except Senator Rohlfiing .

SCRep. 302 (Majority) Economic Development on S.B. No. 53

The purpose of this Bill is to improve the concept and operation of the Fisheries New Vessel Construction Loan Program by enlarging the scope and transferring the administration of the program from the Department of Land and Natural Resources to the Department of Planning and Economic Development .

S.B. 53 was introduced in short form; Senate draft 1 has been added to provide the details of the bill .

At the present time the State of Hawaii has a loan program which provides for the construction only of new vessels . The Hawaii commercial fishing industry, however, is in dire need of a loan program which will also permit the purchase of fishing vessels

already constructed as well as the renovation, maintenance and repair of fishing vessels. To correct this shortcoming and to improve on the existing loan program a number of bills (S.B. 60, S.B. 486 and S.B. 688) have been introduced during this session. Senate Bill No. 53 in its amended form incorporates the desirable provisions of the aforementioned bills and consolidates the suggested loan programs into a single Hawaii Fishing Vessel Purchase, Construction, Renovation, Maintenance and Repair Loan Program.

Since the inception of the original vessel construction loan program, the processing of loan applications has been handled by the Department of Land and Natural Resources staff members who have had no formal training in loan processing procedures or experience in business and financial matters related to the lending of money. Thus, the administration of the loan program has not only become increasingly difficult, especially with the rapid growth of the loan revolving fund, but also a progressively increasing amount of time has been diverted to the loan program with consequent loss to on-going planned programs.

To assure competent and rapid administration of the expanded loan program, S.B. 53, S.D. 1 proposes to transfer the loan functions to the Department of Planning and Economic Development where loans are presently being administered by loan officers versed in business and financial matters. The transfer of the loan program is mutually agreeable to the two affected Departments.

To provide for the expanded loan program additional appropriation to the loan revolving fund is required and, in addition, the sum of \$63,582 is required by the Department of Planning and Economic Development for the administration of the program over the next biennium. Since the Department of Land and Natural Resources had budgeted the sum of \$6,356 for the administration of the loan program over the 1975-1977 period (included in LNR-153), this sum should be deleted from DLNR's operating budget and should be transferred to and made a part of the \$63,582 required by DPED for the administration of the program.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 53 and recommends that it pass first reading in the amended form attached hereto as S.B. 53, S.D. 1, and be recommitted to the Committee on Economic Development.

Signed by all members of the Committee except Senator Rohlfling.
Senator Hara did not concur.

SCRep. 303 Economic Development on S.B. No. 1271

The purpose of this Act is to enable the State to contract with a nonprofit corporation for the general overseeing of approximately 56 acres at Milolii-Hoopuloa, for the purpose of leasing the land to existing residents of the area, in general preservation of Milolii-Hoopuloa as a fishing village.

Your Committee also would like to note that a technical error was corrected in the title of the bill which changed "Hoopula", to its correct spelling "Hoopuloa".

Your Committee on Economic Development has considered said bill and recommends that it pass First Reading, in the amended form attached hereto as S.B. No. 1271, S.D. 1, and be recommitted to the Committee on Economic Development for further consideration.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 304 Economic Development on S.B. Nos. 719, 720, 772, 978, 1022, 1023, 1028, 1029, 1068, 1081, 1420, 1463 and 1583

The purpose of these bills is to fund the construction of water distribution systems in the above mentioned areas.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. Nos. 719, 720, 772, 978, 1022, 1023, 1028, 1029, 1068, 1081, 1420, 1463 and 1583 and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 305 Economic Development on S.B. No. 242

The purpose of this bill is to appropriate funds for shark control and research activities.

Your Committee, after conducting a public hearing, finds that the increasing number of people participating in ocean related sports, coupled with a growing density of shark populations in Hawaii's waters serves to heighten the possibility of human-shark encounters. Funds appropriated by this bill will effect necessary research activities to find:

1. effective ways of preventing these hazardous conditions from becoming a threat to Hawaii's people;
2. better fishing techniques;
3. better economic utilization of the shark products.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 242 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 306 Economic Development on S.B. No. 1393

The purpose of this bill is to fund water facilities projects in the above mentioned area.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1393 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 307 Economic Development on S.B. No. 1482

The purpose of this bill is to fund pesticide residues research to assist in obtaining State registration for pesticide uses on minor crops in accordance with the requirements of Federal law.

Your Committee concurs with the testimony offered by the Department of Agriculture that to insure that the agricultural industry maintains itself and continues to grow, the immediate short term and long range needs of the State pesticide registration process must be given high priority.

Your Committee is in accord with the intent and purpose of S.B. No. 1482 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 308 Economic Development on S.B. No. 1512

The purpose of this bill is to establish a revolving fund for use by the Department of Agriculture in providing inspection services for State and Federal marketing order programs.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1512 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 309 Economic Development on S.B. No. 1514

The purpose of this Bill is to fund additional staffing at the Kona Branch Experiment Station.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1514 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 310 Economic Development on S.B. No. 1572

The purpose of this Bill is to provide for the development of harbors and commercial

marine basin for commercial marine activities throughout the state.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1572 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators King and Rohlring.

SCRep. 311 Economic Development on S.B. No. 1647

The purpose of this bill is to amend Chapter 149A, Hawaii Revised Statutes.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. 1647 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators King and Rohlring.

SCRep. 312 Economic Development on S.B. No. 1648

The purpose of this bill is to amend Chapter 152, Hawaii Revised Statutes, to delete and add certain words and phrases.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1648 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators King and Rohlring.

SCRep. 313 Economic Development on S.B. No. 1649

The purpose of this bill is to fund the implementation of the pesticide program (AGR 846) authorized under Chapter 149A, Hawaii Revised Statutes.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1649 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlring.

SCRep. 314 (Majority) Judiciary on S.B. No. 75

The purpose of this bill is to reconstitute the board of paroles and pardons as a full-time professional board to be known as the Hawaii Paroling Authority, in order more effectively and efficiently to achieve the dual and inseparable purposes of parole, the protection of society on the one hand and the rehabilitation of the offender on the other. The present board is often frustrated by its desire to provide the needed community service coupled with its inability to do so because of time and financial constraints. The board's functions are demanding in terms of the complexity of factors involved in reaching any decision, in terms of time required to study and understand any single case, and in terms of effect on the safety of our community and the life of every individual person considered for parole. These functions should be conducted by persons with appropriate training and background.

The bill provides for reconstituting the parole board as a 3 member authority. Members are to be nominated by a special panel composed of the chief justice of the Hawaii supreme court, the director of the department of social services, the president of the Hawaii correctional association, the president of the Hawaii bar association of Hawaii, the head of the Hawaii council of churches, a member from the general public to be appointed by the governor and the president of the Hawaii chapter of the national association of social workers. The panel is to submit one name for each vacancy. The bill provides for initial terms of appointment, the chairman designee being appointed for four years, one member for three years, and the other for two years. Thereafter, all appointments will be for four years. Standards are set up for selection of nominees to the authority, and duties and responsibilities of the authority are set forth.

The bill further provides for compensating the chairman at the same salary as that of circuit court judges with the compensation of the other two members to be ninety-five per cent of the salary of the circuit court judges.

The bill also provides for succession by the authority to all of the rights and powers exercised and all of the duties and obligations incurred by the part-time board of paroles and pardons that it replaces in the exercise of the functions transferred.

The bill further provides that all employees, records, etc. of the former board are to be transferred to the authority. The governor is to establish the date for the succession of rights and powers, the assumption of all functions and for transferrals, and funds are appropriated for the salaries, wages, and expenses of the paroling authority members.

Upon consideration, your committee has adopted the recommendations of the director of the department of social services and housing and has amended the bill to provide for a full-time paid chairman and two part-time paid members. Your committee has also amended the bill to provide for submission of not less than three names for each vacancy for action by the governor. The bill has further been amended to provide for compensation of the full-time chairman at the same salary as that of district court judges, with the two part-time members receiving 90 per cent of the hourly wage paid the chairman.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 75, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 75, S.D. 1, and be referred to the committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Hara,
Senator Kawasaki did not concur.

SCRep. 315 Judiciary on S.B. No. 96

The purpose of this bill is to appropriate \$200,000 for the establishment and maintenance of a Sex Abuse Center for the State of Hawaii to be administered by the State Commission on the Status of Women. Your Committee is aware that individuals who have been sexually abused may suffer severe emotional as well as physical trauma. To aid the recovery of such victims special help is needed, and it is with this purpose that the establishment of a Sex Abuse Center is called for. These funds are appropriated to design, coordinate, and establish such a center.

Your Committee has amended the bill to provide for administration of the funds by Kapiolani Hospital. Your Committee felt that it would be more appropriate for the hospital to administer the funds since it is anticipated that the Center will be located at the hospital.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 96, as amended herein, and recommends that S.B. No. 96, S.D. 1, attached hereto, pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 316 Judiciary on S.B. No. 220

The purpose of this bill is to increase the maximum amounts of bid deposits acceptable from banks insured by the Federal Deposit Insurance Corporation to accompany bids on public contracts under section 103-28, HRS, and to amend the statutory provision for deposits of legal tender, etc. to accompany bids for concessions on public property to be consistent with section 103-28.

The 1973 legislature amended section 103-28 to permit a contracting officer to accept bid deposits in the form of certificates of deposit, cashier's checks and certified checks drawn on banks insured by the FDIC, regardless of location. The maximum amount acceptable was established at \$20,000 in keeping with the limit of FDIC coverage. Federal legislation increased the FDIC limit to \$40,000, effective November 27, 1974.

The purpose, intent and meaning of section 102-6 is identical to section 103-28.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 220 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 317 Judiciary on S.B. No. 348

The purpose of this bill is to commission a study on the rights of children. It is intended that a thorough examination be conducted of the status of the common law infant in our society, giving particular reference to the effects, the influence, and the future reformation of the treatment of the minor by the government and the laws of this State. The legislative reference bureau is to conduct the study and submit reports of its findings and proposed legislation for the consideration of the legislature in the next regular session in order that a beginning can be made towards a comprehensive program leading to a declaration of basic rights for minors.

The sum of \$15,000 is appropriated for purposes of conducting the study. Any surplus funds may be used for operation of the bureau for the 1974-75 fiscal year. Surplus amounts remaining on June 30, 1975, shall not lapse but be carried over to the next fiscal years.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 348 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 318 Judiciary on S.B. No. 613

The purpose of this bill is to license and regulate marriage and family counselors. The bill establishes a 9-member board and places the board within the department of regulatory agencies for administrative purposes. Licensing and regulation is required to protect the public from the unprofessional, improper, unauthorized and unqualified practice of marriage and family counseling and from professional misconduct.

Upon consideration your Committee has amended the bill as follows:

Section -15(a) and (b) were amended to place the board within the department of regulatory agencies for administrative purposes. The provisions relating to appointment of an executive secretary, and setting the salary of the executive secretary, and the provisions relating to appointment of staff by the board were deleted. This was done because it is inconsistent with other statutory provisions which authorize the director of regulatory agencies to provide all staff and administrative services to the board which include appointment, transfer, removal, etc. It is also inconsistent with the practice of all other board and commissions where the staff's compensation is not stipulated by law.

Section -9 relating to fees was also amended to reflect the schedule proposed by the director of regulatory agencies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 613, as amended herein, and recommends that S.B. No. 613, S.D. 1, attached hereto, pass Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 319 (Majority) Judiciary on S.B. No. 807

The purpose of this bill is to amend Chapters 602, 603, and 601, Hawaii Revised Statutes, to increase the salaries of the supreme court justices, circuit court judges and the administrative director of the courts, and to appropriate funds out of the general revenues of the State to provide for the increased salaries for the fiscal year ending June 30, 1976.

The bill provides for increasing the salaries of the chief justice of the supreme court from \$33,880 to \$49,260 a year, and the associate justices from \$32,670 to \$47,500 a year. The salaries of circuit court judges would be raised from \$30,250 to \$43,990 a year. The administrative director's salary will be determined by the chief justice and it is to be no more than the salaries of department heads and executive officers as provided by Sec. 2652, HRS, as amended.

Your Committee has amended Section 3 of the bill to insert material currently in the statute which was inadvertently omitted from the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 807,

as amended herein, and recommends that S.B. No. 807, S.D. 1, attached hereto, pass Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee. Senators Kawasaki and George did not concur.

SCRep. 320 Judiciary on S.B. No. 867

The purpose of this bill is to provide funds for the continuation of the Hawaii Legal Services Project of the Legal Aid Society of Hawaii through June 30, 1976. The bill provides for \$161,000 to be appropriated out of the general revenues of the State of Hawaii as the State's contribution to the Hawaii Legal Services Project.

The Legal Aid Society presently has pending with the City and County of Honolulu, a request for an appropriation of \$330,000 through the Federal Community Development Act of 1974. In anticipation of such funds being appropriated by the City and County, your Committee has amended the bill as it relates to the request for an additional grant of \$330,000 by deleting same.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 867, as amended herein, and recommends that S.B. No. 867, S.D. 1, attached hereto, pass Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Takitani.

SCRep. 321 Judiciary on S.B. No. 957

The purpose of this bill is to increase the compensation of election officials during elections.

In past elections, there has been considerable difficulty in recruiting a sufficient number of voters willing and qualified to serve as precinct officials. Those who are willing to work are required to attend a training session, study manuals, complete a test, and work approximately 12 hours on election day. No reimbursement is made for transportation costs to the training session and polling places and workers provide their own lunches on election day.

Problems have been encountered at the polling places on election day, some of which could have been minimized with more intensive training and a selection of a higher caliber of precinct officials. Therefore, your committee recommends that there be an increase of \$10 for each precinct official. The compensation would then be \$45 for each precinct official and \$55 for each chairman for each election.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 957 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 322 Judiciary on S.B. No. 961

The purpose of this bill is to amend section 431-318 to require insurers writing a large volume of business in this state to pay their premium taxes on an installment, rather than annual basis.

At present, all insurers are required to pay their premium taxes annually, on or before March 15th following the calendar year during which the taxable premiums were written. In his 1974 Report, the State Legislative Auditor called attention to the fact that the annual payment of premium taxes not only deprives the State of potential interest earnings on the revenue but affords the insurers preferential treatment over most other businesses which are usually required to pay the general excise tax on a monthly basis. During 1974, the Insurance Division collected over \$9.5 million in premium taxes on 1973 Hawaii business. It is readily apparent that had this sum been collected and invested on an installment basis, the State could have earned a very substantial amount of interest.

This bill will require insurers to pay monthly if their annual tax liability for the preceding calendar year exceeded \$5,000; quarterly, if their annual liability ranged from \$1,000 to \$5,000; and to continue to pay annually if their annual liability was less than \$1,000.

It is clear that this measure will increase costs for insurers affected, in terms of interest loss and additional expenses incurred in the more frequent reporting. However, since a number of other States have already instituted similar installment payment requirements for insurers and the general excise tax is already on this basis, it does not appear that any undue hardship is imposed.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 961 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 323 Judiciary on S.B. No. 1045

The purpose of this bill is to define child abuse and neglect relating to the present child abuse reporting law and to appropriate funds to improve and expand the child protective services program for the State. A total of \$116,060 is appropriated for this purpose to be expended by the department of social services and housing.

Your Committee has amended the definition set out in the bill because the definition is too restrictive in that it limits the reported abuse or neglect to circumstances occurring within the relationship of the family or by someone responsible for the child's welfare. Testimony was received to the effect that children are often neglected or abused by persons who have no relationship to the child and who did not accept the care of the child - such as the mother's boyfriend.

Your Committee is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that S.B. No. 1045, S. D. 1, attached hereto, pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 324 Judiciary on S.B. No. 1157

The purpose of this bill is to amend Section 606-13, Hawaii Revised Statutes, to increase the fees which a court reporter may charge for transcripts of testimony and proceedings. The fee is increased from \$1 to \$1.25 per twenty-five line page for the original ribbon copy and from 40 cents to 50 cents per page for each carbon copy thereof.

Your committee received testimony to the effect that the cost of paper and supplies has increased more than 50 per cent. In addition, much of the transcript work is done after regular duty hours and is in effect, overtime work. The Federal District recently granted its reporters a 25 per cent increase in rates. The last state increase took effect in July, 1969. In view of these factors, your committee feels that the increase is justified.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1157 and recommends that it pass Second Reading and be referred to the committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senators Takitani and Kawasaki.

SCRep. 325 Judiciary on S.B. No. 1281

The purpose of this bill is to appropriate funds for judiciary programs for the 1975-1977 fiscal biennium.

Following hearings and testimony on the recommended expenditures for the various programs of the Judiciary, your Committee with a view towards maintaining the level of services and operation of the Judiciary examined the budget presented by the Judiciary.

As result of such examination, your Committee hereby recommends the following amendments:

(a) At page 3, item no. 4 of the Bill, under the program heading, The Judicial System, Court Operations, Family Courts, Operating, delete 187.50* under the columns designated FY 1975-76 and FY 1976-77 and insert in lieu thereof, 185.50* and 186.50, respectively.

(b) At page 3, item no. 4 of the Bill, under the program heading, The Judicial System, Court Operations, Family Courts, Operating, delete 3,219,040 A, 3,321,949 A and 6,540,989

A under the columns designated FY 1975-76, 1976-77 and Total Biennium 1975-77 and insert in lieu thereof, 3,190,954 A, 3,307,735 A and 6,498,689 A, respectively.

(c) At page 3, item no. 5 of the Bill, under the program heading, The Judicial System, Court Operations, District Courts, Operating, delete 254.00* and 262.00* under the columns designated FY 1975-76 and FY 1976-77 and insert in lieu thereof, 253.00* and 261.00*, respectively.

(d) At page 3, item no. 5 of the Bill, under the program heading, The Judicial System, Court Operations, District Courts, Operating, delete 3,450,117 A, 3,610,894 A, and 7,061,011 A under the columns designated FY 1975-76, FY 1976-77 and Total Biennium 1975-77 and insert in lieu thereof, 3,421,790 A, 3,568,916 A and 6,990,706 A, respectively.

(e) At page 4, item no. 7 of the Bill, under the program heading, Support Services, Law Library, Operating, delete 206,044 A, 207,822 A and 413,866 A under the columns designated FY 1975-76, FY 1976-77 and Total Biennium 1975-77 and insert in lieu thereof, 208,644 A, 210,422 A, and 419,066 A, respectively.

(f) Following the existing section 11 of Part V, entitled Special Provisions at page 9 of the Bill, add the following:

"Section 12. Provided, that the two (2) positions authorized for the development of the Traffic Violations Bureau System (JUD 121) reflected as part of the total position count at page 3, item no. 5, are contingent on continued funding by Federal National Highway Traffic Safety Administration, Department of Transportation."

(g) At Part VI entitled, Miscellaneous Provisions and Effective Date, at page 11 of the Bill, renumber Sections 12, 13 and 14 as Sections 13, 14 and 15, respectively.

Details of the foregoing recommendations are attached to this committee report. ***

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1281, as amended herein, and recommends that S.B. No. 1281, S. D. 1, attached hereto, pass Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

PROGRAMS WITH NO
ADJUSTMENTS RECOMMENDED

JUD 101 Supreme Court
 JUD 102 Land Court/Tax Court
 JUD 111 Circuit Courts
 JUD 201 Administrative Director
 Services
 JUD 221 Driver Education and
 Training

PROGRAMS WITH
ADJUSTMENTS RECOMMENDED

JUD 112 Family Courts
 JUD 121 District Courts
 JUD 202 Law Library

RECOMMENDED PROGRAM ADJUSTMENTS

<u>JUD 112 - Family Courts</u>	FY 1975-76	FY 1976-77	Biennium
DELETE - First Circuit - Judicial Services One (1) Circuit Court Clerk I	(1.00) 12,336	(1.00) 13,164	25,500
DEFER - First Circuit - Family Court Admin. One (1) Social Worker V	(1.00) 15,750	1,050	16,800
	(2.00) 28,086	(1.00) 14,214	42,300
<u>TOTAL JUD 112, Adjusted</u>	(185.5) 3,190,954(A)	(186.5) 3,307,735(A)	6,498,689(A)

	FY 1975-76	FY 1976-77	Biennium
<u>JUD 121 - District Courts</u>			
ADD - First Circuit - Counseling Services	(1.00)	(1.00)	
One (1) Social Worker III	11,376	11,940	23,316
DELETE - First Circuit - Violations Bureau			
	(1.00)	(1.00)	
One (1) Systems Analyst	15,750	16,800	32,500
	(1.00)	(1.00)	
Two (2) Computer Programmer*	13,590	28,320	41,910
One (1) Steno*	7,578	8,088	15,666
	SUBTOTALS		
	(2.00)	(2.00)	
* See proviso	36,918	53,208	90,076
<u>TOTAL JUD 121, Adjusted</u>	(260.5)	(268.5)	
	3,421,790(A)	3,568,916(A)	6,990,706(A)

JUD 202 - Law Library

ADD Two (2) Temporary Student Help	2,600	2,600	5,200
<u>TOTAL JUD 202, Adjusted</u>	(6.00)	(6.00)	
	208,644 (A)	210,422(A)	419,066(A)

SCRep. 326 Judiciary on S.B. No. 1305

The purpose of this bill is to increase sheriff's or police officer's fees for serving any criminal summons, warrant, attachment, or other criminal process for the district courts from \$6 to \$10, and for serving criminal summons and any other criminal process except a subpoena for the circuit or supreme courts from \$6 to \$10.

This increase is necessitated because deputy sheriffs, although representing the state, are compensated on a piece work basis. Unlike other state employees they receive no health fund or retirement benefits, and they also do not have paid vacations or sick leave benefits. Although Act 55 of the 1973 session increased such fees from \$3 to \$5 and further to \$6 effective July 1, 1974, such increases have been largely minimized because of the spiralling cost of living, insurance rates, gasoline costs and automobile repairs.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1305 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 327 Judiciary on S.B. No. 1671

The purpose of this Bill is to change the annual renewal requirement for professional and vocational licenses to a biennial basis and to have staggered renewal periods for professional and vocational licenses board by the Real Estate and Nursing Boards.

Your committee finds that changing the annual renewal requirement for professional and vocational licenses to a biennial basis will help to alleviate periods of extreme work overload on the personnel of the Department of Regulatory Agencies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1671 and recommends that it pass Second Reading and be referred to the committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 328 Judiciary on S.B. No. 318

The purpose of this bill is to waive the requirement of 20 days notice of public hearing of the Administrative Procedures Act in cases where an agency is required by the Federal government to promulgate rules as a condition to receiving Federal funds.

Your Committee has heard testimony from the department of social services and housing which demonstrated that the requirement that an agency give twenty days prior notice before holding a public hearing hampers administrative procedures in certain instances.

There are instances in which Federal funding may be lost unless a decision is made immediately. In such instances the governor or mayor should have the option to waive this requirement of the Administrative Procedure Act.

Your Committee feels however that the agency should be required to inform the public in writing the reasons for waiving the requirement of holding a public hearing. Your Committee has amended Section 1(2)(d) of the bill by changing the period after the word "funds" in line 18 to a semicolon and adding the following proviso:

"Provided that the agency inform the public in writing, the reasons for waiving the requirements of subsection (a)."

The purpose of the amendment is to conform to the Legislative intent of the Administrative Procedures Act.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 318, as amended herein, and recommends that S.B. No. 318, S.D. 1, attached hereto, pass Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 329 (Majority) Judiciary on S.B. No. 1692

The purpose of this bill is to provide counsel for minors in criminal matters before the family court.

Senate Bill 1692 was introduced in short form; Senate Draft 1 has been added to provide the details of the bill.

Your Committee on Judiciary has considered said bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 1692, S. D. 1, and be recommitted to your Committee on Judiciary.

Signed by all members of the Committee except Senator Taira.
Senator Hara did not concur.

SCRep. 330 Judiciary on S.B. No. 443

The purpose of this bill is to amend various penal provisions outside the Penal Code.

Section 64-77 was repealed because the offense, relating to the fire department of the County of Hawaii, is covered by Section 1010 of the Penal Code. Moreover, the Code expressly repealed similar sections (65-50 and 66-48) which concerned the counties of Kauai and Maui, and this section was apparently inadvertently overlooked.

Section 134-1 was amended to delete the definition for "crime of violence" which term is used only in section 134-7 which, as amended by this bill, will no longer use the term.

Subsections (a) and (b) of sections 134-7 were amended to restore the language of the subsections in effect prior to their amendment by Act 202, Session Laws 1974. The Act, in its use of the Ramseyer system indicates that it intended to amend subsection (c) only and that the changes to subsections (a) and (b) were unintended and resulted from clerical error when the obsolete, not the then current text, was utilized in setting forth the section at length.

The amendment to subsection (c) is intended to make the penalty clause consistent with such clauses in sections 134-8, 134-9, and 134-10, as amended by the Code. As so amended the offenses are Class C felonies with possibility of probation.

Section 184-5 was amended to make the penalty for the offense consistent with that prescribed in section 184-5.3. Both sections deal with provisions concerning the Division of Parks, Department of Land and Natural Resources.

Section 184-5.3 was amended because under the terminology of the Penal Code, designation of the offense as a misdemeanor is inconsistent with the 6-month term of imprisonment.

The inconsistency was resolved by making the offense a petty misdemeanor, bringing this offense in line with similar offenses relating to the Fish and Game Division.

Section 286-109 was amended by deleting the reference to Chapter 707 which was repealed by SL 1972, Act 9. That chapter concerned statutes of limitations and therefore the phrase was inserted in the bill.

Section 296-48 was repealed because it serves no purpose since the section referred to therein was repealed by SL 1973, Act 58, section 1.

Section 324-24 was amended because in light of the Code, designation of the offense as a misdemeanor is inconsistent with the imposition of fine only, since such a limitation would constitute the offense a violation. The amendment classifies the offense as a violation so that the penalty will be the same as that provided in sections 324-4 and 324-14, the sections after which section 324-24 appears to have been patterned. The other two sections which contained language identical to that in section 324-24 were amended by the Code so as to provide for classification as violations.

Section 466-11(b) was amended because the offense is already classified as a misdemeanor and it is superfluous to specify a fine of \$1,000 or imprisonment for one year.

Section 468E-16 was amended to remove the inconsistency between the designation of the offense as a misdemeanor and the provision of a 6-month term of imprisonment. Following the policy of the Code which uniformly classified offenses in pre-Code statutes providing for imprisonment for less than one year as petty misdemeanors, the offense was designated a petty misdemeanor.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 443 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 331 Judiciary on S.B. No. 527

The purpose of this bill is to amend the definition of "felony" contained in the Uniform Act on Status of Convicted Persons to make it consistent with the Penal Code.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 527 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 332 Judiciary on S.B. No. 704

The purpose of this Bill is to amend Chapter 482 relating to the registration of trademarks, prints and labels.

Section 482-2, Hawaii Revised Statutes presently provides that an applicant for registration of a trademark, print, label or trade name must file an application verified on oath stating that he is the sole and original proprietor, and set forth other information required by this Section. The notarization requirement is a heavy workload factor and it has become necessary to have three notary publics in the Business Registration Division. The notarization requirement is also quite burdensome on the public. The elimination of the notarization requirement would substantially reduce the workload in the Business Registration Division and make it much easier for the public to file applications. This Bill will eliminate the notarization requirement and require instead a certification by the applicant. The Bill provides a penalty for anyone certifying a false application. The Bill further corrects an obvious error in the title.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 704 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 333 Education on S.B. No. 162

The purpose of this bill is to provide "seed money" for the development and operation of the Hawaii Bound School. The purpose of a Hawaii Bound School is to operate an

outward bound type of program in Hawaii and through that program to facilitate the growth of those troubled and troublesome persons who need to learn or to relearn social skills and behaviors and the necessity of according to others an equal role in life.

The purpose of the amendment to the bill is to change the expending agency for the sum appropriated from the department of accounting and general services to the department of education, which is the more proper supervisory authority for the expenditure of funds dealing with educational programs.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 162, as amended herein, and recommends that it pass second reading and be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 162, S.D. 1.

Signed by all members of the Committee.

SCRep. 334 Education on S.B. No. 593

The purpose of this bill is to provide an alternative learning environment from that offered in the public school system for those students who can be considered "potential candidates" for serious disciplinary action.

The purpose of the amendment to the bill is to provide that the department of education be the expending agency for the funds.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 593, as amended herein, and recommends that it pass second reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 593, S.D. 1.

Signed by all members of the Committee.

SCRep. 335 Education on S.B. No. 1031

The purpose of this bill is to appropriate funds to the Environmental Education Association of Hawaii for the purpose of training teachers in environmental education through workshops and training programs.

The purpose of the amendment to the bill is to change the expending agency from the Environmental Education Association of Hawaii to the Department of Education, the proper supervisory authority for the expenditure of such funds.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1031, as amended herein, and recommends that it pass second reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 1031, S.D. 1.

Signed by all members of the Committee.

SCRep. 336 Education on S.B. No. 1148

The purpose of this bill is to appropriate a grant-in-aid to the Waianae-Nanakuli Education Center.

The purpose of the amendment to the bill is to change the expending agency from the office of the governor to the department of education, the proper supervisory authority for the expenditure of such funds.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1148, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 1148, S.D. 1.

Signed by all members of the Committee.

SCRep. 337 Education on S.B. No. 1153

The purpose of this bill is to appropriate funds for an interest curriculum program at Nanakuli Intermediate and High School.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1153 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 338 Education on S.B. No. 1207

The purpose of this bill is to establish a task force on the elimination of sex bias in education and to appropriate funds for this task force to plan and conduct workshops on the elimination of sex bias in education. These workshops shall be attended by all personnel of the Department of Education.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1207 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Young.

SCRep. 339 Education on S.B. No. 1499

The purpose of this act is to set up a demonstration project of an alternative education system geared to the principles of individual education.

The purpose of the amendment to the bill is to clarify the language of section 2, which in amended form reads:

"There is appropriated the sum of \$75,000, or so much thereof as may be necessary, for the contracting of services to establish a demonstration project of an alternative education system."

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1499, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 1499, S.D. 1.

Signed by all members of the Committee.

SCRep. 340 Education on S.B. No. 1504

The purpose of this bill is to provide funds for the continuation of the alternative school program at Honaunau, Kona, Hawaii. The alternative school program, aimed at dropout and potential dropouts, has had favorable results and your Committee believes that the program should be continued.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1504 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 341 Education on S.B. No. 1603

The purpose of this bill is to appropriate funds for the staffing and supplies of the 'Ohana Pilot Initiation Project Center at Kaimiloiki School. The program has been in operation on a volunteer basis and its activities have proven beneficial to the school and parents.

The purpose of the amendments to the bill are to correct the funding from \$37,000 to \$37,400 and to change the expending agency from the Department of Accounting and General Services to the Department of Education, the proper supervisory authority for the expenditure of such funds.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1603, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 1603, S.D. 1.

Signed by all members of the Committee.

SCRep. 342 Housing and Hawaiian Homes on S.B. No. 1200

The purpose of this bill, as amended, is to amend Chapter 516, Hawaii Revised Statutes to provide a one-to-one condemnation of leaseholds if more than 50% of lessees in a development tract petition for conversion from lease to fee. Only those lessees that petition are affected by the condemnation and they are required to purchase their fee title. Non-petitioning lessees are not affected.

This bill also provides for the funding of leasehold condemnation by general obligation bonds only; funding by revenue bonds has been deleted.

Chapter 516 is further amended by this bill by repealing the provision that allows the Hawaii housing authority to dispose of condemned land through lease.

Finally, Chapter 516 is amended by redefining a development tract by deleting the words "occupied or to be occupied under leases".

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1200 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1200, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Kuroda, Anderson and Henderson.

SCRep. 343 Health on S.B. No. 182

The purpose of this bill is to amend Part I, Discriminatory Practices, of the Employment Practices Law, Chapter 378, Hawaii Revised Statutes, to include employment discrimination because of physical handicap as an additional unlawful employment practice.

Presently, the law prohibits any employer, labor organization, and employment agency to discriminate in employment against any individual because of race, sex, age, religion, color, ancestry, and arrest and court record provided that the individual is able to perform the work in question.

Testimony from the Department of Labor and Industrial Relations indicated that, although "the department believes in the concept of non-discrimination in employment of the physically handicapped", such individuals would not benefit from this bill as originally drafted since physical handicap is defined as "a substantial physical impairment which precludes a person from engaging in useful occupations...". Section 378-2, HRS, allows an employer to refuse to hire such individuals who are unable to perform the work in question.

Accordingly, your Committee has amended Section 1 of the bill by deleting the following phrase in Line 5:

"which precludes a person from engaging in useful occupations,".

The purpose of this amendment is to appropriately revise the definition of "physical handicap" to conform with the purpose of the bill.

Your Committee has further amended this Bill to add a new paragraph to section 378-9 to read as follows:

"Sec. 378-9 - Exceptions. Nothing in this part shall be deemed to:

(7) Require the employer to execute unreasonable structural changes or expensive equipment alterations to accommodate the employment of a handicapped person."

The purpose of this amendment is to protect employers from being forced to make major structural or expensive equipment alterations, to permit the employment of a handicapped person.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 182, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 344 Health on S.B. No. 1347

The purpose of this bill is to establish a pilot health project on the Island of Lanai to ensure that the health needs of the community are met.

Your Committee finds that it would be beneficial to the Island of Lanai to have extended nursing services to care for the elderly, to institute family planning programs, to increase health education programs, and to render care to the Lanai Schools.

Your Committee further finds that the requested sum of \$25,000 is a reasonable amount to establish this much needed nursing project for the Island of Lanai.

Your Committee on Health is in accord with the intent and purpose of S.B. 1347 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 345 Health on S.B. No. 1362

The purpose of this bill is to protect the health and atmospheric environment of the nonsmoker by regulating smoking in certain public places.

Your Committee finds that the 1972 Report of the Surgeon General on "The Health Consequences of Smoking" cites numerous studies showing the hazards of exposure to smoke-filled areas.

For example, the Environmental Protection Agency has set as standard for exposure to carbon monoxide the following: "35 parts per million maximum one-hour concentration not to be exceeded more than once per year", or "9 parts per million maximum 8-hour concentration not to be exceeded more than once a year". In a controlled study, 7 cigarettes smoked in one hour, in a ventilated chamber, produced levels up to 20 parts per million, and peaks up to 90 parts per million were recorded at the seat next to the smoker.

Many states now have legislation protecting the non-smokers, such as Arizona, Connecticut, Delaware, Florida, New York, South Dakota, Utah, Vermont, Virginia and Wisconsin. Many more are introducing such legislation this year.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1362 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 346 Health on S.B. No. 1428

The purpose of the bill is to appropriate funds for the provision of after-normal-working hours psychiatric services for West Hawaii.

Your Committee finds that the \$30,000 requested is a reasonable amount to provide the much needed services proposed by this bill.

Your Committee further finds that the psychiatric services currently offered West Hawaii are excellent and the hours should be extended to serve a larger segment of the population.

Your Committee on Health is in accord with the intent and purpose of S.B. 1428 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 347 Health on S.B. No. 1511

The purpose of this bill is to appropriate funds to allow the Department of Health to research and develop better and more efficient methods of eradicating and controlling mosquitos.

Your Committee finds that the \$84,000 requested is a reasonable amount for the project proposed in this bill.

Your Committee further finds that mosquitos remain to be pests, particularly in the mountain areas and marsh lands and as such are potential threat to the health and welfare of the people of this State. For this reason, a research project by the Department of Health, to develop new ways of controlling the spread of these insects, would be a worthwhile investment for the State to make.

Your Committee on Health is in accord with the intent and purpose of S.B. 1511 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 348 Health on S.B. No. 1517

The purpose of this bill is to appropriate funds for the control and eradication of rodents as pests to the agricultural crops and products in Hawaii County.

Your Committee finds that the \$25,000 requested is a reasonable amount for the extensive project proposed by this bill.

Your Committee further finds that the rodents in Hawaii County represent a threat to the agricultural crops, and a threat to the health of the Island residents as well. The proposed appropriation would allow the extermination of rodents as pests, thus benefiting all the general populace, and particularly the farmers.

Your Committee on Health is in accord with the intent and purpose of S.B. 1517, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 349 Health on S.B. No. 1388

The purpose of this bill is to effect the deletion of personal care homes, and homes for the aged and infirm from Section 323-32 which defines the terms "health care facility" and "health care service".

Your Committee finds that care homes and homes for the aged and infirm are in reality not medical or health care facilities. These homes provide for conglomerate social living arrangements. For this reason, such homes should not be subject to review by Comprehensive Health Planning for certificate of need. In our view, the imposition of such a statutory requirement could possibly impede or deter the construction of institutional type care homes which are much needed in certain areas of the State.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1388 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 350 Judiciary on S.B. No. 1730

The purpose of this Bill is to provide a contingency plan to be instituted by the insurance commissioner upon the unavailability of medical malpractice insurance in the State.

Senate Bill 1730 was introduced in short form; Senate Draft 1 has been added to provide the details of the bill.

Your Committee on Judiciary has considered said bill and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 1730, S.D. 1, and be recommitted to your Committee on Judiciary.

Signed by all members of the Committee except Senator Hara, Kawasaki, Takitani, F. Wong and Saiki.

SCRep. 351 (Majority) Human Resources on S.B. No. 115

Your Committee has considered this bill and recommends that it pass First Reading by title and be recommitted to the Committee on Human Resources for further consideration.

Signed by all members of the Committee except Senators R. Wong and Yamasaki. Senator Anderson did not concur.

SCRep. 352 Legislative Management

Informing the Senate that S.C.R. Nos. 90 and 91, S.R. Nos. 307 to 310 and Stand Com. Rep. Nos. 351 and 353 to 463 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 353 Consumer Protection on S.B. No. 86

The purpose of this bill is to prohibit persons from knowingly selling equipment, materials, or services to unlicensed contractors for an unlicensed activity.

This bill amends Section 444-9.3, Hawaii Revised Statutes, by making it a misdemeanor to knowingly supply an unlicensed contractor for an unlicensed activity.

Presently, unlicensed contractors rob Hawaii's homeowner of thousands of dollars each year. They also avoid paying Workman's Compensation Insurance, excise tax, Social Security taxes, license fees, insurance premiums and other normal business-related expenses.

By cutting off the supply of materials to these persons, their activities may be greatly curtailed without hindering the homeowner who purchases equipment and materials for his own use.

Your Committee amended S.B. No. 86 by deleting the words "or services" because enforcing this provision would be impractical.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 86 as amended and attached hereto as S.B. No. 86, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 354 Consumer Protection on S.B. No. 92

The purpose of this bill is to amend the Residential Landlord-Tenant Code.

With the adoption of Act 127, Session Laws of Hawaii, 1972, Hawaii became one of the first states in the nation to comprehensively study and codify the contractual relationship between landlords and tenants. This Act is especially significant for Hawaii because an acute shortage of available and affordable housing units has created a seller's market in the residential rental area. This imbalance negated the normal effect of supply and demand and until the enactment of the Code, "caveat emptor" was an attitude which landlords could take towards their tenants.

Landlords were also beneficiaries of the Code because for the first time, it specifically stated the obligations of both parties as well as their remedies.

The importance of the Residential Landlord-Tenant Code makes it imperative that it be constantly reexamined and revised to insure its relevance and effectiveness. This is the intent and purpose of S.B. No. 92, S.D. 1.

This bill would amend Chapter 521, Hawaii Revised Statutes in the following manner:

1. A new subsection would be added to section 521-43 which would require a landlord or owner who resides outside the state or on another island from where the unit is located, to designate on the written rental agreement, an agent residing on the same island to act in his behalf.

This would assure the tenant that he will be able to deal with someone on the same island; it will facilitate the return of the security deposit upon termination of the agreement; and it will provide for quick response for repair or maintenance of the rental unit.

2. A provision is added to section 521-44(c) to stipulate that the security deposit shall be held in trust for the use and benefit of the tenant.

This would clarify the intent of the Code to specify that the deposit does not belong to the landlord and while it is being held, he is accountable for it.

3. Section 521-64 is amended by reducing the time in which the landlord must repair, or maintain the rental after being notified by the Department of Health that a health violation exists, or by the tenant that the landlord is in noncompliance with his obligation to supply and maintain fit premises. This bill would reduce the period of time from twenty days to five business days before the tenant could have the work done at his own expense and deduct the amount from his rent. Presently, the maximum amount the tenant could deduct is \$100 and the bill also proposes to increase this to \$200.

These changes are proposed to expedite the repair of conditions which are found to

be in noncompliance with health and other provisions.

The increase from \$100 to \$200 is being proposed because of the increasing costs of repair and service.

4. New provisions are added to section 521-73(c) which would permit the circuit court judge who hears a motion to temporarily restrain a landlord's unreasonable entry to impose a fine of not more than \$100.

Presently, an injunction by the court will permit the tenant to terminate the rental agreement. The fine provision would offer another recourse in the event that the tenant wanted to continue the agreement.

5. The provisions of section 521-74 are expanded by prohibiting the landlord from evicting or raising the rent of a tenant who has complained in good faith to the landlord, building department, Office of Consumer Protection, or any other governmental agency.

Presently, the landlord is prohibited from raising the rent or evicting a tenant who has complained to the Department of Health. This section is expanded because there exists other problems not restricted to health which could lead to these actions following a dispute between the landlord and tenant.

Your Committee, upon considering S.B. No. 92, S.D. 1, made the following amendments:

1. A provision was added to the proposed amendment to section 521-43(f) regarding the rental agreement and disclosure, to specify that the agent that is designated by the owner or landlord who resides outside the state or on another island, must reside on the same island as the rental unit. This will clarify the intent of the requirement.

2. A provision was deleted from the proposed amendment to section 521-44(c), regarding security deposits. The words, "use and benefit of" were removed from the provision which read: "The security deposits held by the landlord shall be deemed held in trust for the use and benefit of the tenant."

Your Committee finds that the provision as amended will be adequate to express its intent and the deleted words could be misinterpreted, although it is strongly in accord with the concept that the security deposit is the property of the tenant and should not be used for any other purposes.

The original proposal was submitted by the Office of Consumer Protection on behalf of a number of tenant-oriented organizations. This proposal and another concept which could require the return of all interest generated by the deposit if it were held in an interest-bearing account by the landlord were considered. Another possibility studied would require the landlord to hold security deposits in non-interest bearing accounts.

Your Committee is in accord with the intent of these proposals but will defer action until further study can be undertaken.

3. The proposed change to section 521-64, regarding the tenant's remedy or repair and deduction for minor defects, which would reduce the period of time in which the landlord must repair or maintain the dwelling, is amended by requiring action within five business days only in the event that the Department of Health gives notification that a violation exists.

Although it is the intent of the Committee that all repairs be done in an expeditious manner, priority must be given to those of a more serious nature such as a health violation. Act 180, Session Laws of Hawaii, 1974, amended this particular section by reducing the period of time from thirty to twenty days. Your Committee finds that in cases other than health violations, twenty days is still an adequate period of time; however, this should also be the subject of further study.

4. Your Committee amended section 521-71, regarding termination of tenancy and landlord's remedies for holdover tenants, by adding to subsection (a) a provision requiring 90 days notice of termination by the landlord in the case of demolition proceedings.

Presently, landlord need only give 28 days notice of termination; however, demolition of dwellings, especially buildings with a large number of units, causes a temporary swelling of the number of people in the market who are seeking new rental units.

This change will provide these tenants who are usually low income or elderly, adequate

time to resettle.

5. Section 521-74(b)(2) was amended by adding the words, "or that of his immediate family", after the present subsection which permits the landlord to recover possession of the unit if he seeks the dwelling in good faith for his own purposes. This change is being proposed so that the landlord can recover the unit for his family members without it being considered as a retaliatory eviction.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 92, S.D. 1, as amended and attached hereto as S.B. No. 92, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 355 Consumer Protection on S.B. No. 702

The purpose of this bill is to amend Chapter 294, Hawaii Revised Statutes, Hawaii's No-Fault automobile insurance law.

This chapter creates a system of reparations for accidental harm and loss arising from motor vehicle accidents, which compensates these damages without regard to fault, and limits tort liability for these accidents.

While the basic intent and purpose of this chapter remains valid, there is need to make further amendments and modifications in order to refine the motor vehicle reparations system.

These proposals have been submitted by the Motor Vehicle Insurance Division of the Department of Regulatory Agencies, based on their experiences during the implementation and transitional operation period. Input was also requested and obtained from representatives of public interest groups, industry and other governmental agencies. The proposed amendments range from a housekeeping nature to those which could have a direct impact on improved benefits to the public:

S.B. No. 702, as amended herein as S.B. No. 702, S.D. 1, would amend Chapter 924 in the following manner:

1. Section 924-2. Item (7) is amended by changing the definition of "monthly earnings" to mean 85% of one-twelfth of the average annual earnings of a person, instead of merely one-twelfth. By lessening the amount, the Committee believes that insurance premiums will be lowered accordingly.

2. Section 924-3. Item (c), relating to "maximum limit" of no-fault benefits, is reworded for purposes of clarity.

3. Section 924-4. This is reworded to clarify that a bicyclist is also included as a pedestrian who may sustain accidental harm.

4. Section 924-6. This section is clarified with minor technical changes. Subsection (c) is amended by deleting the provision relating to persons engaging in conduct resulting in punitive or exemplary damages. Subsection (d) is amended by adding the concept that tort liability is not abolished with respect to punitive or exemplary damages.

5. Section 294-7. This section is changed to provide for a right of subrogation to the no-fault insurer for all of the no-fault benefits paid by such insurer. Under the existing law, only 50% of such benefits paid were subjected to subrogation.

6. Section 294-8. This section has been amended by the addition of a new subsection (c) to exclude vehicles owned or registered by the federal government from the coverage of this Act. The purpose is to insure that persons injured by federal vehicles are not precluded from pursuing their claims under the federal tort claims law.

7. Section 294-9. This section is amended by including the reference to required optional additional insurance throughout. The section also provides that five days notice of cancellation is to be given to the county director of finance.

8. Section 294-10. This section has been subjected to minor, technical changes. The section also now modifies the dates relating to the establishment of the threshold by the commissioner.

9. Section 294-13. In subsection (b), the date for review of initial rates has been changed from July 1, 1975, to September 1, 1975. This will result in lower premiums. Also, subsection (m), relating to student discounts, is deleted. The Committee feels that this deletion will help lower insurance premiums.

10. Section 294-22. Minor technical changes are made.

11. Section 294-24. This section is amended by providing for \$100 and \$300 deductibles for motorcycles and motor scooters.

12. Section 294-35. This section is amended by giving the Commissioner two years, instead of one year, to establish a system of proportionate allocation of burdens among insurers. Further, in accidents involving vehicles weighing more than 10,000 pounds and less than that amount, the owner of the lighter vehicle cannot recover more than 100% of the no-fault benefits paid. The same principle applies to vehicles with less than four wheels.

13. Section 294-39. This section is amended by the inclusion of a civil fine of up to \$1000, as well as a criminal offense of 30 days imprisonment, together with suspension of driver's license or forfeiture of vehicle registration for violations of this Chapter. Further, the penalties will also apply to any operator of a vehicle in violation.

14. Section 286-140. This section, relating to driver education fund underwriter's fee, is repealed. The same subject matter is replaced by a new provision described hereinbelow.

15. Section 294- . This section creates a new drivers education fund underwriters fee of \$1 per year on each motor vehicle insured. The Commissioner is required to collect the sums and to set up a special drivers education fund. He is also required to distribute at least 50% of the fund to the Department of Education for its driver education program under Chapter 299.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 702, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 356 Consumer Protection on S.B. No. 1138

The purpose of this bill is to provide for an accounting of the security deposits for residential rental units credited to each tenant upon transfer of the landlord's interest.

This bill amends Section 521-44, Hawaii Revised Statutes by adding a new provision to subsection (f) which requires that a landlord provide an accounting of the security deposits received for each dwelling to his successor before or at the time of transfer. In the event that this requirement is not met, it shall be irrebuttably presumed that the tenant has paid a security deposit equal to one month's rent and the landlord's successor shall thereafter be bound by this amount.

This provision proposed by the bill would motivate the landlord's successor to determine the amount credited to each tenant, and to see to it that this amount is transferred. Tenants would know where they stand at the beginning and end of each landlord's term, and they would be assured that the previous landlord will have to account for deposits they had paid.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1138 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 357 Consumer Protection on S.B. No. 1139

The purpose of this bill is to clarify the disclosure of information a landlord is required to make on the rental agreement.

This bill amends Section 521-43, Hawaii Revised Statutes, by requiring landlords to furnish in writing current information as to the manager of the premises, and the owner of the premises for service of process and receipt of notices and demands. The

bill also provides that any landlord who fails to comply with this section shall be responsible for such corresponding obligations.

This bill provide tenants with vital information which will assist him in obtaining quicker response and action to his needs.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1139 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 358 Consumer Protection on S.B. No. 1327

The purpose of this bill is to increase the salary of the Director of the Office of Consumer Protection to an amount equal to that of the Assistant Attorney General.

While the costs of living and the salaries of other government officers have risen steadily each year, the Director's salary, set by Section 487-4 at \$25,000, has not changed since the agency was founded in 1969.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1327, as amended in the attached S.B. No. 1327, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 359 Human Resources on S.B. No. 352

The purpose of this bill is to appropriate monies out of the general revenues of the State of Hawaii for a grant-in-aid to the Maui Economic Opportunity, Inc. for improving and expanding land surface transportation programs and services for the low income elderly residing in Maui County.

Presently, the Maui Economic Opportunity, Inc. receives a grant of \$104,000 from the Department of Social Services and Housing Central Administrative Unit through the Hawaii Office of Economic Opportunity. The grant provides for eight full-time and two part-time drivers, plus one dispatcher. The service level is presently 1,100 elderly individuals participating monthly or 17% of the elderly population (over 160,000 annually).

Gap areas are the rural districts. The County is primarily rural with the majority or 26,200 of its population (46,200) in outlying districts. The elderly are found residing in population centers no longer flourishing. Thus, the hardship created by the lack of transportation is a critical problem.

The Maui Economic Opportunity, Inc. is requesting for \$203,851: \$82,270 for the first year and \$90,497 for the second year and also the matching Central Administrative Unit money for continuance of present transportation activities of \$31,084 for each year.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 352 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 360 Human Resources on S.B. No. 353

The purpose of this Bill is to appropriate monies out of the general revenues of the State of Hawaii for a grantinaid to the Hawaii County Economic Opportunity Council for improving and expanding land surface transportation programs and services for the low income elderly residing in Hawaii County.

There is a high priority need for specialized transportation for the elderly in Hawaii. It was found by the State Commission on Aging that 37 per cent of elderly in Hawaii County had a transportation problem.

Presently, seven 12-passenger vans serve the County. Point to point pick ups are made and when the mobility of the passenger is highly limited, escort service is provided.

In order to continue this needed transportation, as well as refine and expand programs,

local state dollars are needed. Therefore, Hawaii County Economic Opportunity Council is requesting for an appropriation of \$110,101.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 353 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 361 Human Resources on S.B. No. 354

The purpose of this Bill is to appropriate monies out of the general revenues of the State of Hawaii for a grant-in-aid to the Kauai Economic Opportunity, Inc. for improving and expanding land surface transportation programs and services for the low income elderly residing in Kauai County.

Your Committee finds that there is a vital need for providing transportation for the low-income elderly residents on Kauai. Because of this, the Kauai Economic Opportunity along with the Office of Elderly Affairs has sought and obtained funding for transportation. However, the total need has not been met. There still exists a large need as shown by what has been done by Kauai Economic Opportunity's transportation program alongside the Office of Elderly Affairs' transportation program.

Kauai Economic Opportunity has a fleet of nine 12-passenger vans, four of which serve the elderly. Approximately 400 individuals 60 years and older were transported, amounting to 40,000 passenger trips last year.

Kauai Economic Opportunity is asking for \$167,500 for the biennium. The break down for the two-year period is as follows: First Year, \$98,676; Second Year, \$68,824; for a Total of \$167,500.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 354 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 362 Human Resources on S.B. No. 355

The purpose of this Bill is to appropriate monies out of the general revenues of the State of Hawaii for a grant-in-aid to the Honolulu Community Action Program for improving and expanding land surface transportation programs and services for the low income elderly residing in rural or remote areas of Oahu.

Presently, HCAP is operating a transportation project which consists of 15 vans, stationed in five areas of Oahu and covering the entire island. The project is funded by the State Department of Social Services and Housing and it specifies that we provide transportation to eligible, low-income clients of other Title IV-A (Aid to Families with Dependent Children) and Title VI (Aid to the Aged, Blind, and Disabled) service programs also funded by DSSH.

However, because of the large number of Day Care children involved, the service to senior citizens has had to be restricted. In addition, stricter eligibility standards have prohibited other elderly from participating in the transportation project.

In order to better serve the elderly population, HCAP is requesting a total of \$125,000 to expand transportation efforts. These funds would lease six vans and a specially equipped van for the handicapped. In addition, it would enable HCAP to lease one large 35-40 passenger bus used to transport large groups of elderly persons.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 355 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 363 Energy/Natural Resources on S.B. No. 1586

The purpose of this bill is to provide funding of applications and demonstrations, research and energy institution programs directed toward the development and utilization of alternate energy sources.

In April 1974 the Governor appointed the Committee on Alternate Energy Sources for Hawaii to undertake a long-range study of potential energy sources as alternatives to petroleum.

The Seventh Legislature of the State of Hawaii created the University Energy Planning Committee under Act 235, SLH 1974, as a steering committee for planning the organizational structure of the Hawaii Natural Energy Institute.

Your Committee finds that the appropriations outlined in S.B. 1586 are in accord with the level of funding recommended by the Committee on Alternate Energy Sources for Hawaii and the University Energy Planning Committee.

Your Committee finds that the State should continue to provide encouragement and financial support to define and develop our own natural energy resources with an ultimate goal of eventually decreasing our almost total dependence on petroleum.

Your Committee also recognizes that some resources are in more advanced stages of research than others and therefore funding in these areas should go for application and demonstration rather than research and development.

For this reason, funding for solid waste, hydroelectric and solar resources has been listed under applications and demonstrations. Wind, ocean thermal energy conversion and bioconversion will continue to receive funding for research and development purposes.

Funding for the Hawaii Natural Energy Institute is based on the Institute's budget request as submitted in its Report to the 1975 Hawaii State Legislature. It is the Committee's understanding that this budget represents the best breakdown for expenditure of the Institute's funding.

Both the Institute and the Hawaii Natural Energy Laboratory were established by the Seventh Legislature and it is the intent of this Committee that the funding under S.B. 1586 be used to continue the goals as outlined by the past legislature.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 1586 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 364 Energy/Natural Resources on S.B. No. 1669

The purpose of the bill is to grant the Governor clear authority to control the distribution of petroleum products when shortages in supply occur or are anticipated that would have disruptive effects upon the public order and welfare. Under existing statutes, the Governor is without clear legal authority to control the distribution and sale of petroleum products in this State or to impose rules that will provide extraordinary measures for the conservation of petroleum products and for their distribution and sale in an orderly, efficient and safe manner unless an "emergency" arises. As was demonstrated during the energy crisis of late 1973 and early 1974, the State government must act before events reach the "emergency" stage. Otherwise, the health, safety, morals, and well-being of our citizens will be detrimentally affected by the confusion and disruption generated.

Although this Committee agrees that the Governor should be given broad powers, it objects to the provision permitting the Governor to implement this control program without the necessity of holding any public hearings. For this reason, S.B. No. 1669 is amended to require the Governor to comply with the prior notice and public hearing provisions of Chapter 91, HRS, if the rule promulgated pursuant to S.B. No. 1669 is to be in effect for more than 120 days. This amendment is reflected in two parts of the bill.

1. The word "Promulgation" is added to the title of Section ____-4 of the bill, page 5, line 5. The title of the section would then read, "Promulgation, filing, and taking effect of rules."

2. The following language would appear after the title in Section ____-4 and before the beginning of the present text:

"Upon the occurrence of a shortage, the Governor may proceed without prior notice or hearing or upon such abbreviated notice and hearing as he finds practicable to adopt rules authorized under this chapter to be effective for a period of not longer than one hundred twenty days without renewal. To be effective after the one-hundred-twenty-day period, such rules must be adopted pursuant to Chapter 91."

Your Committee on Energy and Natural Resources is in accord with the intent and purpose S.B. No. 1669, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1669, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 365 Human Resources on S.B. No. 30

The purpose of this bill is to increase the home exemption for the elderly.

Presently, Hawaii Revised Statutes, Section 246-26, (a) provides for a basic home exemption of \$8,000. Senior citizens may claim for a "multiple" of this amount. The multiple for those 70 years and over is 2.5.

This bill proposes to increase the multiples of 2.0 and 2.5 to 4.0 and 5.0, respectively. Hence, those senior citizens aged 60 to 69 will have their total home exemption increased from \$16,000 to \$32,000 and those aged 70 and over will have theirs increased from \$20,000 to \$40,000.

Your Committee finds that 70% of Hawaii's elderly own homes. Many of these retired elderly must live on a low fixed income of pensions and Social Security benefits. With the increasing value placed on real property each year, the elderly need additional exemptions to keep their homes.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 30 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 366 Human Resources on S.B. No. 189

The purpose of this bill is for the State to ensure the continuing availability of the services currently rendered by the Hilo Day Activity Center for the Adult Retarded, by assuming its ownership and incorporating its administration and operation into the State Department of Health's community programs, and by converting its employees into employees of the State.

Your Committee finds that there is urgent need for facilities and programs dedicated to providing diagnostic, treatment, and training services to moderately and severely retarded adults. The Hilo Day Activity Center for the Adult Retarded, established and operated by the Hilo Association to Help Retarded Children, provides such services at Hilo, Hawaii.

Your Committee further finds that the Center has faced operational deficits during the past several years and has required increasing annual financial assistance from the State as a result of diminishing federal grants. The board of directors of the Hilo Association to Help Retarded Children has expressed its desire that the State assume ownership, without compensation therefor, administration and operation of the Hilo Day Activity Center for the Adult Retarded, the Center's level III program.

An appropriation of \$54,794 is requested by the Hilo Day Activity Center.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 189 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 367 Human Resources on S.B. No. 231

The purpose of this bill is to expand the operation of the Wahiawa Child Development Center from a part-time to a full-time basis with the appropriated sum of \$110,000.

The Child Development Program provides for early identification, diagnosis, parent counselling, physical therapy, and training necessary before the child enters school to help maximize his development.

Your Committee finds that expanding the operations of the Wahiawa Child Development

Center is necessary to provide the full training that a special child needs. Because of his handicaps, such a child needs this extra guidance before entering a regular classroom.

Furthermore, your Committee finds that child development services for the developmentally disabled are an economical investment for the State, as institutional care is many times the cost of day programs.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 231 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 368 Human Resources on S.B. No. 422

The purpose of this bill is to appropriate monies out of the general revenues of the State of Hawaii for necessary renovation, improvements and equipment for Senior Citizens Center located at Sprecklesville, County of Maui.

Kaunoa School is presently being used as the senior citizens center on Maui. The senior citizens are requesting that Kaunoa School be expanded into a multi-purpose senior citizen center for all of the senior citizen activities. Such activities include recreational activities, volunteer services, and employment services.

Therefore, an appropriation of \$100,234 is requested by the Maui Senior Citizens Center in order to expand as well as continue present activities.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 422 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 369 Human Resources on S.B. No. 602

The purpose of this bill is to provide an appropriation for a project development study of the facilities and site currently used for Hale Mohalu Hospital.

The Department of Health is considering the closing of Hale Mohalu Hospital because of a steadily declining patient census. Therefore, the Department of Health has submitted a request for \$50,000 (Project X-02) in the State CIP request for a project development study of the 11.2 acre site to determine the best use of this property after the leprosy program vacates the premises. For this reason, no appropriation is attached to this bill.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 602 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 370 Human Resources on S.B. No. 1319

The purpose of this Bill is to increase the compensation for the services of a substitute referee from \$40 to \$70 a day.

The spiraling cost in recent years has made the \$40 per day for each day's actual attendance upon his duties inadequate. The last increase was in 1963 at which time \$40 per day was determined, where it still remains.

The department is regularly staffed with two full-time referees at a salary range of SR-26. SR-26 at step G pays \$73 a day, and effective July 1, 1975, it will be \$76 per day. Because of an increase in workload and the requirement to meet federal standards, substitute referees have been appointed over the years so that there are now four substitute referees. The duties of full-time and part-time referees are identical. In support of the concept of equal pay for equal work and to maintain the attractiveness of the position to individuals with legal background, the department is in favor of the adoption of this Bill. This position is federally funded.

Your Committee on Human Resources is in accord with the intent and purpose of

S.B. No. 1319 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 371 Human Resources on S.B. No. 1588

The purpose of this bill is to make an appropriation for a summer employment and training program for youth.

Your Committee finds the sum of \$25,000 or so much thereof to be commensurate with the intent of this bill.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1588, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 372 Health on S.B. No. 1713

The purpose of this bill is to establish medical no-fault malpractice insurance.

This bill was introduced in Short Form.

Your Committee on Health has considered said bill and recommends that it pass First Reading by title and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 373 Health on S.B. Nos. 175, 236, 1176, 1210 and 1587

The purpose of these bills is to appropriate out of the sources of funding of the State of Hawaii the funds necessary for the planning, development and construction of the above mentioned projects.

Your committee finds that the construction and maintenance of the foregoing projects is necessary to provide for the health needs of the community.

Your committee on Health is in accord with the intent and purpose of the above mentioned projects and recommends their passage on Second Reading and their referral to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 374 Health on S.B. Nos. 304, 1379, 1580 and 1678

The purpose of these bills is to appropriate out of the sources of funding of the State of Hawaii the funds necessary for the planning, development and construction of the above mentioned projects.

Your committee finds that the construction and maintenance of the foregoing projects is necessary to provide for the health needs of the community.

Your committee on health is in accord with the intent and purpose of the above mentioned projects and recommends their passage on Second Reading and their referral to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 375 Health on S.B. Nos. 605, 648, 1291 and 1292

The purpose of these bills is to appropriate out of the sources of funding of the State of Hawaii the funds necessary for the planning, development and construction of the above mentioned projects.

Your Committee finds that the construction and maintenance of the foregoing projects is necessary to provide for the health needs of the community.

Your Committee on Health is in accord with the intent and purpose of the above mentioned

projects and recommends their passage on Second Reading and their referral to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 376 Health on S.B. Nos. 1065, 1066, 1067, 1346 and 1625

The purpose of these bills is to appropriate out of the sources of funding of the State of Hawaii the funds necessary for the planning, development and construction of the above mentioned projects.

Your Committee finds that the construction and maintenance of the foregoing projects is necessary to provide for the health needs of the community.

Your Committee on Health is in accord with the intent and purpose of the above mentioned projects and recommends their passage on Second Reading and their referral to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 377 Health on S.B. No. 249

The purpose of this bill is to prevent persons who are receiving treatment and are supplied with controlled substances from obtaining them from more than one physician at a time. This is an administrative bill of the Department of Health.

Prior to the enactment of the Uniform Controlled Substances Act (New Chapter 329) Hawaii did have a law prohibiting this practice. This bill would restore this provision.

In testimony before your Committee, the Health Department stated that the Investigations and Narcotics Control Section (the enforcement section for the Uniform Controlled Substances Act) has knowledge of a number of persons who go from one physician to another to obtain controlled substances classified in Schedule II and which are drugs with a high potential of abuse. A recent study indicates these persons are generally known drug abusers and the drugs obtained are usually diverted to the streets. The present statutes do no restrict the number of physicians that a person can visit or the amount of drugs that he can obtain.

This bill is supported by the Health Department. The penalties for violation are directed only at the persons attempting to fraudulently acquire drugs and not at physicians.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 249 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 378 Health on S.B. No. 698

The purpose of this bill is to raise the fee for a marriage license from \$5.00 to \$8.00. Under present law, marriage licenses are issued either by civil service employees at the Department of Health or by private marriage license agents, who now retain \$3.00 and deposit \$2.00 to the State General Fund. This bill would increase the amount deposited with the State to \$4.00.

Your Committee finds that the additional \$2.00 deposited to the State will be used to defray the cost of preparing and mailing to newly married couples, a certified copy of the marriage certificate which was made a requirement by Act 31, SLH, 1974.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 698, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 379 Health on S.B. No. 699

The purpose of this bill is to make it mandatory for an employer to provide health and coverage for an employee who works at least twenty hours per week, earns at least 86.67 times the minimum hourly wage and has been in his employ for four consecutive weeks.

Your Committee finds that at the present time, there is doubt regarding the coverage

status of an employer who initially meets the requirements of the law, but subsequently is put on a less-than-twenty hours a week schedule but paid wages of at least 86.67 times the minimum hourly wage. This bill would ensure coverage for such persons.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 699 and recommends that it pass Second Reading and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 380 Health on S.B. No. 1049

The purpose of this Bill is to update the listing of controlled substances contained in Chapter 329, HRS, and bring it in line with the Federal Uniform Controlled Substances Act. The Department of Health is required by Section 329-11(e), HRS, to recommend changes to the schedule annually to the Legislature by means of a report. This Bill is a result of such a report and a suggested Bill which was attached to that report.

The Committee further finds that methqualone should be removed from the opiate category and listed as a depressant to be consistent with Federal law. The word "Stimulants" should be added as the heading for Section 329-16(e) to make it consistent with the construction of Section 329-16. The material Diethylpropion should not be listed as a substance with a depressant effect on the central nervous system.

Your Committee is in accord with the intent and purpose of S.B. No. 1049 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 381 Health on S.B. No. 1144

The purpose of this bill is to add four new sections to Chapter 321 of Hawaii Revised Statutes to permit planning to continue toward the establishment of a Hawaii State Veterans Home.

Your Committee finds that there are approximately 100 veterans requiring domiciliary care, who are currently living in slum conditions because of the inability to work and insufficient funds for self-maintenance. The number of people needing home care will be increasing in the future as recent war veterans grow older.

Your Committee further finds that there are Federal funds for which a Hawaii Veteran's Home could qualify. What is required from the State is a commitment to provide the home, and money to permit planning and construction.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1144, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 382 Health on S.B. No. 1229

The purpose of this bill is to make an appropriation in an unstated amount for the development and implementation of a continuing education program for registered and licensed practical nurses. The appropriated sum is to be expended for the foregoing purpose by the State Board of Nursing with the advice, counsel and cooperation of the Hawaii Nurses Association.

Your Committee agrees that the development and implementation of a continuing education program for nurses should be encouraged by the State as rapid advances in medical science make it necessary for professionals in the field of medicine to further their knowledge. Nurses in Hawaii, in concert with their national professional association, the State Board of Nursing, and other organizations have already formulated a proposal for a continuing education program. This Bill will provide a needed impetus for the full development and implementation of a necessary program.

Your Committee upon consideration of the Bill is of the opinion that the sum of \$150,000 should be appropriated for its purpose and has amended the Bill by inserting said figure in Section 2 thereof.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1229,

as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 383 Health on S.B. No. 1260

The purpose of this bill is to provide an appropriation for a Comprehensive Mental Health Program Plan, based on systematic analysis, to serve as the foundation for legislation policies and executive branch implementation of an effective mental health program.

Your Committee finds that Federal legislation to be issued this year will require a Comprehensive Mental Health Plan which must include provisions respecting services to be offered within the State by community mental health centers and provisions respecting facilities for such centers. The plan required under Federal legislation will serve as the foundation for decision making on applications for Federal support.

Your Committee further finds that the alternative to providing the Mental Health Division with the five positions requested would be to secure the services of a consultant on a one-time basis. An outside consultant would not allow for implementation of the program design, systematic and ongoing planning, program evaluation and analysis, pilot-testing and evaluation of new program components, or the modification of existing program components. Your Committee therefore, has amended the bill to provide for an appropriation of \$155,000 for five positions.

Your Committee is alarmed at the recent disaccreditation of the Hawaii State Hospital by the Joint Commission on Hospital Accreditation, and feels there is a desperate need for systematic planning and implementation within the State Mental Health Division.

Your Committee on Health is in accord with the intent and purpose of S.B. 1260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1260, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 384 Health on S.B. No. 1353

The purpose of this bill is to provide infant stimulation services for the State. Expenditure of the requested money would allow the creation of 3.25 positions in the Department of Health for the purpose of hiring a teacher trained to work with deaf infants, plus one and one-quarter occupational therapists, and one paramedical assistant to work in the West Hawaii program. The bulk of the money would be subcontracted out to private nonprofit agencies to provide State funding for infant enrichment programs.

Your Committee finds that the reasons for supporting infant development services are many: Early intervention yields maximized capabilities, minimized deficiencies, increased social and language skills, and decreased incidence of institutional care. When families are brought into the child's development at the beginning, acceptance, understanding and effective participation are increased, causing minimal disintegration of the family, and realistic attitudes for the future.

Your Committee further finds that the proposed \$96,000 is not an adequate amount. \$193,662 however, would cover one treatment session a week for 42 weeks a year for children under 18 months, and two sessions a week for children 18 months to three years. Such sessions include parent counseling and instruction in occupational therapy, physical therapy, speech therapy, and training in social skills. The proposed program would cover approximately 40% of the total target group of 529 infants. The Department of Health is hopeful that additional infant development funds can be generated through Federal grants, so that approximately 80% of the target group, with more intensive treatment sessions, can be reached.

Upon consideration of the above and other testimony presented, your Committee recommends that the bill be amended to provide for \$193,662 to adequately fund existing programs and allow for expansion.

Your Committee on Health is in accord with the intent and purpose of S.B. 1353 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1353, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 385 Health on S.B. No. 1385

The purpose of this bill is to lend State support to the Comprehensive Cancer Control Program operated by the Cancer Center of Hawaii.

Your Committee on Health finds that cervical, uterine, breast, colon, rectum, stomach, and prostate cancer are the cancers about which the most is known. When detected early, the chance of cure is great. However, today these varieties of cancer are among America's leading causes of death.

Your Committee further finds that a comprehensive cancer program involving education, early detection, diagnosis, early treatment, followup, and rehabilitation, could save as well as prolong the lives of many Hawaii residents. With publication of high risk characteristics, that goal is not out of reach for a program such as the proposed.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1385, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 386 Health on S.B. No. 1386

The purpose of this Bill is to provide \$1,000,000 for the implementation of Alcoholism Programs set forth in the State plan for alcoholism. Involved are:

- Alcoholism education and prevention;
- Collection and analysis of demographic data on alcoholism;
- Follow-up research on participants in alcoholism treatment programs;
- Research and evaluation of alcoholism programs; and,
- Provision of various types of outpatient services and various modes of treatment.

The Committee finds that alcoholism is a growing problem throughout the mainland United States and Hawaii. There are an estimated 40,000 alcoholics in this State and only approximately 2,000 are receiving care. The reason for the relatively small percentage being helped is largely due to a lack of public education and a lack of varied intervention techniques geared to the "average citizen" who inbibes too heavily.

Your Committee also finds that there are the beginnings of several potentially far-reaching programs existing in the State, that, with financial support, could begin to reach the bulk of the alcoholic community. Among these programs are:

- Big Island Council on Addiction
- Hawaii Committee on Alcoholism
- Hawaii Alcoholism Foundation Halfway House
- Hina Maulea
- Salvation Army Alcoholism Treatment Facility
- Salvation Army Men's Social Service Agency
- Teenage Alcoholism Program

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1386 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 387 Health on S.B. No. 1390

The purpose of this bill is to amend the Hawaii Revised Statutes, Section 66, 3-1.7 to stipulate that there shall be no civil liability for professional medical societies in communicating their peer review committee conclusions to a similar committee of another professional society whose members are of the same profession or to an authority which licenses people of that same profession.

Your Committee finds that peer review activities of the medical society are focused on the performance of membership striving for the highest level of professional response of the physicians to patients' needs. Such groups are voluntary professional associations, and while peer pressure holds a great deal of potential power, there is no real power of enforcement from the standpoint of withholding the privilege of practice or restricting the practice of a physician to those fields in which he has competence.

Your Committee further finds that it represents a serious legal hazard for the medical societies to report their findings outside of its own organization and inform those that may have power to restrict or control an individual's practice of medicine. That protection from reprisal when informing hospital review committees, the Board of Medical Examiners, or government agencies of potentially hazardous situations, is also necessary to maintain the currently workable informal arrangement.

Upon consideration of the above and other testimony presented, your Committee recommends that the bill be amended to add a final clause to paragraph (c) in Section 663-1.7 to read, "or to a government agency charged with the responsibility for administering a program of medical assistance in which services are provided by private practitioners".

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1390 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1390, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 388 Health on S.B. No. 1628

The purpose of this bill is to provide for coordination of services for the developmentally disabled by placing the Developmental Disabilities Council, referred to as the State Council, in the Office of the Governor. Responsibilities for the Council would be planning, reviewing and monitoring plans prepared by the various departments of the State on behalf of the developmentally disabled. Provision is also made for coordinating programs of the various departments and private agencies to assure efficient use of funds, non-duplication of services and specific areas of responsibility. It also provides for evaluation of programs, and in addition, provides an advocacy function for the developmentally disabled.

Your Committee finds that this bill gives the Developmental Disabilities Council official status by statute. This bill also gives the Council sufficient stature to provide monitoring, evaluation of existing services and planning for new community services. Most important, this bill provides for the Council to coordinate activities on behalf of the developmentally disabled in the various departments and private agencies, and ensures their participation in the activities of the Council.

Your Committee further finds that the placement of the State Council in the Office of the Governor, instead of the Department of Health, would give it a more independent role in establishing goals and priorities for planning and funding programs. In turn, this independence could make the body more effective in its job of advocating and evaluating services for the developmentally disabled.

Upon consideration of the above and other testimony presented, your Committee recommends that Section 3 of the bill be amended to require Senate confirmation of gubernatorial appointments to the State Council.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1628 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1628, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee.

SCRep. 389 Health on S.B. No. 729, 738, 770, 775 and 1342

The purpose of these bills is to appropriate out of the sources of funding of the State of Hawaii the funds necessary for the planning, development and construction of the above mentioned projects.

Your Committee finds that the construction and maintenance of the foregoing projects is necessary to provide for the health needs of the community.

Your Committee on Health is in accord with the intent and purpose of the above mentioned projects and recommends their passage on Second Reading and their referral to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 390 Health on S.B. Nos. 1230, 1231, 1233 and 1234

The purpose of these bills is to appropriate out of the sources of funding of the State

of Hawaii the funds necessary for the planning, development and construction of the above mentioned projects.

Your committee finds that the construction and maintenance of the foregoing projects is necessary to provide for the health needs of the community.

Your committee on Health is in accord with the intent and purpose of the above mentioned projects and recommends their passage on Second Reading and their referral to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 391 Intergovernmental Relations on S.B. No. 1191

The purpose of this Bill is to amend Section 67-2 and Part V of Chapter 46, Hawaii Revised Statutes, relating to improvement district ordinances by the counties.

Upon consideration of the Bill and testimony received, your Committee finds it desirable to affirm the counties' authority to enact ordinances relating to improvement districts within their respective counties. The amendments to Section 67-2 and Part V of Chapter 46, will clear the present legal cloud on the existence of a valid improvement district ordinance.

Your Committee on Intergovernmental Relations is in accord with the intent and purposes of S.B. No. 1191 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 392 Intergovernmental Relations on S.B. No. 1192

The purpose of this bill is to amend Section 47-7 Hawaii Revised Statutes, to provide for increasing the permissible ceiling of general obligation bond interest rate from 7% to 8%.

Your Committee finds that the County of Hawaii proposes that the permissible ceiling interest rate be raised from 7% to 8% as an enabling measure in anticipation of rising interest rates. This provision would in effect, give prior authorization to the counties to issue bonds that bear interest at rates up to 8% if it becomes necessary.

The City and County of Honolulu however, finds that the 7% rate is still an acceptable and desirable ceiling, with respect to its bond rating, and has requested that it be excluded from the increase. Your Committee, being in agreement with the views of the City and County of Honolulu, has amended the bill to "provide that in any county with a population in excess of 100,000 the rate or rates shall not exceed seven per centum per annum".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1192 as amended herein, and recommends that it pass Second Reading in the form attached as S.B. No. 1192, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 393 Intergovernmental Relations on S.B. No. 1466

The purpose of this Bill is to amend Section 249-6, Hawaii Revised Statutes, to provide for exemption from the weight tax, the personal car of any veteran with a certified service disability.

Your Committee finds that the present law exempts from the weight tax, cars owned by disabled veterans when the vehicle was provided by the federal government. This Bill would provide that the personal car of any veteran with a certified service disability would be exempt from the weight tax.

Statistics furnished to this Committee indicate that there is an estimated total of 6,687 veterans in the State with service-incurred disabilities. An estimated 5,376 of these veterans reside in the City and County of Honolulu. The City Director of Finance estimates that the loss of revenues to the City and County of Honolulu would be approximately \$135,000, assuming all of these veterans took advantage of this exemption.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1466 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 394 Housing and Hawaiian Homes on S.B. No. 714

The purpose of this bill, as amended, is to provide a method by which three or more adult landowners may cooperatively assemble and develop their lots, and thereafter receive their pro-rata share of the profits or revenues generated from the housing project.

The development would be carried out by a land readjustment association of which the landowners in a designated, contiguous area would be members. The Hawaii housing authority must recognize and approve plans of the association for the readjustment and development of the area.

Once approved, the readjustment association would be assigned a trustee by the Hawaii housing authority who will assist in the development of the area and who will hold, in trust, the lands of the association members.

The association will be responsible for the development and financing with possible financial participation by the Hawaii housing authority through chapter 359G, Hawaii Revised Statutes.

Your Committee amended this bill by deleting the provision which would allow the Hawaii housing authority to condemn the lots of nonconforming landowners and by deleting other references in the bill relating to condemnation.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Anderson.

SCRep. 395 Housing and Hawaiian Homes on S.B. No. 1098

The purpose of this Bill is to exempt kuleana property consisting of ten acres or less, owned by an individual, and used as his principal residence from one-half of the real property taxes assessed against such property.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1098, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 396 Housing and Hawaiian Homes on S.B. No. 1099

The purpose of this bill is to protect the fundamental rights of persons having title to land and easements, or rights of land possessed in fee simple by guarantee to these persons due process and legal assistance through the function of a state agency created for that purpose.

Your Committee amended Section 3 (1) of the bill by providing for findings within "120" days and amended Section 4 by appropriating "\$50,000" for the purposes of this bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1099, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 397 Housing and Hawaiian Homes on S.B. No. 1323

The purpose of this bill is to allow funds in the dwelling unit revolving fund to be used for expansion of community facilities constructed for housing projects for elderly persons.

Your Committee has amended the bill to specifically authorize the Hawaii Housing Authority to use funds allocated in the dwelling unit revolving fund for any federal requirements for the Authority to receive approval of federal housing projects for the elderly.

In the past, because bid results have exceeded allocated funds, the Authority had to redesign or remove amenities built into the project in order to receive federal approval. This, sometimes, has not resulted in the best of projects and the Authority has had to rely on modernization or other federal funds later to make the necessary changes. By authorizing the Authority to use moneys within the dwelling unit revolving fund for this purpose, this situation may be alleviated.

The bill has also been amended to authorize the Authority to hire individuals for unique and essential services on a contractual basis and not subject to chapters 76, 77, and 78 of the Hawaii Revised Statutes. The nature of the work of the Authority requires flexibility in contracting for specialized and unique services as needed, without maintaining such individuals on staff as permanent employees.

Your Committee has further amended the bill to allow bonds issued by the Hawaii Housing Authority under chapter 356, Hawaii Revised Statutes, to bear eight per cent interest, but only for bonds issued in the twelve-month period following enactment of the bill.

Other technical amendments to the bill were made to conform to the substantive amendments mentioned herein.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1323 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1323, S.D. 1, and be referred to the Committee on Human Resources.

Signed by all members of the Committee except Senator Anderson.

SCRep. 398 Housing and Hawaiian Homes on S.B. No. 1612

The purpose of this bill is to amend the General excise tax law by exempting from taxation amounts received by a manager or board of directors of a planning development housing project in reimbursement of sums paid for common expenses.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1612 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1612 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 399 Human Resources on S.B. No. 680

The purpose of this bill is to appropriate \$96,000 as grant-in-aid to the Easter Seal Society for development services for handicapped infants.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 680 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee except Senators R. Wong and Anderson.

SCRep. 400 Human Resources on S.B. No. 771

The purpose of this bill is to appropriate the sum of \$25,000 for the renovation of facilities to accommodate the increase of participants and staff at Hale Hauoli, Hamakua, Hawaii.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 771 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 401 Human Resources on S.B. No. 1074

The purpose of this Bill is to provide statewide coordination and development of immigrant services through a state immigrant services center under the Advisory

Commission on Manpower and Full Employment.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1074 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 402 Human Resources on S.B. No. 1208

The purpose of this Bill is to make an appropriation to develop a coordinated comprehensive elderly services program in the Kalihi-Palama area.

Your Committee finds that a well-coordinated program is essential to avoid duplication of services and the development of new and effective services for the elderly in the Kalihi-Palama area.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1208 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 403 Transportation on S.B. No. 709

The purpose of the bill is to provide additional revenue to the Highway Special Fund to finance the current and planned programs of the State Highway System. The bill originally proposed a 3-1/2 cents increase in the State tax on motor fuel from 5 cents to 8-1/2 cents per gallon.

Your Committee on Transportation has undertaken a critical analysis of the Highway Special Fund. Your Committee finds that the present sources of revenues does not meet the required level of expenditures in the land transportation facilities and service program. Despite tautly administered austerity, a \$2 million deficit is expected for the current fiscal year. Your Committee further finds that the critical financial state of the fund will have an adverse effect on the State debt in 1976 unless prompt action is initiated.

Your Committee has evaluated the various alternatives and respectfully recommends a 1-1/2 cent increase in the State tax on motor fuel from 5 cents to 6-1/2 cents per gallon. This recommended action coupled with other sources of revenue should restore the financial solvency of the State highway special fund for the coming biennium. Specifically, your Committee has recommended that the 4% excise tax on liquid fuel be transferred from the general fund to the Highway Special Fund.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 709 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 404 Transportation on S.B. No. 942

The purpose of this bill is to allow a tax break to MTL, our city-wide bus service system, a business organized to operate and maintain under contract a government-owned transportation system. It is intended that this exemption shall apply only with respect to the gross income received from the government in consideration of the services performed and for reimbursement of expenditures or costs made in the operation and maintenance of such transportation system.

Your Committee concurs that MTL should be allowed this tax break.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 942 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 405 Transportation on S.B. No. 945

The purpose of the bill is to enact a new section to Chapter 239, Hawaii Revised Statutes, to exempt any business organized to operate and maintain under contract a government owned transportation system.

Your Committee finds that presently, an independent contractor such as MTL, Inc., who has a contract to operate and maintain a transportation system for the State or counties is taxable under the General Excise Tax Law.

During the past years (1973-74), the City has incurred additional expenses of \$333,000 because the services provided by the government services company (MTL, Inc.) is subject to the General Excise Tax.

Based on your Committee's continued concern and interest to promote improved mode of transportation systems for the citizenry of Hawaii, your Committee recommends that the development of a government owned bus transportation system be supported through the passage of this type of legislation.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 945 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 406 Transportation on S.B. No. 946

The purpose of the bill is to exempt government service companies contracted to operate and maintain a transportation system for a government organization from Chapter 237, Hawaii Revised Statutes, on reimbursements for costs received from the government organization.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 946 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 407 Transportation on S.B. No. 312

The purpose of the bill is to amend Section 271-27, Hawaii Revised Statutes, to make all knowing and wilful violations, misdemeanors punishable as such under the Hawaii Penal Code.

Your Committee amended the bill for purposes of content clarification.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 312, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 408 Transportation on S.B. No. 950

The purpose of this bill is to allow in the definition of bicycle the inclusion of motor power of less than one horsepower.

Your Committee adopted the recommendation of the Department of Transportation and amended Section 3a and Section 4a by adding the following phrase: "sixteen inches in diameter or greater".

The purpose of this amendment to the bill is to enable greater clarification of the term bicycle by pinning down wheel size. In doing so the Committee also recommends serious consideration of further amendment to the bill to add the definition of "play vehicle" for what is presently termed bicycle but with a diameter of less than sixteen inches and without ability to use a motor of less than one horsepower. Restriction of bicycles with any kind of motor power from bikeways, compliance to the Federal Motor Vehicle Safety Standards, and a minimum operator age of 12 years are also considered.

Your Committee on Transportation is in accord with the intent and purpose of S.B.

No. 950, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 409 Transportation on S.B. No. 1215

The purpose of this Bill is to create a planning organization to be designated to establish short and long-range transportation plans for Oahu and to receive certain funds for the purpose of carrying out continuing comprehensive, cooperative urban transportation planning. This organization will serve as the recipient of highway transit, and airport system planning funds for Oahu.

Hawaii was required to designate a Metropolitan Planning Organization for Oahu and have that agency establish a short-range development program and long-range transportation plan for Oahu prior to February 28, 1975 or face decertification from receipt of all Federal transportation or transit planning and construction funds for the City and County of Honolulu. February 28, 1975 was our third extension from an original July 1, 1974 deadline.

Hawaii did not meet the deadline. In order to become recertified, it is mandatory that a Metropolitan Planning Organization be established and designated by the State as soon as possible. Loss of all Federal planning and construction funds for transit and transportation will continue until this is done.

Cooperation and agreement between the State and the City and County of Honolulu in establishing and designating the HMPO is mandatory under the terms of the Federal-Aid Highway Act of 1973, the Urban Mass Transportation Act of 1974 and the Rules and Regulations resulting from them. The State or the City cannot act unilaterally, or alone, in this situation.

Therefore, we anticipate that this legislation when enacted will be submitted to the Honolulu City Council for its approval.

Mr. Edward Muse, Chairman of the Intermodal Transportation Planning Committee for the San Francisco area, which includes Hawaii, proved an outstanding resource person and witness for the committee in drafting this bill. He testified that the immediate establishment of an MPO was mandatory and that his committee, which is responsible for certification, would favorably consider an MPO of local elected officials, including State legislators. He indicated that UMPA requires a majority of the members to be city (municipal) representatives, that State legislators from Oahu are not City representatives, but that State input and representation is mandatory to insure the cooperation required by law. He approved of the plan outlined by this bill for the Honolulu Metropolitan Planning Organization.

Testimony from Mayor Frank Fasi of Honolulu indicates that the City and County administration would prefer taking the entire function in its planning department, using the City Council as a policy committee. Your Committee rejects this idea as it fails to recognize the role the State plays in funding, particularly airport, harbor and State highway projects, planning and carrying out many Oahu projects.

Your Committee believes that this Bill is necessary and proper in that it will promote cooperation between the State and the City, and will coordinate all activities embracing airport, transit, harbor, bikeway, waterway, and highway planning for Oahu consistent with land use plans of the State and City.

As amended herein, this Bill provides for the creation of a planning organization to be called Honolulu Metropolitan Planning Organization or HMPO, consisting of nine members, which shall include five members of the City Council, two Oahu members of the State Senate, and two Oahu members of the State House. The State Director of Transportation, State Director of Planning and Economic Development, the City Chief Planning Officer, the City Director of Transportation Services, and appropriate federal officials are required to assist HMPO as it shall decide.

Basically, HMPO is authorized broad functions and powers relating to all aspects of comprehensive transportation planning for Oahu.

However, those transportation facilities in the State which are primarily for international or interstate use are not under the jurisdiction of HMPO. HMPO will include input from the State Department of Transportation regarding these facilities to insure its plans are comprehensive.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1215, as amended herein, and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 1215, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 410 Ecology, Environment and Recreation on S.B. No. 52

The purpose of this bill is to require an immediate study of the feasibility and impact of manganese nodule mining in the State.

Economists and scientists have estimated that the manganese nodule deposits in the Pacific as the richest mineral deposits on this planet. Certain of these manganese nodule clusters are within the immediate vicinity of this State. International consortia have expressed interest in nodule mining in Hawaii and a Howard Hughes research vessel has conducted offshore tests in Hawaii. The University of Hawaii Law School and the Harvard East Asian Law Program have initiated a Deep Sea Mining Project that will probe Hawaii and Pacific seabed questions.

Before any determination as to the feasibility or appropriateness of establishing mining facilities, your Committee believes it is crucial for the State to conduct a preliminary analysis of manganese nodule processing and treat such questions as ownership of the manganese nodule resources, location of any processing plants and environmental problems stemming from the mining and the refining as well as the social and economic impact which might result.

In light of the testimony presented, your Committee feels it cannot too strongly emphasize the importance of conducting this study as promptly as possible.

Your Committee has amended the bill to include an appropriation of \$100,000 or so much thereof as may be necessary to the Department of Planning and Economic Development to conduct this study.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 52, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 52, S.D. 1, and be referred to the Committee on Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 411 Ecology, Environment and Recreation on S.B. No. 548

The purpose of this bill is to appropriate \$50,000 for a three-year management study of the green sea turtle in the Hawaiian Archipelago. The sum appropriated shall be expended by the Hawaii Institute of Marine Biology of the University of Hawaii.

Your Committee finds that the Board of Land and Natural Resources, cognizant of the increasing need for protection of this species, recently adopted a regulation to provide for the protection of the population of marine turtles in Hawaiian waters.

Although the green sea turtle is one of the world's most important reptiles from an economic standpoint, there is a great lack of scientific knowledge about this species. In many areas of the world their population has seriously declined and, in some instances, lost entirely.

The Hawaiian Archipelago is a good area in which to study the green sea turtle, because their entire migratory pattern remains within the waters of the archipelago.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 548 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 412 Ecology, Environment and Recreation on S.B. No. 1440

The purpose of this bill is to provide that in cases involving the proposed use of land in a conservation zone for utility purposes, the department of land and natural resources shall hold a public hearing, at which hearing interested persons shall be afforded a reasonable opportunity to be heard.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1440 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee .

SCRep. 413 Ecology, Environment and Recreation on S.B. No. 44

The purpose of this Bill is to provide for design review of State buildings and developments in order to foster the attractiveness and functional utility of the community, preserve areas of historical and cultural significance, protect public investments and promote the quality of the environment.

The impact of any development on the area in which it is located includes its effects upon the overall form of the community, the spatial relationship between structures and open spaces, and the general physical appearance of the area. For this reason it is imperative that evaluation and review of building design be conducted by qualified persons in the public interest.

The Bill creates a five member design review board for State buildings. The board shall be appointed by the Governor and will consist of persons with expertise in matters of design. Various aspects of design will be evaluated, with special emphasis on landscape and the environment, relationships between neighboring owners and users.

Only an applicant's failure to take reasonable account of design aspects shall justify disapprovals; individual initiative, creativity and experimentation would be encouraged.

The Bill details the procedures by which review will be made. All meetings of the review board shall be open to the public unless it involves matters affecting an individual's reputation. A provision governing conflict of interest situations is included.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 44 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 414 Ecology, Environment and Recreation on S.B. No. 195

The purpose of this bill is to empower the State to prohibit the sale, or possession with intent to sell, of any endangered species, or parts thereof, or any article made in whole or in part from any endangered species, except under permit from the department of land and natural resources.

The United States Endangered Species Act of 1973 protects animals considered in danger of becoming extinct and prohibits the importation into the country or across state boundaries in interstate commerce of such animals or products made from them. No provisions however deal with intrastate commerce which is appropriately the domains of the states. States, such as California, New York, Illinois, Connecticut and Delaware have enacted their own prohibitive measure in recognition of their responsibility to guard against depletion or extinction of species.

The focus of this bill is of particular importance to Hawaii which has faced species decimation unparalleled anywhere in the nation.

Your Committee finds that Hawaii's unique and fragile environment make it unusually vulnerable to the danger of overwhelming destruction of native flora and fauna. Your Committee wishes to quote the following comments of the Honorable Congresswoman Patsy T. Mink, as stated in the Congressional Record of 27 July, 1972:

"Hawaii has the most diversified, unique and scientifically significant flora and fauna in the world, and yet the island's environments are so fragile that in nearly 200 years since the islands were visited by Captain Cook more plants and animals have been exterminated or brought to the brink of extermination than in all the rest of the United States."

In order to most effectively meet the underlying purposes of this bill, your Committee suggests that certain amendments be made. Since the U. S. Endangered Species Act expressly permits the States to draw up more inclusive endangered species lists than that which exists on the federal level, your Committee recommends adoption of the definition prescribed in section 191-51, HRS.

Your Committee believes that the specified effective date of 12 months after enactment is unduly distant. There is the likelihood that those who might wish to exploit intrastate sales of endangered species or derived products would significantly deplete the existing species populations in the interim, and would thereby circumvent the spirit and intent of the Act. For this reason, your Committee recommends an effective date upon its approval, but excluding from the proscription of the Act product inventories in existence on the effective date of the Act.

Those testifying before your Committee suggested that the word "zoological" as appearing in the act be deleted and the word "biological", a more expansive term, be substituted therefor. The bill has been amended in accordance with this suggestion.

Finally, your Committee recommends that the word "importation" as used in page 2, Section 2, line 1 be deleted, as it may cause problems for those who simply arrive with an item for personal use.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 195, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 415 Ecology, Environment and Recreation on S.B. No. 572

The purpose of the bill is to appropriate \$200,000 for a park in Maunawili, Kailua, Oahu.

Your Committee has amended the bill, so that any funds not expended in acquisition of the park site will be made available for planning and engineering.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 572, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 416 Ecology, Environment and Recreation on S.B. No. 803

The purpose of this Bill is to appropriate from the State's general revenues \$85,000, or so much thereof as may be necessary, to underwrite the neighbor island tour expenses of the Honolulu Theatre for Youth.

Said appropriation will cover expenses for the biennium 1975-1977 and, as a result, the neighbor islands will continue to enjoy the benefits of theatre for children.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 803 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 417 Ecology, Environment and Recreation on S.B. No. 967

The purpose of this Bill is to provide out of the general revenues a grant-in-aid in the sum of \$25,000, or so much thereof as may be necessary, to the Ensemble Players Guild to establish the Hawaii Chamber Orchestra. This Chamber Orchestra will serve as a supplement to the Symphony as it can perform in small areas which are not accessible to a large symphony orchestra. The Chamber of Commerce season will follow the symphony season.

The maintenance or creation of orchestral groups immeasurably enriches the cultural offerings within the State. While a demonstration of State concern for the arts is always important, it is especially so in a time of some economic hardship. Your Committee believes the modest funding of this grant-in-aid to be reasonable.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 967 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 418 Ecology, Environment and Recreation on S.B. No. 973

The purpose of this bill is to appropriate \$100,000 to the city and county of Honolulu to prepare an urban design plan for the Thomas Square area, which shall include development standards, maps, and recommended ordinances designed to preserve and enhance the historic character and significance of Thomas Square.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 973 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 419 Ecology, Environment and Recreation on S.B. No. 1367

The purpose of the bill is to appropriate \$150,000 for a park and recreational area to be known as "Rainbow Bay."

Your Committee has amended the bill, so that funds appropriated may be spent for planning and land acquisition as well as development of the park and recreation area.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1367, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 420 Ecology, Environment and Recreation on S.B. No. 1394

The purpose of this bill is to amend Item K-26, Section 2, Act 197, S.L.H. 1971 as reads "Manoa Field, Honolulu--Installation of flood lights for baseball field" to read "Manoa Recreational Center--General Park Improvements".

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1394 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 421 Ecology, Environment and Recreation on S.B. No. 1395

The purpose of this Bill is to broaden the language in the act to include improvements to the entire Manor Recreational Center.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1395 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 422 Ecology, Environment and Recreation on S.B. No. 1595

The purpose of this bill is to delineate a Makiki-Tantalus urban design area and appropriate \$100,000 for urban design planning to be done for that area by the city and county of Honolulu. Your Committee feels that Makiki-Tantalus is a sensitive area and deserves careful and thoughtful consideration.

The intent of this bill is to replace piecemeal development with planned development that takes into account human needs, physical form, spatial relationships, historic preservation, and aesthetic considerations.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1595 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 423 Ecology, Environment and Recreation on S.B. No. 1205

The purpose of the bill is to amend the present historic preservation provisions of chapter 6, Hawaii Revised Statutes, by expanding and clarifying the provision relating to a comprehensive historic preservation program, providing for the establishment of a Hawaii Advisory Council on Historic Preservation; and reorganizing, renumbering and restating provisions relating to the Hawaii Foundation for History and the Humanities and to monuments and memorials.

Your Committee finds that the legislature is committed to historic preservation and that the preservation, restoration, and maintenance of historic and cultural property are part of public policy. The bill charges the department of land and natural resources with the establishment and implementation of a comprehensive historic preservation program, grants the department necessary powers to carry out its responsibilities and provides for a historic preservation officer to be appointed by the governor who is responsible for the overall development of a comprehensive historic preservation program and who shall receive federal funds for historic preservation in accordance with federal acts related to historic preservation. The bill further requires all state projects and programs relating to historic preservation to come under the department of land and natural resources.

Your Committee has amended the bill to provide that before structures are nominated to the State Register of Historic Places, the owners of these structures should be given adequate notification and an opportunity to respond.

Your Committee has further amended the bill to provide that if the amount expended by the department of land and natural resources for investigation, recording, preservation, and salvage of such historical property or value shall not be required in toto or in part for any project, the unrequired amounts may be accumulated and expended for other projects.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. 1205 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1205, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 424 Ecology, Environment and Recreation on S.B. No. 1332

The purpose of this bill is to clarify the regulatory responsibilities of state and county agencies in regard to maintenance, repair, and improvement of fishponds and aquaculture areas, and to ensure that proper environmental safeguards are coupled with conditions encouraging retention of fishponds and aquaculture areas.

Your Committee finds that the natural fishponds of the State are a precious environmental, economic, and social resource worthy of systematic protection. However, past expressions of concern by the legislature have created an unwieldy bureaucracy which fishpond owners must face to obtain permission to make repairs, and aspects of repair are under various jurisdictions within the State. Your Committee feels that these jurisdictions and procedures should be clarified.

Your Committee upon further consideration finds that the section requiring permits for emergency repairs is unrealistic, for according to the bill the board of land and natural resources must act upon the request within five days, and in a true emergency repairs would have to be made as rapidly as possible. A delay of even five hours could be fatal to the living creatures in the pond. Your Committee has amended S.B. No. 1332 by repealing this section.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 425 Ecology, Environment and Recreation on S.B. Nos. 232, 303, 346, 384, 391, 392, 394, 463, 482, 483, 573, 574, 592, 600, 620, 621, 622, 652, 658, 659, 661, 662, 666, 667, 668, 683, 685, 692, 723, 727, 728, 733, 753, 762, 776, 804, 813, 815, 816, 817, 818, 819, 877, 878, 879, 880, 984, 1024, 1025, 1027, 1053, 1060, 1064, 1071, 1078, 1079, 1080, 1083, 1085, 1086,

1135, 1147, 1149, 1150, 1151, 1152, 1154, 1156, 1179, 1195, 1202, 1203, 1269, 1223, 1224, 1232, 1235, 1240, 1293, 1294, 1295, 1297, 1298, 1308, 1309, 1341, 1348, 1351, 1352, 1357, 1363, 1364, 1417, 1418, 1422, 1423, 1425, 1426, 1427, 1429, 1430, 1436, 1438, 1462, 1509, 1515, 1518, 1544, 1594, 1596 and 1609

These bills all appropriate funds for capital improvement projects in the area of ecology, environment, and/or recreation.

Your Committee on Ecology, Environment and Recreation is in accord with the intents and purposes of these bills and recommend that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 426 Intergovernmental Relations on S.B. No. 717

The purpose of this bill is to establish a liaison between the legislature of the State of Hawaii and the Federal Government.

Your Committee finds that sufficient liaison has not been maintained between the legislature of the State of Hawaii and the Federal government and that the increasing complexity of government requires such liaison. This bill provides that the legislative auditor shall serve as liaison between the Federal government and the legislature of the State of Hawaii.

The administration was concerned that under this proposed legislation it could be construed to mean that all matters dealing with State-County or State-Federal relationships must be channeled through the Office of the Legislative Auditor. Your Committee disagrees with this interpretation as the proposed legislation amends Chapter 23 of Titles 3, Legislature, HRS, which only relates to relations between the legislature and the legislative auditor.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 717 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Young, George and Yee.

SCRep. 427 Higher Education on S.B. No. 1732

Your Committee on Higher Education has considered this bill and recommends that it pass First Reading by title and be recommitted to the Committee on Higher Education for further consideration.

Signed by all members of the Committee except Senators Chong, Yim, Young, Saiki and Yee.

SCRep. 428 Economic Development on S.B. No. 56

The purpose of this bill is to provide a mechanism by which the State can work with the visitor industry in coordinating and implementing policies to achieve desired goals and objectives by establishing an office of tourism coordination headed by a single director appointed by the Governor.

Your Committee notes that the visitor industry is a major component of the economic base of our State and makes a significant contribution to income and employment within our community. Over the past ten years, tourism has replaced agriculture as the State's number one industry. Thus, your Committee feels that we are entering a period when the need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and segments of the industry. Your Committee feels that this bill is aptly addressed to this issue.

Your Committee feels that the growth of the visitor industry must take into consideration not only the needs of the community, but the ability of the public sector to provide these necessary services. Your Committee strongly believes that there is a special need for the State government to take a more active role to require integration of both public and private sectors of the visitor industry and to set directions and standards to preserve our unique quality of life in Hawaii.

Your Committee is cognizant of the many problems related to the visitor industry which have been dealt with in the past on an "ad hoc" basis. Specifically, your Committee notes the recent over-booking problems in hotels in Waikiki which create detrimental

publicity to the industry as well as alienate prospective visitors to Hawaii. Also, your Committee is alarmed at the recent increase in the number of tourists who are victims of crime in Waikiki. This is a problem which needs immediate attention. Furthermore, there is the problem of congestion of tour buses and cars in Waikiki, as well as the lack of overall planning which is manifested in the overburdened sewers and electric facilities of the area. The areas of foreign ownership and the question of the training and counseling of visitor industry employees are also subjects which could be explored. Your Committee strongly feels that a director is needed to coordinate and review the overall or "big picture" of the tourism industry to lend a new and enlightened perspective to the many challenges at hand. Thus, your Committee finds that it has more questions than answers; it fervently hopes that the new tourism coordinator will be able to come up with some new and viable alternatives and that it will provide the industry with a more comprehensive and coordinated basis for direction.

Your Committee has adopted several recommendations that it heard in testimony given at its public hearing. Your Committee has assigned the office of the tourism coordination to be administratively attached to the Department of Planning and Economic Development. Your Committee feels that there are several advantages to be gained by assigning this function to the Department of Planning and Economic Development because it places long range policy development for tourism together with the agency that is responsible for over-all state planning. Your Committee feels that this is a prudent move since this agency is most familiar with the Hawaii Visitor Bureau's operations and is cognizant of the numerous problems in the tourist industry.

After hearing testimony and discussion, your Committee has changed the function of the visitor industry council and has changed the number of council members to eleven. The council will be composed of the Department of Planning and Economic Development Director, the Tourism Coordinator, and three members each from the public sector, the tourist industry, and organized labor. These members will be appointed by the governor for terms of four years subject to confirmation by the Senate.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 56, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 56, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 429 Economic Development on S.B. No. 59

The purpose of this bill is to appropriate funds for the continuing development, acceleration, and implementation of the agricultural park program in Hawaii.

Historically, agriculture has played a prominent role in the State's economy with pineapple and sugar as the major crops in this leading industry. Over the past decade, however, your Committee notes that agriculture has been in the process of change and has been replaced by tourism as the major economic base in the State. Your Committee reports that the number of farms have declined sharply by more than 30% from 1960 to 1970. In addition, your Committee notes that the recent phasing out of several pineapple and sugar operations in our Islands is alarming when it is coupled with the fact that one out of three farms has closed down in Hawaii, especially in light of the current world-wide food shortage and increasing energy and labor costs which are already being passed along to the consumer in Hawaii. The ramifications of these problems are sizeable, and therefore, your Committee recognizes the fact that the welfare of Hawaii's people will require the State to produce diversified foods for her own use. To this end, your Committee believes it is good policy for the State to make lands available and ready for the farmer.

Your Committee further believes that a revitalization of agriculture through the development of agricultural parks will result in the broadening of the State's income base and thereby relieve its dependence on a single major source of income.

In exploring the reasons behind this dramatic shift in agriculture, your Committee has recognized several endemic features of the Hawaiian agricultural system which are stumbling blocks in the way of the stated goal of self-sufficiency. We are an island state surrounded by the vast reaches of the Pacific Ocean; land is a scarce commodity in our State. The very visible problem of demand far exceeding supply is compounded by the fact that the majority of land is controlled by only a few major land owners. With the unprecedented growth in population and in the economy in the last two decades, there have been additional demands for housing which have led to the urbanization and encroachment upon agricultural lands. This has been a major factor in forcing the small, diversified

farmer to relocate several times in the past twenty years. For example, on Oahu where growth has been the most concentrated, there is presently no area where the small diversified farmer can have any degree of permanence.

In these times of intense growth, the large land owner is under pressure to withhold arable land from farm production in anticipation of future development for housing purposes. Thus, in our State where land is a scarcity, your Committee is confronted with the dichotomy of the goal of self-sufficiency in agriculture on one hand, and the pressure on land owners to develop their lands which escalate property values out of the reach of the farmers on the other. For these reasons, your Committee firmly believes that an agricultural park is a viable alternative to these challenges.

Your Committee feels that agricultural parks which are essentially low cost, long-term leased lands set aside only for agricultural purposes should be situated in an area where the maximum economic benefit can be obtained. Your Committee sees the urgent need for the development and implementation of agricultural parks due to the rapid pace of urban growth and the resultant land speculation which have forced both noxious industries and agriculture to relocate time and time again. These factors have added to the cost of operations of agricultural industries by:

- a. Creating high land rents because of speculation which places urban values on all agricultural lands.
- b. Causing high real property taxes since land is taxed on the highest and best use.
- c. Creating high operational costs due to the inability of the farmers to obtain long-term leases: land owners are not willing to commit their land to agriculture for an extended period of time. This inability to obtain long-term leases results in a lack of incentive to make the large capital improvements which are necessary to maximize efficiency. Therefore, the end result is an inefficient and run-down operation.

Your Committee notes that noxious industries face a similar problem which they have solved by the development of industrial parks. The Campbell Industrial Park is an excellent example of how proper planning coupled with long term low cost land can have a beneficial effect on the environment, the public, the industry, and the consumer. The Campbell Industrial Park has two major refineries, scrap iron yards, a steel mill, and cement plants.

In spite of these industries, the Park is so well-landscaped and well-planned that it does not pollute the environment; yet, it permits large capital investments which maximize efficiency.

Your Committee fervently hopes that the agricultural park concept will provide identical results for agriculture. With proper planning and selection of the best environment for the chosen agricultural commodity, the site for the agricultural park will remain agriculture permanently without being endangered by urban encroachment. Your Committee feels that the Department of Agriculture is best suited to be the lead agency in the areas of agricultural parks. The agricultural park concept will include buffer zones for aesthetic value as well as the practical aspect of animal waste management. Your Committee feels that through the agricultural park system, new concepts can be explored in waste management and recycling. The State also has an opportunity to franchise the new concepts. The development and advancement of this new industry enhances the agricultural park concept, especially in these times of environmental and ecological concerns. Your Committee feels that long-term leases would encourage the heavy capital investments that are required for adequate and efficient operation of the agricultural industry. Thus, agricultural operations would be protected from urbanization, and the lowest possible cost insured to the consumer.

Your Committee notes that prior legislative action has been taken in the area concerning agricultural parks. In 1972, Act 110 and Act 202 authorized the Board of Land and Natural Resources to expend one million dollars to acquire land for agricultural purposes for agricultural parks. In February of 1973, a consultant was hired to determine the agricultural park site on Oahu. In December of 1973, the report was completed covering the conceptual design, cost analysis, and site selection of agricultural parks in the order of preference of Kunia, Kahuku, and Ewa. In 1974, the Legislature appropriated additional funds and added that the Kunia Agricultural Park must not be larger than 600 acres and that pineapple lands cannot be used.

Presently, the Department of Agriculture is negotiating with Oceanic Properties,

Oahu Sugar, and Campbell Estate to permit the transfer of leases to the State for the Kunia Agricultural Park. The site of 600 acres has been determined, and the State is presently preparing the memorandum of agreement to hire the engineering firm to do the off-site and on-site engineering and design work. Your Committee estimates that the off and on-site costs will be \$6,000,000 for the Kunia Agricultural Park.

Your Committee reports that there are currently three agricultural parks being developed throughout the State. The first is Pahoia Agricultural Park in Puna on the Big Island where 19 lots were recently leased to farmers. A second increment of eight lots totaling 116 acres will soon be available for leasing to farmers. Also, a second Big Island agricultural park at North Kohala is being developed. On Oahu, the third agricultural park is at Kunia where the estimated date of completion is scheduled for late 1978. Your Committee reports that livestock operations are the most noxious and are presently being forced to relocate once more. The area in Kunia will be aptly suited to this industry.

It is the intention of your Committee that the Kunia Agricultural Park be limited to viable, ongoing, economic concerns which are being forced to relocate, since they are the hardest pressed industries at the present time.

Your Committee concurs with testimony given by the Chairman of the Department of Agriculture which explains that the cost of off and on-site improvements is not intended to be amortized to the occupants of the Kunia Agricultural Park or to be calculated into the lease rent. Therefore, the cost of planning, engineering, and construction of the off-site facilities is to be excluded from the calculation of the rent to the occupants. Your Committee feels that the lease rent to the occupants shall be the raw land lease cost to the State plus the cost of Administration. Your Committee prefers to provide this kind of assistance to viable economic industries rather than by providing special programs, as in Kohala, for entities which have considerable financial difficulties. Thus, your Committee feels that the purpose of the agricultural park, as envisioned in Kunia, is to provide low-cost agricultural land to existing livestock concerns that are presently being forced to relocate. The long-term leases and low costs will permit these operations to make the large capital expenditures necessary to maximize efficiency and thereby deliver an adequate supply of goods at the lowest possible cost to the consumer.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 59 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 430 Economic Development on S.B. No. 60

The purpose of this bill is to further the development of Hawaii's commercial fishing fleet by establishing the Hawaii Commercial Fishing Vessel Maintenance and Repair Loan Program that will provide financial assistance for the maintenance and repair of commercial fishing vessels.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. 60, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 431 Economic Development on S.B. No. 1073

The purpose of this bill is to appropriate funds for the land acquisition and design for the construction of Makawao-Paia Civic Center, County of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1073 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 432 Economic Development on S.B. No. 1082

The purpose of this bill is to appropriate funds for the design, plans, construction and other necessary appurtenances of a loading dock and refrigerated and non-refrigerated containers.

Your Committee finds itself in agreement with the testimony offered by the Department of Agriculture in public hearing. The necessity for a fast, efficient distribution system, as that provided for in this bill, would ensure that the benefits from vacuum cooling would not be lost.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1082 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 433 Economic Development on S.B. No. 1084

The purpose of this bill is to fund land acquisition and construction of a pipe drain and open channel system from Kamehameha Highway to Hanaimoa Street.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1084 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 434 Economic Development on S.B. No. 1155

The purpose of this Bill is to fund \$300,000 for a grant-in-aid to the City and County of Honolulu for the planning and construction of Maile sewers, Section 2 Improvement District, Oahu.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1155 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 435 Economic Development on S.B. No. 1193

The purpose of the Bill is to amend Act 3, Special Session Laws of Hawaii 1960 to repeal that section of the Act which authorizes the County of Hawaii to expend the proceeds of state general obligation bond sales, reverting this authority to the State of Hawaii.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1193 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 436 Economic Development on S.B. No. 1194

The purpose of this bill is to provide the necessary mechanism which will allow a resident owner of a home, adjacent to a commercial, hotel, apartment or resort zone, to dedicate his land for residential use and obtain a tax reduction which will be renewable every ten years.

The Committee has amended the bill to amend Section 246-12.3, Hawaii Revised Statutes, to provide for the above, and to further repeal Section 246-12.4 and Section 246-12.5 to avoid redundancies.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1194, as amended herein, and recommends it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 1194, S.D. 1.

Signed by all members of the Committee.

SCRep. 437 Economic Development on S.B. No. 1283

The purpose of this bill is to fund the sum of \$400,000 for supplies, equipment and personnel necessary for the support of research programs on feed and forage in North Kohala.

Your Committee, from the testimony heard in public hearing, finds that research in this area is needed if Hawaii is to approach agricultural self sufficiency.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1283 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 438 Economic Development on S.B. No. 1288

The purpose of this bill is to make an appropriation for a new fair grounds on the Island of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1288 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 439 Economic Development on S.B. No. 1483

The purpose of this bill is to make an appropriation for the Marine Exposition Commission in Hawaii for development and preparation of final plans for the 1978 Bicentennial Marine Exposition.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1483 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 440 Economic Development on S.B. No. 1484

The purpose of this bill is to make an appropriation for the informational and promotional programs relating to the State Farm Fair.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1484 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 441 Economic Development on S.B. No. 1489

The purpose of this Bill is to fund capital improvement of facilities at Waialeale to better support the livestock industries in the State.

Your Committee finds that research in progress at the Waialeale Station is comprehensive and significant enough to merit these additional funds.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1489 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 442 Economic Development on S.B. No. 1493

The purpose of this Bill is to provide for an appropriation of \$2,000,000 to increase the State Farm Loan Revolving Fund.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1493 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 443 Economic Development on S.B. No. 1494

The purpose of this bill is to establish a revolving fund, to be administered by the

College of Tropical Agriculture, which shall be used for the cultivation and production of seeds and for research and developmental purposes directly related to such cultivation and production.

Your Committee finds, from testimony received in public hearing, that the revolving fund will enable better planning, larger seed inventories, more student help, more materials and supplies, and a quicker and more reliable response to the public's demand for seed.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1494 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 444 Economic Development on S.B. No. 1503

The purpose of this bill is to fund temporary assistance, student help, operational supplies and minor items of equipment to expand research to develop improved treatment methods for export produce.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1503 and recommends that it pass Second Reading and be referred to the Committee on Ways Means.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 445 Economic Development on S.B. No. 1516

The purpose of this bill is to make an appropriation for the Youth Conservation Corps Program.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1516 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 446 Economic Development on S.B. No. 1643

The purpose of this bill is to reallocate prior appropriations to bring about the improvement of Waikiki.

Your Committee recognizes the need to improve the Waikiki resort area as a major economic and social entity in the State. The implementation of necessary improvements in the areas such as road, sewer, drainage, and street lighting improvements are viewed by your Committee as priority items which require the close cooperation of the City and County of Honolulu and and the State of Hawaii.

At its public hearing, your Committee heard testimony from Robert Way, the City's Chief Planning Officer, and also from the State Department of Planning and Economic Development stating that there is a new spirit of cooperation between those agencies. Your Committee is optimistic that the past differences have been resolved, and that the City and State are on the threshold of an era of better cooperation and understanding which will bring about mutual benefit to both levels of government.

Your Committee has made an amendment to the bill stating that if the funds for the planning and improvements of Waikiki are not allotted or committed to the project by the Governor before June 30, 1976, the appropriations will lapse. Your Committee feels that this recommendation will provide a new incentive to expedite the improvements in Waikiki, given the new spirit of cooperation between the City and State.

Your Committee is in accord with the intent and purpose of S.B. No. 1643, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 1643, S.D. 1.

Signed by all members of the Committee except Senators Toyofuku, Yamasaki, Yim, Henderson and Saiki.

SCRep. 447 Economic Development on S.B. No. 1577

The purpose of this Bill is to permit the Board of Land and Natural Resources to extend

a lease to an individual leasing state land, and who has a short balance left on his lease, for the purpose of obtaining mortgage money from a Federal or State Lending Institution.

Your Committee has amended the Bill to place a limitation of an aggregate term of no longer than 65 years.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1577, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 1577, S.D. 1.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 448 Economic Development on S.B. No. 1343

The purpose of this bill is to repeal Chapter 71, Hawaii Revised Statutes.

Your Committee finds that Chapter 71 is redundant as its provisions are adequately covered by Chapter 178, Hawaii Revised Statutes. Additionally, the repeal of Chapter 71 will eliminate contradictory provisions regarding the transferring of wells to the City. In a public hearing, the Board of Water Supply, City and County of Honolulu, concurred with this committee's findings.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1343 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 449 Government Operations and Efficiency on S.B. No. 582

The purpose of this bill is to establish a statewide policy of opening up the governmental processes to public scrutiny by generally requiring open meetings with the maintenance of proper minutes upon issuance of advance notices, and by reaffirming the existing policy of making public records available to the public.

The establishment of such an open government policy will foster greater public confidence and participation in government operations.

Your Committee in Government Operations and Efficiency is in accord with the intent and purpose of S.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 582, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 450 Ecology, Environment and Recreation on S.B. No. 1446

The purpose of the bill is to create a structure for policy plan formulation and coordination which will order the action of all state and county agencies contributing to the physical development of the State under the general policies and directions prescribed by the legislature.

Your Committee finds that although the State of Hawaii has been pointed to as a national leader in commitment to land use planning, substantial further steps are necessary to develop a comprehensive planning program which would most effectively implement the State's policy goals.

The bill provides that the director of the department of planning and economic development shall be responsible for the development and coordination of a state policy plan.

The bill establishes a policy council of which the director of the department of planning and economic development shall be the chairman. Members of the council shall include the planning director from each county, the directors of various state agencies, a member of the city or county council from each county, a member of the State Senate, a member of the State House of Representatives, and the chairmen of the environmental council, the state foundation on culture and the arts, the Hawaiian homes commission, the commission on population and the Hawaiian future, the land use commission, and the Hawaiian housing authority.

The bill further provides for the adoption of a state policy plan and for the adoption of the state general plan and compliance therewith and implementation thereof by all state agencies and the respective counties. The bill also provides that the land use commission shall not reclassify any land to urban unless such action is in conformity with the state policy and general plans and the county general plans.

Your Committee has amended the bill to provide that prior to the adoption of the state general plan, the county general plans shall constitute the general plan of the State.

Your Committee finds that a periodic review of the state policy plan and state general plan is desirable and the bill so provides.

Your Committee has further amended the bill to appropriate the sum of \$250,000, which sum shall be expended by the director for purposes of the Act.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1446, as amended in the form attached hereto as S.B. No. 1446, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senator George.

SCRep. 451 Ecology, Environment and Recreation on S.B. No. 1668

The purpose of the bill is to set forth reforms intended to insure the effective application of an established land use policy. The land use commission is recognized as a quasi-judicial body and mandated to make impartial decisions based on proven facts and established policies through the adversary process. Your Committee feels it is also important to allow for public participation, and has amended the bill to provide for public hearings.

Your Committee finds that the land use commission has felt it had insufficient policy guidelines to aid in decision-making. The bill provides for the establishment of a State land use guidance policy by the department of planning and economic development relating to the development of the land and the development of natural, environmental, recreational, scenic, historic and other resources within the State. The bill further provides that the commission in amending land use district boundaries shall diligently apply such policies and criteria and take only those actions which are consistent with the guidance policy. These policies and criteria are submitted to the governor for approval, and then to the legislature for approval or modification.

The bill further provides that every four years after the initial adoption of land use policies and criteria pursuant to this section, the department of planning and economic development shall make a comprehensive review of these policies and criteria, and shall, after public hearings, adopt and submit them to the governor and the legislature for approval. Your Committee upon further consideration has amended S.B. No. 1668 to state that changes in land use boundaries shall be in conformity with the county general plan until such time as the State general plan may be adopted, and then in conformity with the State general plan.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1668 as amended in the form attached hereto as S.B. No. 1668, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senator George.

SCRep. 452 Human Resources on S.B. No. 1046

The purpose of this Bill is to establish a system of reasonable and equitable guidelines for medicaid payments in the delivery of adequate dental care service.

Your Committee finds that current payment levels for dental services have not kept up with rising costs, therefore, making it increasingly difficult for dentists and medicaid patients. The Bill recommends establishing fees, based upon Hawaii dental service data, at the seventy-fifth percentile of the usual, customary, and reasonable fee with review not less than once a year.

Your Committee recommends that Section 2 be amended as follows:

- a) Delete the phrase "not be less than" in page 2, line 15, and add "be at",

- b) Change the comma after the word "apply" in page 2, line 19, and add a period, and
- c) Delete the following phrase from page 2, line 19, to and include page 3, line 2:

"and provided that in the event federal or state funds appropriated and available are for this purpose insufficient to pay such amounts, the difference between the maximum amounts payable and the actual charges shall be paid from the State's general fund and all such necessary amounts are appropriated for this purpose."

The intent of these amendments to the Bill are for clarity of purpose and in accordance to federal law.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1046, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 453 Human Resources on S.B. No. 1405

The purpose of this bill is to require the department of social services and housing to develop and encourage protective services for elderly persons--services which are necessary to maintain mental and physical health and which an elderly person is unable to perform or obtain for himself.

Your Committee has amended the bill by inserting the appropriation of \$80,516 for the purpose of the Act.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1405, as amended, and recommends that S.B. No. 1405, S.D. 1, be passed on Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 454 Human Resources on S.B. No. 1407

The purpose of this Bill is to appropriate \$2,000,000 to create additional state-funded public service employment jobs based on concepts similar to that already provided for by the Federal Comprehensive Employment and Training Act.

Your Committee finds that immediate, speedy action must be taken to reduce unemployment in this State. Your Committee believes that the sum appropriated should create at least 500 public service jobs in 1975.

Your Committee has made certain technical language changes.

Your Committee on Human Resources is in accord with the intent and purposes of S.B. No. 1407, as amended, and recommends that S.B. No. 1407, S.D. 1, be passed on Second Reading and be referred to your Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 455 Human Resources on S.B. No. 1409

The purpose of this bill is to appropriate \$1,000,000 to the director of labor and industrial relations to make payments to every private employer who permanently hires unemployed persons who are trained under the provisions of Title I, CETA, the sum of \$2,000 for each such hire.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1409 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 456 Human Resources on S.B. No. 1412

The purpose of this bill is to appropriate \$1,000,000 to the director of labor and industrial

relations to encourage private employers to participate in an employment program to train certain unemployed persons by providing subsidy of up to \$2,000 for each permanent job positions approved for such program but a maximum subsidy of \$100,000 to any one employer.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1412 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 457 Human Resources on S.B. No. 1413

The purpose of this bill is to appropriate \$1,000,000 to encourage private employers to participate in an employment program to train and permanently hire certain unemployed persons by granting such employers State-funded low interest loans of up to \$10,000 for each unemployed persons hired, but limited to a maximum loan of \$100,000 to any one employer.

The program is to be administered by the director of labor and industrial relations.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1413 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 458 Human Resources on S.B. No. 1617

The purpose of this Bill is to amend present law relating to Workmen's Compensation to provide immunity for general contractors against common-law tort actions by subcontractor's employees if they are employers of such employees for purposes of the Workmen's Compensation Law.

Section 386-1, the definition section of the Workmen's Compensation Law, states that whenever an independent contractor undertakes work under a contract, he is deemed the employer of all employees, including employees of all subcontractors, performing work thereunder. This makes a general contractor the employer for workmen's compensation purposes, of all employees who may be employed on a construction project and contingently liable for the payment of benefits to injured employees although a subcontractor employer fails to provide the required benefits for his employees.

Another section of the law, Section 386-5, immunizes employers against common-law tort actions filed by their employees. It makes the remedies provided by the Workmen's Compensation Law the exclusive remedies employees have against their employers for work injuries. Common-law tort actions for work injuries, however, may still be brought against third parties if they are negligent. This immunity is justified because the employer provides and pays for benefit coverage under the Workmen's Compensation Law.

The Hawaii Supreme Court has held that the immunity from employee tort actions does not extend to a general contractor in a case where an employee of a subcontractor files suit against the general contractor for his negligence, even though he is the statutory "employer" who may be liable for payment of compensation benefits to such employee. The decision was based partly on the Court's opinion that an intent to insulate general contractors against tort suits filed by employees of their subcontractors was not clearly expressed in the law.

Your Committee is of the opinion that where an employer is made contingently liable for the payment of workmen's compensation benefits, the legislature also intended that he should be insulated against tort actions flowing from the injury for which benefits may be payable by him. Where there is a possible liability for compensation benefits, there should also be immunity from common-law tort actions.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1617 and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Young and R. Wong.

SCRep. 459 Economic Development on S.B. No. 395

The purpose of this bill is to make an appropriation as a grant-in-aid to the City and County of Honolulu for improvements to the agricultural water supply in Mikilua Valley, Oahu.

Your Committee concurs with the Committee on Intergovernmental Relations and feels that this appropriation will enable the City and County of Honolulu to provide better water services and fire protection to this farming community.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 395 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Yamasaki, Rohlfing and Saiki.

SCRep. 460 (Majority) Economic Development on S.B. No. 53

The purpose of this bill is to improve the concept and operation of the Fisheries New Vessel Construction Loan Program by enlarging the scope and transferring the administration of the program from the Department of Land and Natural Resources to the Department of Planning and Economic Development.

Your Committee is in accord with the intent and purpose of S.B. No. 53, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Yamasaki, Rohlfing and Saiki. Senator Hara did not concur.

SCRep. 461 Economic Development on S.B. No. 969

Your Committee has amended the Bill to provide \$100,000.00 for supplies, equipment and personnel to conduct research on the harvesting of pineapple plants for animal feed. Your Committee has further amended the Bill to change the expending agency to the Department of Agriculture.

During the hearings that were conducted by the Committee, it was evident that the real problem was in obtaining an economic method of removing the pineapple plant from the fields in a form suitable for animal feed. The majority of the research in regards to the use of pineapple plants as animal feed has already been completed. Removal of the pineapple plant from the fields has proven to be an extremely difficult task. Conventional harvesting equipment has not been able to efficiently harvest the pineapple plant. The basic problem seems to be the fact that none of the conventional equipment available was designed for a plant that is as densely grown as pineapple. The expending agency was changed to the Department of Agriculture, because they have already initiated some work in this area.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 969, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Nishimura, Yamasaki, Rohlfing and Saiki.

SCRep. 462 Health on S.B. No. 1095

The purpose of this Act is to appropriate funds to the Hawaii Humane Society for free sterilization of dogs and cats to help curtail the growing population of unwanted animals that must be destroyed each year at the Hawaii Humane Society facilities.

Your Committee is in accord with the intent and purpose of S.B. No. 1095, but has amended Paragraph 5, Section 1, to read as follows:

"Therefore, a sum of \$15,000 is requested in order that the Humane Society may provide free sterilization of dogs and cats upon request of the owners."

Section 2, Paragraph 1, is amended as follows:

"There is appropriated out of the general revenues of the State of Hawaii the sum of \$15,000, or so much thereof as may be necessary, to aid the Humane Society's sterilization program, provided that no funds shall be made available under this Act unless the city and county of Honolulu or other county applying under the purpose of this Act provides \$15,000 for the purpose for which this sum is appropriated."

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Nishimura and Saiki.

SCRep. 463 Economic Development on S.B. No. 1258

The purpose of this bill is to amend Chapter 103 to extend the same preferences to Hawaii service businesses that are already given to Hawaiian manufactured goods. Governmental agencies will give preferences to these companies in the bidding process.

Your Committee recommends that the bill be amended in Section 3 to read more than five percent.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1258 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators King, Yamasaki, Henderson, Rohlfing and Saiki.

SCRep. 464 (Majority) Human Resources on S.B. No. 169

The purpose of this bill is to protect the public by setting standards for qualification, including education, training, and experience, for those who seek to engage in the practice of social work.

Your Committee finds that a profession which profoundly affects lives of people and is guided by social conscience is expected to regulate its own activities for the following reasons:

- 1) To protect the public against abuse and incompetence on the part of those who seek to practice without necessary personal qualification, training and experience.
- 2) To facilitate and encourage the highest possible standards of professional performance.

The ultimate beneficiaries of this bill will be about 100,000 plus people throughout the State who are receiving social work services. These regulations will upgrade the quality of social work manpower.

This bill, before amendment, provides that, two years after enactment, no social worker can practice unless he is licensed under this bill as a Certified Social Worker, Social Worker, Social Work Associate, or Social Work Technician. This bill also establishes a licensing board which will issue licenses for these four levels of social workers. A certified social worker license can be issued to a person who has a doctoral or masters degree with three years of social work experience; a social worker must have a masters degree; a social work associate must have a baccalaureate degree in an accredited social work program; a social work technician must have an associate degree in the human services from an accredited junior college or university. Furthermore, all social workers must pass an examination prepared by the licensing board as well as satisfy the board that he or she adheres to the ethics of the social work profession.

This bill recognizes the need not to penalize social workers who presently do not meet the academic requirements and are working in this field. Therefore, it provides exemptions which will effectively, "grandfather" them. Licensing examinations are also exempted for persons who will be "grandfathered". Those who are "grandfathered" in, are also subject to renewal specifications as determined by the board for all renewal applicants.

The bill provides for renewals every five years. Renewals can be granted on the basis that the applicant has continued to engage in the practice of social work, and has completed continuing education requirements, if any, as specified by the Board of Examiners.

- 1) Definition: Your Committee finds that the previous definition of "social work"

and "social work practice" encompassed too broad and perhaps unimplementable definition of social work. Therefore, your Committee recommends amending Section 2 of this bill.

The purpose of this amendment is to revise the definition of "social work" and "social work practice" in order not to restrict the activities of other groups who may be performing some of the work tasks or activities associated with social work such as marriage counselors, family counselors, child counselors, school counselors, outreach counselors, vocational counselors, rehabilitation counselors, and drug and alcohol counselors.

2) Board of Social Work Examiners: Your Committee recommends that the composition of the board be changed from its present 11-member board to 7.

The purpose of this amendment is to defray the cost of funding too large a board.

3) Licenses: Your Committee recommends an amendment establishing an equivalence of work experience to all 4-levels of social work competency in Section 4.

The purpose of the amendment is to provide for individuals who may not have the academic qualifications but who may, nevertheless, be qualified by experience and practice. The equivalence of work experience will also create a career ladder for those without academic backgrounds.

4) Renewal of Licenses: Your Committee recommends that appropriations in the amount of \$43,100 be provided to implement the purposes of this bill.

In addition, minor technical amendments have been made in addition to the above mentioned major changes as found in S.B. No. 169, S.D. 1.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 169, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Chong. Senators Yamasaki, Henderson and Rohlfing did not concur.

SCRep. 465 Legislative Management

Informing the Senate that S.C.R. Nos. 92 and 93, S.R. Nos. 311 to 313, and Stand. Com. Rep. Nos. 464 and 466 to 504 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 466 Human Resources on H.C.R. No. 3

The purpose of this resolution is to request Congress to federalize welfare programs across the country.

Your Committee finds that the present welfare system is placing state governments in an impossible situation by precluding allocation of resources over other pressing areas of state responsibility. For Hawaii in 1974-75, the money payment cost is expected to reach 73.5 million dollars.

Also, in view of the high level of mobility, the states receiving a great influx of people on welfare are assuming a burden which should be the responsibility of the Federal Government.

Your Committee believes that the national problem of poverty must be dealt with by the Federal Government to provide for the poor on a uniform and equitable basis.

Your Committee on Human Resources is in accord with the intent and purpose of House Concurrent Resolution No. 3 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 467 Human Resources on S.R. No. 170

The purpose of this Resolution is to request the Department of Social Services and Housing to conduct an in-depth study of the feasibility of an integrated services approach to public assistance, including analysis of possible ramifications.

At present, there is a scattered assembly of social services which result in duplicated efforts and confusion for the welfare recipients.

This Resolution proposes to integrate the services system which may increase administrative efficiency and eliminate duplicated efforts. Also, integrated services may assist the recipients by improving organization to eliminate needless interagency referrals and wasted time spent pursuing needless referrals.

Your Committee recommends that DSSH work in cooperation with the Legislative Coalition in studying the feasibility of integrated services to public assistance.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 170 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 468 Human Resources on S.R. No. 172

The purpose of this Resolution is to request revision of federal allocation procedure of public assistance funds.

The increasing number of persons receiving and needing public assistance has caused state expenditures to dramatically increase.

The amount of federal funds for each State is set by the Department of Health, Education and Welfare based on each State's per capita income; therefore, the percentage varies among States from 50% to 83%. For instance, Mississippi being a "poor" State, has a federal share of 80.5%, whereas Hawaii has only 50%.

The present Federal allocation does not take into consideration factors not subject to State control such as higher spending, the higher cost of living, and obligation to provide for immigrants from U.S. mainland and foreign countries. This disproportion of Federal funding for State welfare programs is significantly contributing to the public assistance burden on the State of Hawaii.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 172 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 469 Human Resources on S.R. No. 176

The purpose of this Resolution is to request the Department of Social Services and Housing to develop and implement a program of public information to convey and relate information on welfare and welfare recipients to the public to augment general knowledge and understanding.

During the past three years, DSSH has conducted an all out public information effort to provide a clear and open flow of information between the six divisions of the agency and recipients, taxpayers, organizations and media. This policy of open candor on issues of both positive and negative aspects of the Department has increased the amount of annual news coverage.

The Department supports the concept of this Resolution. However, without staff and funds, it is reluctant to endorse its request for an expanded public information program. At present, there is one information specialist who handles public information policy, research, media liason, speech, writing, complaints, and all general and specific information for the entire Department. This position has no assistant, secretarial, or clerical support.

Therefore, the Department has suggested the following appropriation to fund such a program: 1975-76, \$35,344; 1976-77, \$25,040; Total, \$70,384.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 176 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 470 Human Resources on S.R. No. 177

The purpose of this resolution is to request the Department of Social Services and

Housing to study and review its policies and procedures. The study should be done particularly with a view towards minimizing welfare abuse, providing the dignity of applicants and recipients, providing work incentives, reducing error rates in eligibility determinations, and re-determination of eligibility, overpayments, etc.

Your Committee finds that the Department of Social Services and Housing should strive towards optimum administrative efficiency in conformity with public assistance policies. The Department is requested to review and submit recommendations for legislative consideration at least 20 days prior to the convening of the 1976 Regular Session.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 177 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 471 Human Resources on S.R. No. 178

The purpose of this Resolution urges the reformation of eligibility standards of the Aid to Families with Dependent Children Program, to ensure equal coverage to all families with dependent children in need of public assistance.

The inequity results from the fact that under AFDC, a family with an employed mother whose earnings are less than the standard of assistance continues to be eligible for AFDC. Whereas, with a father employed over a minimum of 100 hours a month, the family no longer gets coverage under AFDC and must resort to assistance under the State General Assistance Program.

Your Committee finds that there is obvious discrimination against the working father. In states with no General Assistance Program, this inequity would result as a disincentive for the father to work, particularly if he has a large family and his income is less than adequate.

Your Committee believes that there should be a uniform federal coverage of needy families with children irrespective of the status of the parents.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 178 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 472 Human Resources on S.R. No. 179

The purpose of this resolution is to expand federal programs to persons in need of public assistance, whether by matching funds programs or on other basis.

The current federal income support programs do not include coverage for all persons who are in genuine need of public assistance.

Your Committee finds that this resolution requests uniform federal coverage for all persons in genuine need irrespective of categorical differences, such as the marital status of a person, etc. There is no reasonable basis for the federal government to provide assistance to the support of certain classes of needy persons, to the exclusion of assistance to other equally needy persons. All indigent persons are affected by external factors such as slumping economy and unemployment.

Your Committee believes that the necessity for expanded uniform coverage should be dealt with by the Federal Government in providing minimum income guarantee for the poor on a uniform and equitable basis.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 179 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 473 Human Resources on S.R. No. 180

The purpose of this Resolution is that the Department of Social Services and Housing and Budget and Finance undertake a full evaluation of the purchase of service arrangement, including assessment of the relative merit of the arrangement and services purchased, the need for the services, the appropriateness of private agency services purchasing

for social services, economic feasibility, fulfillment of recipient needs, and the success and goal attainment achievements of the purchased services.

Your Committee finds that the merits of a purchase of service, private or public source can be gleaned by the combined efforts of the Department of Social Services and Housing and Budget and Finance.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. 180 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 474 Human Resources on S.R. No. 257

This multi-purpose resolution contains the following requests of the Center for Labor-Management Education of the University of Hawaii:

1. A study of past and present labor-related programs at the University of Hawaii, a review of labor-related university programs around the United States, and a study of labor education activity in the community;
2. A determination by the Center of the extent to which certain labor-related research and activities are being performed or have been performed in the past at the University;
3. A specific request that the Center provide certain services such as the production of films on the labor movement in Hawaii and the publication of handbooks for the use of employees in the 1975-76 fiscal year; and
4. The establishment of a labor studies advisory council to provide consultation and to insure coordination between the Center and organized labor in the execution of the requests.

It further proposes that the Center report the findings made pursuant to the foregoing requests to the Legislature prior to the 1976 session.

Your Committee finds that a detailed study of past and present labor-related activities of the University of Hawaii and in higher education throughout the country would help in the development of future programs and activities useful to the labor community. It further finds that higher education generally has not been responsive to those needs and the cooperation and coordination requested of the Center and organized labor in the execution of the study should help to remedy the situation.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 257 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 475 Human Resources on S.B. No. 559

The purpose of this bill is to set forth more fully the conditions under which the Director of Labor and Industrial Relations may award compensation for disfigurement.

Your Committee after due consideration has deleted the provision relating to disfigurement and in its stead substituted an amendment to Section 386-43(b) to allow death benefits to be exceeded in case of an unmarried child over eighteen incapable of self-support as long as he or she is otherwise entitled to such compensation. Your Committee finds that such child should be given the same benefit as a surviving spouse or a child below the age of eighteen.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 559, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 476 Consumer Protection on S.B. No. 525

The purpose of this bill is to prohibit the wilful and false representation of any device, substance, method or treatment as effective in the diagnosis, cure, mitigation, treatment or alleviation of cancer.

Presently, proponents of ineffective cures prey upon victims of cancer, building up false hope and preventing them from seeking or utilizing legitimate methods of treatment. This bill which would prohibit such fraudulent cures, is strongly supported by the American Cancer Society.

Your Committee amended the bill by adding to Chapter 328, The Hawaii Food, Drug, and Cosmetic Act, rather than Chapter 321, relating to the Department of Health. Devices and substances, commodities mentioned by this bill, come under the purview of Chapter 328. Also, a provision was added to exempt persons who depend exclusively on prayer for healing based on the teachings of a bona fide religious group. This provision would provide for such religious sects as the Christian Scientists.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 525, as amended hereto and attached as S.B. No. 525, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Health for further consideration.

Signed by all members of the Committee.

SCRep. 477 Transportation on S.B. No. 1214

The purpose of this bill is to provide a systematic means of coordinating the State's responsibilities for inter-island and major highway transportation planning and development with the counties' intra-island surface transportation system planning and development based upon a continuing, cooperative, and comprehensive planning process carried on by the State and the respective counties.

Your Committee finds that the State Transportation Plan of 1961 is no longer responsive to the needs of the people of Hawaii. A new State Transportation Plan is needed which will reflect the State's emerging economic, social and environmental goals in the context of its dramatically changed socio-economic characteristics. Further, such a State Transportation Plan should be the product of more sophisticated planning techniques which relate system development to clearly defined land use goals and which involve all levels of government in an integrated planning process. Accordingly, county general planning and transportation planning agencies should be continuously involved with appropriate state planning agencies in a formalized, systematic process pointed toward the production of a new State Transportation Plan.

Your Committee believes that the first step in this Statewide Transportation Planning Program is the establishment of a Statewide Transportation Council. We envision this council to involve itself with transportation policy and systems planning at the State level and to coordinate the update of the 1961 State Transportation Plan into a current and viable document with the intra-county transportation plans which are the products of the respective county cooperative, comprehensive and continuing transportation planning process. The Council will have a significant role in the implementation of the recommendations of the Statewide Transportation Planning Program.

To achieve these objectives, this bill will mandate the development of a new State Transportation Plan and to establish a coordinated process for generating inputs from the respective county planning processes to the statewide transportation planning process. The bill further provides for a Statewide Transportation Council which will include, among others, the appropriate planning officials. Hence, a mechanism will be created which ensures that the State Transportation Plan will be in accord with the County Transportation Plans.

It should be noted that this bill does not alter in any respect the planning responsibilities which the State and the counties presently have for various transportation modes under the Hawaii Revised Statutes. What this legislation does is provide for a process through which each level of government can continue to discharge its respective planning responsibilities but in a fashion which will lead to greater functional integration among the various transportation systems.

It is the intent of this bill that \$500,000 appropriated by the Legislature in the 1974 session (Section 79A, Act 218 SLH 1973, as amended by Section 9, Act 218, SLH 1974) will be available for the purposes of this bill.

Your Committee has amended the bill as follows:

1. Section 1. The word "primary" was inserted before the word "responsibility" in line 11 of page 1. Other wording changes for clarity were made.

2. Section 2. The sentence "The legislature shall adopt the plan by resolution." was inserted in order to provide a legal status for the statewide transportation plan.

3. Section 4. Various minor technical changes were made.

4. Section 5. Technical change was made regarding the reference to a prior act.

5. Section 9. The functions of the existing interdepartmental transportation control commission were assigned to the Statewide Transportation Council.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1214, S.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 478 Ecology, Environment and Recreation on S.B. No. 537

The purpose of this bill is to simplify the procedure under which conservation and parks personnel of the Department of Land and Natural Resources issue citations.

Your Committee is in accord with the intent and purpose of S.B. No. 537 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 479 Ecology, Environment and Recreation on S.B. No. 1621

The purpose of this bill is to reflect the changeover of Bishop Museum on February 7, 1975, from administration under a deed of trust to articles of incorporation.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1621 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 480 Ecology, Environment and Recreation on S.B. No. 106

The purpose of this bill is to enhance the quality of our environment. Your Committee finds that one specific way to do this is to safeguard exceptional trees from destruction due to improper land development, and has amended the bill to so provide.

To achieve this purpose, the amended bill establishes a county arborist advisory committee in each county appointed by the mayor. Its members are to include the county planning director or his designee, a landscape architect, and not less than three other members selected on the basis of active participation in programs of community beautification, or research and organization in the ecological sciences.

The amended bill defines exceptional trees and provides that the counties enact appropriate protective regulations. It further provides for injunctive relief against the removal or destruction of such trees.

Your Committee on Ecology, Environment and Recreation has considered said bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 106, S.D. 1, and be recommitted to the Committee on Ecology, Environment and Recreation.

Signed by all members of the Committee.

SCRep. 481 Health on S.B. No. 260

The purpose of this Bill is to define "principal employer" in the area of health care coverage for workers with more than one employer.

Your Committee finds that the original S.B. No. 260 left the designation of the "principal employer" up to the employee; S.B. No. 260, S.D. 1 removes that privilege. The definition of "principal employer" is still "the employer who pays him the most wages."

Your Committee further finds that by designating the principal employer, a more equitable distribution of costs will result.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 260, S.D. 1 and recommends that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 482 Health on S.B. No. 316

The purpose of this bill is to amend Section 346-29 of the Hawaii Revised Statutes. The amendment calls for additional exemptions in determining the needs of an applicant for medical assistance only.

Your Committee finds that present regulations imposes serious limitations for health care services to persons with low income. It was also found to be in partial compliance with Federal regulations as the amounts specified for retention does not increase proportionately with the number of persons beyond three.

This bill will help people to remain self-supporting during and after illnesses. It will also 1) allow for more people with the target population to be assisted, 2) encourage more people with small cash resources to apply earlier, before a serious deterioration of health occurs, 3) enable such individuals to meet emergency needs which are not provided for by any assistance programs, and 4) raise Medicaid's resource level closer to the amount provided for Supplemental Security Income under Title XVI of the Social Security Act.

Your Committee on Health thusly, is in accord with the intent and purpose of S.B. No. 316 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 483 Judiciary on S.B. No. 703

The purpose of this bill is to require a collection agency to be bonded only by an authorized surety insurer.

Under present law, a corporate collection agency may be a self-insurer by presenting a certified financial statement to the Collection Agency Board as provided under Section 78-20, HRS.

Your Committee finds that the rights of creditors will be better protected if a collection agency is bonded by an authorized surety bonding company.

Your Committee is in accord with the purpose and intent of S.B. No. 703 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 484 Judiciary on S.B. No. 705

The purpose of this bill is to repeal the requirement that foreign corporations doing business in Hawaii file a copy of its act of incorporation with the Department of Regulatory Agencies. In place of this requirement, the bill would require a certificate of good standing from the proper officer where the corporation was organized.

The bill would also repeal the section which requires foreign corporations that amend their charter, or are a party to a merger consolidation, to file a copy of the amended articles, and replace this requirement with a certificate by the proper state officer detailing such actions.

The bill further requires that if the certificate is in a foreign language, a translation shall be filed under oath of the translator.

The result of this bill would be to substantially reduce the workload of the Business Registration Division, and save both time and space.

Your Committee has been assured by the Department of Regulatory Agencies that corporate documents now required to be filed shall be obtained and made available for inspection upon the request of any person needing the same.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 705 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 485 Judiciary on S.B. No. 976

The purpose of this bill is to expand the meaning of theft in the first degree.

The bill will amend Sec. 708-831, Theft in the first degree, by adding a new subsection (e) stating that a person commits the offense of theft in the first degree if he enters knowingly or remains unlawfully in or upon premises which are enclosed in a manner designed to exclude intruders; or premises that are fenced and the person has in his possession the carcass or meat of bovine.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 976, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 486 Judiciary on S.B. No. 977

The purpose of this bill is to expand the meaning of criminal trespass in the first degree.

The bill will amend Section 708-813, Criminal trespass in the first degree, by adding a subsection (2) which would prohibit a person from knowingly entering or unlawfully remaining in or on premises which are fenced or enclosed in a manner designed to exclude intruders, and has in his possession at the time of such intrusion a firearm.

Your committee feels Section 1 of the bill should be amended by inserting the word "a" in line 12 between the words "intrusion" and "firearm."

The purpose of the amendment is to correct an apparent unintentional omission.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 977 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 977, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 487 Judiciary on S.B. No. 1159

The purpose of this bill is to raise the minimum jurisdictional limit based on the value of an estate excluded from jury trial in probate court.

The bill raises the minimum value from \$500 to \$3,000. The present minimum value causes an excess of frivolous cases in the Court. The courts are overloaded and this causes delays which prevent the court from closing other estates.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1159 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 488 Judiciary on S.B. No. 1163

The purpose of this bill is to add a new section to chapter 501, Hawaii Revised Statutes, to permit use of facsimile signature for certain duplicate records filed in the Land Court.

Your Committee finds that this addition of a new section to the Hawaii Revised Statutes would enhance the efficiency of the Land Court and would have no adverse effect on documents filed with the court.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1163 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kawasaki and O'Connor.

SCRep. 489 Judiciary on S.B. No. 1304

The purpose of this bill is to amend the comparative negligence statute to provide that in cases where it is found that the negligence of the plaintiff is equal to the negligence of any person against whom recovery is sought, recovery would not be barred.

The present statute was patterned after Wisconsin's comparative negligence statute. In 1971 the Wisconsin Act was amended to permit recovery by a claimant who is equally negligent. This bill incorporates the same language used in the Wisconsin amendment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1304 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 490 Judiciary on S.B. No. 1624

The purpose of this bill is to conform the sentences of certain felons convicted prior to the effective date of the Hawaii Penal Code to the provisions within the code. This bill is for special persons under special conditions. The intent is to grant equal application of justice demanded by adherence to the highest standards of jurisprudence.

The bill provides that all felons who were not discharged from custody and who did not receive the maximum term of sentence upon conviction would be ordered back to Court. The Court would establish the proper class of felony pursuant to the Penal Code of 1972 for each case. If a convicted felon is found to have served the maximum term of sentence, the public offender would be released from custody. In no case would the maximum term of sentence be increased under the provisions of this bill.

The Parole Board will not be obligated to reset the minimum term of sentence in any case where the Court did not order a resetting of the maximum term of sentence. In those cases of convicted felons in which the maximum term of sentence has been reset, the Board of Pardons and Paroles will, within 6 months, order a resetting of the minimum term of sentence. In no case would the minimum sentence be increased. In all cases, the Parole Board will retain its full discretionary authority for such matters.

Where the public offender has been continuously incarcerated, no part of this bill will be construed as removing any "good time" credit from either the maximum or minimum term of sentence.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1624, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 491 (Majority) Judiciary on S.B. No. 1651

The purpose of this bill is to provide necessary clarification of certain provisions of the present law providing for the expungement of arrest records.

The bill will provide the Attorney General with authority to delegate the power to issue an expungement order or certificate stating an expungement order has been issued. Also, any law enforcement agency of the State or county government will be required to forward arrest records to the Attorney General. Further, the terms "conviction" and "arrest record" will be so defined as to determine whether an applicant is entitled to an expungement order and what records are covered by the law. The bill further provides that the Attorney General shall adopt rules pursuant to Chapter 91, necessary for the purposes of the legislation.

Your committee adopted the recommendation of the Attorney General by amending Section 1 of the bill by adding at the end of subsection (a) the following phrase:

"provided that a person who has not been convicted of a crime by reason of a bail forfeiture or because he has rendered prosecution impossible by absenting himself from the jurisdiction shall not be entitled to an expungement order."

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No.

1651, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1651, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.
Senator Kawasaki did not concur.

SCRep. 492 Judiciary on S.B. No. 1670

The purpose of this bill is to provide for public members on all regulatory boards and commissions placed within the Department of Regulatory Agencies in order to encourage public participation in regulation of professions and vocations.

According to the testimony presented by the Department of Regulatory Agencies, a total of 32 boards and commissions are housed within the department and the laws of only 17 of these boards presently provide for public members. The remaining 15 boards are comprised entirely of members representing the regulated professions and vocations.

The bill proposes to increase the membership of seven smaller boards from 5 to 7 members, with two representing the public.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1670 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 493 Human Resources on S.R. No. 115

The purpose of this resolution is for this Committee to investigate possible abuses of the unemployment insurance system and to report its findings back to the Legislature before the adjournment of the 1975 session.

The department welcomes the investigation and to identify the potential abuses and potential solutions to eliminate abuses and to lay to rest some misconceptions.

Abuses of the unemployment insurance program is based on benefit payment control program. During fiscal year 1974, 21 percent of all claimants who collected one or more benefit checks were routinely examined. 203 cases were fraudulent, which represent 2.5 percent of cases examined.

Areas of potential abuse are: (1) Claimants who are collecting benefits while working.
(2) Claimants who are not interested in working are collecting benefits.

The department urges the cooperation and participation of employers, organized labor and the public to eliminate the 2.5 percent of the claimants who are abusers of the program. The department also suggests that all job vacancies both public and private be listed with the department for better control of abuses. During the public hearing many cases of abuse were cited by those who testified.

Your Committee has amended the resolution since there is not enough time during this session by changing the request to pursue the investigation from this session to the interim period. Further, the report of its findings will be made 20 days prior to the opening day of the 1976 session of the Eighth Legislature rather than before the adjournment of the 1975 session.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 115, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by all members of the Committee.

SCRep. 494 Human Resources on S.B. No. 1662

The purpose of the bill is to amend the restrictions on who may become a State elevator inspector by referring to department policy on inspector qualifications.

At present there is a requirement that a prospective elevator inspector must have at least 5 years experience as an elevator mechanic. A qualified inspector of this experience earns approximately \$20,000 per year in private industry while the State elevator inspector's

starting salary is approximately \$11,000 per year. While this regulation is an assurance that those who qualify will be competent, it has severely hampered recruitment for this position.

The department suggests allowing alternatives to the 5 years experience requirement without sacrificing competency and quality. These requirements are still quite selective yet more flexible.

Your Committee agrees with the department that the provisions of Act 22, Section 395-5.5 (b) are too rigid and that under these provisions elevator inspector positions cannot be filled because of the lack of "qualified" applicants. Therefore, the department has not been able to fill this position since the passage of the Act in 1974.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1662 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 495 Judiciary on S.B. No. 959

The purpose of this bill is to amend Chapter 417E, Hawaii Revised Statutes, which was enacted in 1974, to correct certain defects and to eliminate ambiguities.

The bill clarifies the definition of a take-over bid and clarifies and expands the definition of an "exempt offer". The bill also adds additional exemptions from registration as follows:

1. Cases where the transaction would be effected by a registered securities dealer.
2. Friendly take-overs (where management of the offeree company is willing).
3. Exchange offers where the security to be offered is registered either with the Securities Exchange Commission or under the Hawaii Securities Act.

The addition of these exemptions would make it unnecessary to file a registration statement since the public is being adequately protected.

The bill also makes the following amendments:

1. Defines "offeror's presently-owned shares".
2. Includes the offeree's name and address in the application, which is not in the present law.
3. Discloses the aggregate consideration which the offeror may become bound to pay.
4. Requires a disclosure in the application if a filing has been made with the federal government or with other states.
5. Corrects the computation of the filing fee.
6. Clarifies the conditions under which a suit may be maintained.
7. Specifies that appeals to the courts shall be confined to the record.

Your Committee is in accord with the intent and purpose of S.B. No. 959 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 496 Judiciary on S.B. No. 229

The purpose of this bill is to resolve a conflict between the provisions of Sections 286-107 (c)(1)(B) relating to possession of a valid driver's license issued by another licensing authority and the provisions of Section 286-102(e) relating to possession of a compact jurisdiction driver's license.

Under present law Section 286-107 (c)(1)(B), Hawaii Revised Statutes, requires that absentee residents of Hawaii surrender drivers' licenses of both compact and

non-compact states when renewing their drivers' licenses while Section 286-102(e) requires that Hawaii residents applying for a driver's license, surrender compact jurisdiction licenses only.

Your Committee finds that this inconsistency causes discrimination against persons from states which are not members of the Driver License Compact. This bill would treat all persons from out-of-state in a like manner by allowing them to operate a vehicle in Hawaii, until their out-of-state license expires, thus eliminating the discrimination.

Your Committee has amended the bill at the request of the Police Department to insure that operators of heavy vehicles are qualified by requiring such operators to meet the requirements of Section 286-102(c) and be tested as required in Section 286-108.5.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 229 as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 229, S.D. 1.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 497 Judiciary on S.B. No. 960

The purpose of this bill is to provide more realistic and effective levels of fines for violations of chapter 431 pertaining to the transaction of insurance.

Your Committee was informed by the state administration that the statutory fines for agents' violations have not been increased in 20 years and do not serve as either a sufficient deterrent for the future or a fitting penalty for a conviction. Fines which can be imposed by the Insurance Commissioner will be increased from a \$25/\$500 range per violation to a \$100/\$1,000 range.

Further, the Commissioner presently has no power to fine insurers paralleling that applicable to agents, other than for rating law violations where the existing non-wilful fine is only a token \$50. This bill will empower him to impose fines in the \$500/\$10,000 range and increase the rating law violation range from \$50/\$500 to \$500/\$5,000.

Your Committee has amended the bill by authorizing the insurance commissioner to levy fines up to \$25,000 rather than \$10,000. Your Committee believes that such an increase will help serve or a more effective deterrent.

Your Committee finds that this bill will benefit both the public and the vast majority of those engaged in the insurance business in providing more effective sanctions against the relatively small number of violators. However, every licensee's rights to a hearing and to appeal to the Circuit Court of the First Judicial Circuit are protected and in no way affected by this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 960 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 960, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 498 Judiciary on S.B. No. 1469

The purpose of this bill is to permit a grand jury to sit until the completion of any matter in which such grand jury was impaneled. Your committee has amended this bill to reduce a trial jury panel from 26 to 18 names.

This bill amends two sections of the Hawaii Revised Statutes. Section 612-22 is amended to allow grand juries to sit beyond the one year limit in order to complete any matter for which the grand jury was impaneled. Section 612-17 is amended in subsection (b) by reducing the number of names to be called as potential jurors in a trial from the present 26 to 18 names.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1469, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 499 Higher Education on S.B. No. 335

The purpose of this Bill is to repeal Sections 304-50 through 304-53 relating to the

Land Study Bureau; and Section 304-54 relating to the Economic Research Center of the Hawaii Revised Statutes. The University has phased out both units effective July 1, 1974, in compliance with legislative mandate and State Executive Branch action.

These sections of the law are no longer required, since the programs established thereunder have been abolished, and their personnel transferred and absorbed by other activities within the University.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 335 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators O'Connor, King, Young and Leopold.

SCRep. 500 Higher Education on S.B. No. 1188

The purpose of this bill is to enable two employees of the University of Hawaii to become regular civil service employees on the basis of their performance in their jobs over the past several years.

These employees were hired, through a procedural error, as non-civil service and non-regular employees. The situation was recently uncovered and partial restitution and correction of their plight has been made. They now occupy regular civil service jobs and have regular civil service employee rights and obligations except that they are not yet fully certified. This bill will grant them full status without the necessity of civil service examination redtape and will enable them to receive government employee benefits retroactive to the time they were employed.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1188 and recommends that it pass Second Reading and be referred to your Committee on Human Resources.

Signed by all members of the Committee except Senators O'Connor, King, Young and Leopold.

SCRep. 501 Ecology, Environment and Recreation on S.B. No. 830

The purpose of the bill is to amend the Hawaii Penal Code, title 37 (section 829, Hawaii Revised Statutes), to give the courts an alternative method of sentencing individuals convicted of committing the offense of criminal littering.

Your Committee finds that litter is a major source of pollution in all areas of the State, the collection and disposal of such litter imposes a large cost burden upon the State, this litter detracts from the beauty which is one of Hawaii's greatest assets, and litter can be detrimental to the health, safety, and welfare of both residents and visitors.

A person commits the offense of criminal littering if he knowingly places, throws, or drops litter on any public or private property or in any public or private waters without the consent of the owner. Litter is defined by statute to mean rubbish, refuse, waste material, garbage, offal, paper, glass, cans, bottles, trash, or debris of whatever kind or description and whether or not it is of value.

Your Committee finds that much litter is the result of careless and thoughtless behavior. Although criminal littering is a petty misdemeanor, the small fine imposed by this offense is often not enough of a deterrent to the litterer. If the person convicted of littering were compelled to spend time and energy in picking up litter, this might have beneficial consequences. This bill amends the statutes, so that the court may sentence any person convicted of criminal littering to spend four hours picking up litter on public property for the first offense and eight hours picking up litter on public property for any subsequent offense.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 830, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 502 Ecology, Environment and Recreation on S.B. No. 476

The purpose of the Bill is to protect historical objects or remains found within the State.

Your Committee finds that the aesthetic rights and cultural interests of the people must be preserved and promoted, and that it is the duty of the Legislature to protect the public's constitutional right to sightliness and good order.

This Bill provides that all prehistoric or historic remains or objects within the State shall be the property of the State. Any person who disturbs or removes them shall be guilty of a misdemeanor. The Bill further provides that a private landowner shall report any such remains he discovers on his property to the department of land and natural resources. The private landowner shall be compensated for such objects removed from his lands by the department.

The Bill further provides that the department may enter the land to make investigations. It also provides that removal of any such prehistoric or historic remains or objects from private lands shall be made in the presence of the owner as witness, and that the owner shall be compensated for any loss.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 476 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 503 Ecology, Environment and Recreation on S.B. No. 1665

The purpose of this Bill is to provide statutory authority to qualify Hawaii to enter into a cooperative agreement on endangered species (plant and animal) with the U. S. Department of the Interior and also to qualify Hawaii for federal grant-in-aid funds up to two-thirds of approved program costs. It achieves this by providing for positive actions by the State to insure the continued perpetuation of indigenous wildlife and plants and their habitats.

The Bill was introduced by the state administration and supported by the Department of Land and Natural Resources, U. S. Fish and Wildlife Service and the Environmental Center, University of Hawaii.

Your Committee has amended the Bill by specifying "indigenous" with reference to threatened and endangered species, in keeping with the Bill's finding of a need to perpetuate "indigenous species of wildlife and plants".

On recommendation of the Environmental Center, University of Hawaii, your Committee has further amended the Bill by adding "all natural elements, physical and biological," to the definition of ecosystem.

Your Committee also has amended the bill to retain all six sections of Hawaii Revised Statutes, 191-56, of the existing law, and added the word "plant" where appropriate.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1665, as amended in the form attached hereto as S.B. No. 1665, 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 Senator Nishimura.

SCRep. 504 (Majority) Economic Development on S.B. No. 1077

The purpose of this bill is to appropriate funds for the land acquisition, plans and construction for site preparation improvements, repairs, renovations, and necessary equipment and appurtenances as the first increment of the Food Distribution Center.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1077 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee. Senators King and Rohlfling did not concur.

SCRep. 505 Ecology Environment and Recreation on S.B. No. 547

The purpose of this bill is to amend the existing somewhat vague language in the present statute to read "be guided by the following," instead of "insofar as practicable, consider the following guidelines:"

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 547 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators Ching, Nishimura and Rohlfling.

SCRep. 506 Ecology, Environment and Recreation on S.B. No. 827

The purpose of this bill is to amend chapter 341, Hawaii Revised Statutes, "Environmental Quality Control", by providing for an annual report on the state of the environment. This report shall be submitted to the governor and the legislature, and shall present the current condition of Hawaii's environment, including but not limited to all areas which bear heavily on the state of the environment, such as land, water, and air, and their uses, pollution levels, transportation and wildlife.

Your Committee finds that there is no objective periodic overall evaluation of the State of Hawaii's environment, and there is no way, other than by the use of the senses, for legislator or citizen to assess either the improvement or the deterioration of the environment.

Your Committee has amended the bill to provide that the report shall be made by the Environmental Council, rather than the director of environmental quality control.

Present law requires the Council to report annually on the progress of state, county, and federal agencies in achieving the State's environmental goals and policies. Your Committee feels that the current report is very helpful, but restrictive in scope, and it would be also helpful to have the report provided for by this bill.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 827, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Ching, Nishimura and Rohlfling.

SCRep. 507 (Majority) Ecology, Environment and Recreation on S.B. No. 1106

The purpose of this bill is to provide for declaratory and equitable relief in matters of environmental protection.

Eight states (California, New Jersey, Florida, Connecticut, Massachusetts, Minnesota, Indiana, and South Dakota) have followed Michigan's lead and enacted such public trust laws frequently referred to as citizen suit legislation.

Your Committee finds that the experience of those states which have had citizen standing provisions for some years now demonstrates that citizens use the legislatively sanctioned power sparingly, and when they do, use it to exercise their environmental rights. As a result of a citizens' study, "Do Citizen Suits Overburden Our Courts", by the Consumer Interests Foundation, the Attorneys General of the affected states have come out resoundingly in favor of the citizen suit provision.

There was some concern expressed among several of those testifying on this legislation, that citizens would go into court without first exhausting administrative remedies.

Your Committee has amended the bill to provide that the complainant shall first exhaust any available administrative remedies before seeking judicial relief; provided that the complainant shall be permitted to seek judicial relief without first resorting to any administrative remedies if there is a showing that the violation or condition is likely to result in irreparable injury or harm and requires immediate relief.

Your Committee believes this bill offers a multitude of benefits to this fragile island state. This bill was strongly endorsed by the Environmental Center of the University of Hawaii in their testimony before this Committee, which stated, "In conclusion we strongly endorse the general provisions of this bill both as prudent and logical mechanisms to ensure the proper management of the public trust and as a basic right of every U.S. citizen, a right we believe to be as fundamental as the rights provided in the U.S. Bill of Rights."

Your Committee on Ecology, Environment and Recreation is in accord with the intent

and purpose of S.B. No. 1106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Ching and Nishimura. Senator Hulten did not concur.

SCRep. 508 (Majority) Energy/Natural Resources on S.B. No. 649

The purpose of this Bill is to provide a means to reduce the interest cost of financing the acquisition, improvement or enlargement of facilities used by public utilities to produce and distribute electric energy and gas to the general populace.

The bill provides for the issuance of tax-exempt revenue bonds by the Department of Budget and Finance, the proceeds of which would be loaned to a public utility under a project agreement to be entered into by the utility and the Department.

The bill contains a declaration of public purpose to the effect that the health and welfare of the people require that the State make use of opportunities to assist utilities in providing electric energy and gas at the lowest possible cost, that interest on borrowings to finance facilities for electric energy and gas is a significant factor in the cost of such facilities. The Bill also states that interest cost could be reduced through tax-exempt bonds issued for the financing of such facilities; and that the promotion of the public health and welfare at the lowest practicable cost can be encouraged through State assistance in financing the cost of such facilities and that the issuance of the bonds is a public purpose.

Your Committee on Energy and Natural Resources has held a public hearing on this bill and has heard testimony from Mr. Andrew T. F. Ing, Vice President, Hawaiian Electric Company, Inc., Attorney General Ronald Amemiya, Mr. Leroy Yuen of the Department of Regulatory Agencies, and Mrs. Eileen R. Anderson, Director, Department of Budget and Finance. All of these persons testified in favor of this Bill.

Your Committee finds that the cost of electricity and gas affects everyone in Hawaii. The cost of service of electricity and gas is rising steadily with inflation, the high cost of oil, and high cost of money. The use of tax exempt bonds will hold the cost of long-term borrowing to the lowest possible rate. This, in turn, will most likely lower the rates of services for the consuming public of this State.

Your Committee feels that every effort should be made by the State to assist utility companies in reducing their costs which will benefit consumers. The companies that would qualify under this Bill are Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Molokai Electric Company, Inc. and Kauai Electric Company.

Your Committee feels that there are several advantages to the people of Hawaii by the enactment of this Bill. Some of these benefits are:

1. There is a real possibility that the enactment of this Bill will lead towards reduced utility rates, in that the savings to the utility companies will be passed on to the consumers.
2. With the present high financing costs, a significant savings in interest cost by the use of tax exempts will ultimately benefit the consumers of electricity and gas.
3. Lower interest costs would benefit the Hawaii utility rate payer, who ultimately bears the burden of paying for these financing costs. The utility companies will receive no financial benefits as a result of the lower interest cost. All savings will be passed through to the consumers of electricity and gas in Hawaii.
4. The use of this form of financing for the facilities of utility companies is unique to the State of Hawaii. Presently utility companies are "penalized" as a result of no inter-connections with other utilities and, consequently, they have to have greater reserve capacity which requires greater amounts of money.
5. The health, safety, and general welfare of the people of the State require that every opportunity be taken to assist in providing electric energy and gas at the lowest possible cost.
6. The economic development of the state and counties will be enhanced by the lower cost of financing to electric and gas utilities.

Your Committee recognizes that the full implementation of this Bill is subject to the test of constitutionality.

The bill provides that these revenue bonds may not be issued unless the Attorney General is of the opinion that the bonds are excludable from the total State debt under Section 3(b) of Article VI of the State Constitution. The opinion of the Attorney General must be based upon a judicial determination in a proceeding involving the issuance of these bonds or upon a judicial determination that the bonds authorized by Act 161, Session Laws of Hawaii 1973, are excludable from the State debt under Section 3(b) of Article VI.

Your Committee has amended the bill to provide that the revenue bonds issued under the bill be for a term of 30 years, instead of 50 years. Your Committee feels that 50 years is too long a period for such bonds.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 649, as amended herein in the form attached hereto as S.B. No. 649, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nishimura.
Senator King did not concur.

SCRep. 509 Intergovernmental Relations on S.B. No. 941

The purpose of this Bill is to provide each county with authority to enact the necessary ordinances providing for the taxation and licensing of bicycles.

S.B. No. 941 authorizes the various county councils to enact ordinances covering an annual bicycle tax, tax and registration due dates and delinquency dates, setting of violation penalty and required the director of finance to verify proof of ownership and verification of serial number and description as noted on application of registration or bill of sale.

The bill further provides council authority to establish ordinances for seizure of bicycles not registered annually or exhibiting counterfeit tags, with penalties therefor.

Finally, councils may enact ordinances to effect deposit of fees collected into a "Bikeway Fund" for expenditure in the county where the bicycle taxes are collected.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 941 recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee except Senators Taira, George and Yee.

SCRep. 510 Intergovernmental Relations on S.B. No. 944

The purpose of this bill is to place the provisions of Section 70-92, HRS, relating to the sale of real property by the city and county of Honolulu, under Chapter 46 and to expand its coverage.

Your Committee finds that the expanded coverage would include the disposition of and land acquired for a public purpose in pursuance of a general or development plan therefor where, prior to the land being put to its intended use, the general or development plan is deleted or amended rendering the land unnecessary for the use. Senate bill 1472, which is also being reported out favorably by this Committee, will repeal Section 70-92.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 944 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators George and Yee.

SCRep. 511 Intergovernmental Relations on S.B. No. 956

The purpose of this bill is to amend Section 205-4 Hawaii Revised Statutes, to provide (1) that the mayors of each county shall have the authority to designate an agency or commission to which the Land Use Commission will forward all State land use boundary change requests for comments and recommendations; and (2) that the time period in which the county agency or commission shall forward its comments and recommendations

to the Land Use Commission, shall be 60 days.

Present law provides that the Land Use Commission shall forward all State land use boundary change requests to the Planning Commission of the County wherein the land is located. This bill would provide that the Land Use Commission shall forward the requests to the "agency or planning commission as designated by the Maory" of the county wherein the land is located. This bill further proposes to change from 45 to 60 days, the time period in which the county designated agency or commission shall forward its comments and recommendations to the Land Use Commission.

Your Committee feels that with the change of the time period for comments and recommendations from 45 to 60 days, there is no need for providing, upon written request, for granting "an extension of not more than fifteen days for the receipt of any comments and recommendations". Your Committee has therefore amended the bill to delete this provision.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 956 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 956, S.D. 1, and be referred to the Committee on Ecology, Environment and Recreation.

Signed by all members of the Committee except Senators George and Yee.

SCRep. 512 Intergovernmental Relations on S.B. No. 1043

The purpose of this bill is to amend Section 249-2 Hawaii Revised Statutes, to allow the counties to base their vehicle tax not only on weight but also on the basis of whether or not the vehicle is used for commercial activity.

Your Committee is in accord with the intent and purpose of S.B. No. 1043 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Taira, George and Yee.

SCRep. 513 Intergovernmental Relations on S.B. No. 1472

The purpose of this bill is to repeal Section 70-92 Hawaii Revised Statutes, relating to the sale of real property by the city council.

Your Committee finds that the provisions of Section 70-92 Hawaii Revised Statutes, more appropriately belong in Chapter 46. This bill would repeal Section 70-92. Senate Bill No. 944, which is also being reported out favorably by this Committee, will place the provisions of Section 70-92 under Chapter 46.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1472 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators George and Yee.

SCRep. 514 Consumer Protection on H.B. No. 360

The purpose of this bill is to specify the types of actions which may be filed by the Office of Consumer Protection to enforce consumer protection laws. This bill also makes a technical change in Section 487-5(10), Hawaii Revised Statutes.

This bill would amend Section 487-5, Hawaii Revised Statutes, by specifically stating that the office can bring civil action and proceedings to enforce laws or rules and regulations promulgated for the purpose of consumer protection.

Presently, the Office of Consumer Protection is mandated to enforce violation of consumer protection laws. However, it is not clear as to what types of actions may be filed by the office for this purpose. This bill would specify civil actions and proceedings to clarify the intent of the section.

The bill also makes a technical change in Section 487-5(10), Hawaii Revised Statutes, which permits the director to contract with any county, state or federal agency or non-profit social service, trade, professional, or business organization which was in existence five years prior to June 3, 1974.

Your Committee amended H.B. No. 360, H.D. 1, by deleting the five-year provision

for the organizations the director may enter into a contract with. The Committee finds that this requirement is unnecessary because the director would be empowered to enter into contracts with a non-profit organization which can provide him with the services or expertise he may require.

Your Committee also amended the bill by authorizing the Office of Consumer Protection to obtain orders for restitution for consumers who are victims of unfair or deceptive practices and by authorizing him to conduct arbitration hearings between parties involved in disputes regarding consumer interests.

The Office presently files suits in behalf of the State of Hawaii. Although the court may rule favorably and assess fines for unfair and deceptive practices, these fines go to the State's general fund and the consumers are left "holding the bag". This bill would permit the Office to obtain orders for restitution for these consumers.

Your Committee also amended the bill to authorize the Office of Consumer Protection to arbitrate between parties involved in disputes regarding consumer interests.

Although concern has been expressed that the director of the Office of Consumer Protection could use these powers to become "judge and jury", the Committee finds this to be unfounded. Many cases can be settled out of court with great savings in time, effort, and resources to the consumers, the business community, and government.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 360, H.D. 1, in the form amended and attached hereto as H.B. No. 360, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515 Consumer Protection on S.B. No. 1560

The purpose of this bill is to empower the Office of Consumer Protection to promulgate procedural and substantive rules.

This bill would amend Section 487-5, Hawaii Revised Statutes, relating to the general functions and powers of the Office of Consumer Protection.

On February 28, 1975, the Supreme Court of Hawaii, ruled in the case of Don Kauer, dba Don's Aloha Chevron Service, v. Ronald Amemiya, that: "...the appellant is without power to promulgate substantive rules and regulations under the provisions of Hawaii Revised Statutes Chapter 487."

The authority to promulgate rules, as proposed by this bill, is, of course, vital to the operations of the Office, the designated advocate of Hawaii's consumers.

When the Office was established, it was presumed that certain statutes provided full authority for its functions and duties. Many of the actions and proceedings brought by the Office have since been similarly challenged on the basis of lack of authority and so your Committee has amended the bill by expressly clarifying these other areas subjected to challenge.

Section 480-14 is amended by expressly empowering the director of the Office of Consumer Protection to sue to recover damages suffered as a result of unfair or deceptive business practice.

Section 480-20 is amended by adding a subsection which states that the director shall have concurrent jurisdiction with the attorney general to enforce the civil provisions of Chapter 480.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1560 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1560, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516 Consumer Protection on S.B. No. 1432

The purpose of this bill is to include the gathering, tabulating, and dissemination of comparative retail prices of food and other selected items, within the general duties

of the Department of Agriculture.

This bill amends Section 141-1(A), Hawaii Revised Statutes, by a subsection which requires that the Department disseminate this information each week through the media.

Inflationary trends in our nation's economy have made the consumer much more aware of the benefits of wise shopping decisions. Aside from the advertising of specials, consumers presently have no comparative data upon which to base these decisions. The intent of this measure is to assist Hawaii's consumers by providing this data.

The Department provided this valuable service in the past but it was discontinued because of funding and staff limitations in June 1973.

Your Committee finds that there is sufficient need in the community to reinstate the collection and publication of retail price information. The additional duty can not, however, be implemented without a proper level of funding. Your Committee amended the bill to provide for the necessary support for this vital service.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1432, as amended and attached hereto as S.B. No. 1432, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 517 Higher Education on S.B. No. 1629

The purpose of this Bill is to enable the Community Colleges to conduct special programs which would be supported by funds collected by the colleges which are not part of the regular credit program. This Bill is to create a special fund so the colleges can receive, disburse, and account for these funds.

Your Committee finds that the regular Community College programs are limited in their ability to go off campus because of the controlled growth policy and the limitation of general funds. The Community College enrollment is increasing, and there appears to be a segment of the population who are willing to pay a special fee if the courses are offered off campus. Up to the present, the Community Colleges are not able to provide special programs without a special fund.

This special funding capacity will afford the Community Colleges to conduct summer sessions, overseas programs, evening sessions, study abroad, cultural enrichment programs, and other related activities. This fund will permit the colleges to perform community service functions which have been lacking. The accreditation teams of the various colleges have mentioned this as a concern of the Community Colleges.

Your Committee has amended the bill by deleting the last two paragraphs of Section 2. The deletion does not change the intent of the bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1629, as amended herein, and recommends that S.B. No. 1629, S.D. 1, attached hereto, pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator King.

SCRep. 518 Higher Education on S.B. No. 1676

The purpose of this Bill is to eliminate the statutory requirement for a minimum resident tuition fee at any University of Hawaii campus. No change in the non-resident tuition differential is made.

Your Committee has been informed that under existing statutory provisions of HRS 304-4, the Board of Regents of the University of Hawaii must charge a resident tuition of no less than \$170 per academic year for regular courses of instruction at any University of Hawaii campus that grants baccalaureate degrees, and no less than \$30 per academic year for any resident community college student.

In its discussions to increase the tuition fees to place some of the burden of increasing costs of higher education to the students, the University felt that there should be some differential between the university, liberal arts college(s) and the community colleges. Additionally, to encourage students from neighbor islands to enroll at the Hilo College, thereby promoting population dispersion away from the Oahu campuses, it was proposed

that the tuition fee for lower division students at Hilo College be set at an amount below the statutory minimum of \$170 per year.

The situation at the University of Hawaii at Hilo is unique. With a centralized administrative organization, including student services and financial administration, Hawaii Community College students take much of their liberal arts courses at Hilo College. Conversely, Hilo College students take some of their courses at the Hawaii Community College. Ideally, at the lower division (freshman, sophomore) level, U.H. Hilo students should pay the same tuition fee whether taking courses at Hilo College or Hawaii Community College. Elimination of the statutory provision requiring a minimum tuition fee will permit the University to achieve its stated purpose to provide equal lower division education at the same costs to resident students at the U.H. Hilo.

Based on the presently approved tuition fee schedule, the resident tuition for the current 1974-75 academic year and the 1975-76 academic year for U.H. Hilo are as shown below. The fee contemplated by the Board of Regents which would be permitted under this measure is also shown.

	Approved Tuition Fees*		Proposed Tuition Fees
	1974-75	1975-76	1975-76
Hilo College:			
Lower Division	170	170	80
Upper Division	253	300	300
Hawaii Community College	60	80	80

*Note: There is a statutory floor on non-resident tuition of two times the Manoa Campus undergraduate resident fee. Thus, non-resident tuition for all students at U.H. Hilo would be \$900/ year in 1975-76.

If there were no additional students attracted to Hilo College because of the lower tuition, the revenue loss would be less than \$100,000 a year; however, it is hoped that this loss would be offset by added enrollment at U.H. Hilo.

Your Committee believes that the proposal would encourage students to register and enroll at U.H. Hilo, lessening to some degree the pressure on Oahu campuses and assisting in the growth, both in educational quality and enrollment, of the University of Hawaii at Hilo.

Your Committee is in accord with the intent and purpose of S.B. No. 1676 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 519 Higher Education on S.B. No. 1679

The purpose of this Bill is to allow a member of the State Board for Vocational Education other than the member who is Chairman of the Board of Regents to be Chairman of the State Board for Vocational Education.

The functions and responsibilities of the State Board for Vocational Education are separate and different from those of the Board of Regents of the University of Hawaii even if the membership of both boards are identical. The State Board for Vocational Education should therefore have a separate identity. Allowing the members of the State Board for Vocational Education to elect their own Chairman who could be a member other than the Chairman of the Board of Regents will create some separation of identity. In addition to creating a separate identity, having a different Chairman will allow the Chairman of the State Board for Vocational Education more time to focus specifically on vocational education matters.

Your Committee has amended the bill to exclude the designation of the President of the University as the administrative office of the State Board of Vocational Education. Your Committee agrees that the selection of the administrative officer should be left to the discretion of the Board.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1679, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator King.

SCRep. 520 Human Resources on S.B. No. 182

The purpose of this bill is to amend Part I, Discriminatory Practices Law, Chapter 378, Hawaii Revised Statutes, to include employment discrimination because of physical handicap as an addition unlawful employment practice.

Presently, the law prohibits any employer, labor organization, and employment agency to discriminate in employment against any individual because of race, sex, age, religion, color, ancestry & arrest & court record that the individual is able to perform the work.

To avoid any discrimination, this bill would include physically handicapped persons. It is estimated that over 10% of our population suffers some form of handicap. These citizens are singled out from our society by the lack of statutory protection. In schools, public transportation, public accommodations, and private employment, handicapped people are excluded by physical design of buildings, lack of funds or interest or prejudice.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 182, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 521 Human Resources on S.B. No. 1323

The purpose of this bill is to allow funds in the dwelling unit revolving fund to be used for expansion of community facilities constructed for housing projects for elderly persons.

According to this amendment the Hawaii Housing Authority is given the authority to use funds allocated in the dwelling unit revolving fund for any federal requirements for the Authority to receive approval of federal housing projects for the elderly.

Without this authorization to use the revolving fund whenever the bids exceed the allocated funds, revisions and redesigning are necessary in order to receive federal approval. This in the past has caused unnecessary delay of the project and often it did not produce the best possible project.

The bill also amends to authorize the Authority to hire individuals for unique and essential services on a contractual basis and not subject to chapters 76, 77, and 78 of the Hawaii Revised Statutes. The Authority requires flexibility in contracting specialized and unique services. Permanent employees for these services have not been necessary in the past.

Your Committee further amends the bill to allow bonds issued by the Hawaii Housing Authority under chapter 356, Hawaii Revised Statutes, to bear 8 percent interest, but only for bonds issued in the twelve-month period following enactment of the bill.

Technical amendments were also made to conform with the major amendments mentioned herein.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1323, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Rohlring.

SCRep. 522 (Majority) Human Resources on S.B. No. 1548

The purpose of this bill is to increase the number of exempt employees within the office of the Lieutenant Governor by deleting the "six" in subsection 5.

Your Committee finds that since 1967 the demands made upon the office of the Lieutenant Governor have increased and, the provision of "six" exempt employees have restricted the office from seeking and hiring employees beyond that number even if proper justification for more employees can be established.

This bill which proposes to raise the number of exemptions would provide the office with somewhat more flexibility and capability than is available at present.

Your Committee on Human Resources is in accord with the purpose and intent of S.B. No. 1548 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senator Yamasaki did not concur.

SCRep. 523 Human Resources on S.B. No. 1656

The purpose of this bill is to permit the Board of Trustees to designate a person other than the Secretary-Treasurer to countersignature on all Health Fund Payment Vouchers.

Your Committee finds that due to certain legal requirements of the Health Fund Law, four authorized signatures must be obtained before the Health Fund is able to pay its Trust Fund obligations. This process usually takes about two weeks before the Health Fund Payment Voucher is delivered to the payee. If this bill is enacted, only these authorized signatures will be required and the payee will receive his Health Fund Payment Voucher within a week.

Your Committee further finds that this proposed change in operating procedures will not diminish the financial control over budgeted and actual expenditures presently being provided by the Department of Budget and Finance and the Department of Accounting and General Services.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1656 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 524 (Majority) Human Resources on S.B. No. 1675

The purpose of the Bill is to create a second deputy director in the Department of Social Services and Housing.

Your Committee finds that the creation of a second deputy director position will enable the Department to provide the administrative supervision and control that is appropriate to the size and importance of the programs involved. This new position will also enable the Department to more adequately meet the expectation which the community has of the Department.

Your Committee further finds that the Director of the Department can no longer maintain the breadth and depth of administrative contact that is called for with the assistance of the deputy.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1675, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senator Rohlfing did not concur.

SCRep. 525 Health on S.B. No. 110

The purpose of this bill is to update and streamline the programs of the Department of Health. This bill was originally in short form and has been amended to provide for the administrative transfer of Leahi Hospital from the University of Hawaii to the Department of Health.

Your Committee finds that all State hospitals, with the exception of Leahi Hospital, are now under the control of the Department of Health. The transfer of Leahi Hospital would place control of all State hospitals in a single agency, simplify policy implementation and provide for direct supervision of those health care programs performed at Leahi Hospital which are the overall responsibility of the Department of Health.

The transfer should not adversely affect the teaching efforts of the University of Hawaii, School of Medicine. Leahi has developed and can continue to develop as the leading chronic disease teaching institute in Hawaii.

The transfer of Leahi to the Department of Health would facilitate this development by administratively separating the teaching component of this development from the institutional operation needed for this development. This would provide for greater efficiency in both areas.

Your Committee has amended S.B. No. 110, S.D. 1, to guarantee the employee rights and benefits of Leahi Hospital personnel, especially their educational benefits, as contained in Section 5, by the addition of language extending coverage of these benefits to all

Leahi employees.

Your Committee has further amended this bill to fully protect the interests and rights of the University of Hawaii, specifically as regards the transfer of personal property, by placing such transfer at the discretion of the University (Section 6). A new Section 9 has been added to guarantee all rights, interests, and titles of the University of Hawaii to any real property or improvements thereto.

Your Committee has further amended this bill to retain the child psychiatric services at Leahi within the University of Hawaii.

Your Committee emphasizes that nothing in this bill is intended to interfere with or hamper the Children's Mental Health Unit (UOH 802) which provides intensive psycho-educational therapy for emotionally disturbed children between the ages of 4 and 12, including the involvement of the children's families in the therapy toward the goal of re-integrating the children into the community. The University of Hawaii School of Medicine is commended for its leadership of this activity, the only such program in the State. The children accepted for admission are those emotionally disturbed children unable to function in the community (in their schools and with their families). The patients are a high risk population for severe disturbances as adults; many would become psychotic or sociopathic individuals as adults and require considerable government expenditure for their care. One of the major objectives of the Children's Mental Health Unit is to prevent this from happening. This program receives widespread community support and functions with interdepartmental personnel, including, in addition to faculty of the medical school's Department of Psychiatry, Leahi personnel, Department of Education teachers, and liaison personnel from the Department of Health, all under the overall supervision and guidance of the Chairman of the Department of Psychiatry.

Your Committee has consulted all agencies and organizations substantially involved in this transfer, and incorporated their concerns within this bill, to the satisfaction of all parties concerned.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 110, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 110, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 526 Transportation on S.B. No. 327

The purpose of the bill is to amend section 286-107, Hawaii Revised Statutes, so as to allow the State Highway Safety Coordinator's office to require physical examinations and examinations relating to highway safety and rules of the road as part of the license renewal procedures.

Your Committee finds that there is an evident need to inform the drivers of Hawaii of changes to the rules of the road.

Your Committee upon further consideration has made the following amendments to S.B. No. 327, S.D. 1:

1. Has amended Section 286-107 (b) to be consistent with the changes initially proposed by the bill.
2. Has amended Section 286-107 (e) to eliminate the requirement of a physical examination within the Statutes.
3. Has further amended Section 286-108 to be consistent with the intent and purpose of the bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 327, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 327, S.D. 2.

Signed by all members of the Committee.

SCRep. 527 Transportation on S.B. No. 329

The purpose of the bill is to strengthen the present notification of change of address for vehicle owners by placing a penalty upon non-compliance.

Your Committee recognizes the importance of having the address of registered owners be current and correct. The traffic records system provides for (1) mailing automobile registration and inspection information to vehicle owners (2) mail driver license renewal information and (3) to enable the State Judiciary and County Police Departments to operate an effective criminal and law enforcement program.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 329 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 528 Transportation on S.B. No. 330

The purpose of the bill is to amend Chapter 291 (c), Hawaii Revised Statutes, State-wide Traffic Code as follows: to (a) require slow moving vehicles to display an emblem of standard shape and color characteristics; (b) to allow the counties to designate certain school bus stops within a business or residence district where school bus flashing warning lamps will be used; (c) to provide that only those school buses operating on routes where the use of the flashing warning lamps is required shall be equipped with the warning lamps and to confer to the (3a) Manual on the Uniform Traffic Control Device (MUTCD).

Your Committee is keenly aware of the need to continually improve the highway safety for our community.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 330 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 529 Transportation on S.B. No. 332

The purpose of the bill is to require all motor carrier transporting hazardous materials to be properly marked.

Your Committee finds that proper designation of hazardous materials will greatly increase safety for all parties involved with a highway accident involving a hazardous material carrier.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 332 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 530 Transportation on S.B. No. 864

The purpose of the bill is to repeal Chapter 279, Hawaii Revised Statutes, dealing with Interdepartmental Transportation Control Commission.

Your Committee finds that the legislative mandate vested in the Interdepartmental Transportation Control Commission by Act 59 of Session Laws of Hawaii 1972 can better be accomplished within the purview of the Statewide Transportation Council as structured in S.B. No. 1214-75.

Your Committee fully recognizes the need to determine the maximum number of Transportation units which should be allowed on the land, over the sea and in the air of the State.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 864 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 531 Transportation on S.B. No. 1618

The purpose of the bill is to amend section 445-223, Hawaii Revised Statutes, to clarify the present phraseology of the law.

The intent and purpose of the bill is expressed in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1618 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 532 Transportation on S.B. No. 1682

The purpose of the bill is to amend the existing statute to comply with the requirements of the Federal Aid Highway Amendments of 1974 relating to outdoor advertising.

The Federal amendments changed the provisions of the Highway Beautification Act of 1965 with such provisions as extended control to include outdoor advertising located beyond 660 feet of the edge of the highway right of way; permit certain landmark signs lawfully in existence on October 22, 1965; and provide for the payment of just compensation for the removal of any outdoor advertising lawfully erected under State Statutes.

Your Committee finds that the intent and purpose of the bill has been carried forth for many years in Hawaii and that such controls to help preserve our local environment should be continued and reinforced.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1682 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 533 Economic Development on S.B. No. 194

The purpose of this Bill is to add a new section to Chapter 46 of the Hawaii Revised Statutes, to allow for three appraisers to be hired by a County Council for the purpose of performing certain tasks in the improvement district process. Each County shall pay the difference between the total amount of the proposed assessments as determined by the appraisers and the total cost of the improvements. This Bill applies only to improvements districts initiated by the State or a County and not one initiated by private property owners.

Your Committee is in accord with the findings of the Committee on Intergovernmental Relations.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 194, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 534 Economic Development on S.B. No. 1332

The purpose of this Bill is to clarify the regulatory responsibilities of State and County agencies in regard to maintenance, repair, and improvement of fishponds and aquaculture areas, and to ensure that proper environmental safeguards are coupled with conditions encouraging retention of fishponds and aquaculture areas.

Your Committee is in accord with the findings and recommendations of the Committee on Ecology, Environment and Recreation.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1332, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 535 Judiciary on S.B. No. 91

The purpose of this bill is to protect the interests of the public by establishing a system providing for the registration and certification of auto repair dealers beginning January 1, 1976. It provides for a system whereby the consumer will be able to identify a legally established automobile repair facility whose operations are regulated by guidelines. It requires the registration of any business enterprise which repairs motor vehicles for compensation, and exempts the federal, State or county governments and business or commercial enterprises that exclusively repair motor vehicles owned by same. The bill does not require the registration of an individual who repairs his own vehicle or the vehicles of his relatives and friends without receiving compensation.

Senate Bill No. 91, S.D. 1, is a unique proposal to regulate the automotive repair industry employing a new and innovative method.

Your Committee agrees with the comments contained in Standing Committee Report No. 99. Your Committee has amended the bill to provide that the Consumer Protector may levy fines, subject, however, to the provisions of Chapter 91, Hawaii Revised Statutes.

Your Committee has further amended the bill to delete the appropriation section, and to provide that this bill shall not become effective unless S.B. 94 is enacted into law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 91, S.D. 2, as amended herein, and recommends that S.B. No. 91, S.D. 3, attached hereto, pass Third Reading.

Signed by all members of the Committee.

SCRep. 536 Judiciary on S.B. No. 92

The purpose of this bill is to amend the Residential Landlord-Tenant Code so as to provide a more equitable relationship between landlord and tenant.

Your Committee has considered the bill and is in accord with the findings of your Committee on Consumer Protection as expressed in Standing Committee Report No. 354.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 92, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 537 Judiciary on S.B. No. 94

The purpose of this bill is to provide for the registration and certification of automobile mechanics and apprentices. This bill shall be administered by the consumer protector who shall adopt and enforce such rules as may be necessary. There shall be appropriated out of the general revenues of the State \$30,000 for the purposes of this act:

The bill provides for the yearly registration of all automobile mechanics and apprentices, and an initial test of certification to be administered by the Director of Vocational Education, University of Hawaii. The Director of Vocational Education shall establish a committee to advise him in developing the certification test and establishing rules for motor vehicle mechanics. The Office of Consumer Protection is authorized to hire one investigator for the purpose of enforcing the provisions of this act.

Your Committee agrees with the comments contained in Standing Committee Report No. 66.

Your Committee has amended the bill to provide for establishing a seven member motor vehicle mechanics board within the department of regulatory agencies. Not less than four members are to be licensed motor vehicle mechanics, while at least two members are to be private citizens not connected with the motor vehicle repair industry. Your Committee recommends that the remaining member be a vocational instructor in motor vehicle repairs.

The bill as amended also provides for employment of administrative, clerical, investigative and auditing personnel and an executive secretary. The bill as amended sets forth the duties and responsibilities of the executive secretary. The bill further sets out the grounds for revocation, suspension of and refusal to renew licenses, and authorizes the board to establish procedures for processing and investigating complaints.

Your Committee has also deleted the appropriation section of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 94, S.D. 2, as amended herein, and recommends that S.B. No. 94, S.D. 3, attached hereto, pass Third Reading.

Signed by all members of the Committee.

SCRep. 538 Judiciary on S.B. No. 950

The purpose of this bill is to exclude from the definition of "motor vehicle", bicycles powered by a motor of one horsepower or less, and to better clarify the definition of all bicycles in the Hawaii Revised Statutes.

Under present laws, bicycles powered by motors less than one horsepower are treated as motor vehicles and are subject to the same restrictions, although the speed attained is less than that of a racing type of bicycle without any motor. This bill amends three sections of Hawaii Revised Statutes to allow for such small motors, and also to better define all bicycles by pinning down wheel size.

Your Committee is in agreement with your Committee on Transportation as stated in their Standing Committee Report No. 408, and is in accord with the intent and purpose of S.B. No. 950, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 539 Judiciary on S.B. No. 1138

The purpose of this bill is to provide for an accounting of the security deposits for residential rental units credited to each tenant in the event that the landlord's interest is transferred.

This bill amends Section 521-44, Hawaii Revised Statutes, by requiring a landlord to provide an accounting of the security deposits received for each dwelling unit to his successor before or at the time of transfer. In cases where this provision is not met, it shall be presumed that the tenant has paid a security deposit. This provision is necessary to protect the tenant from not being credited for his security deposit.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1138 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 540 Judiciary on S.B. No. 1140

The purpose of this bill is to add a definition to the residential landlord-tenant code, regarding "Normal wear and tear."

This bill amends Section 521-8, Hawaii Revised Statutes, by defining "normal wear and tear" as deterioration in value by ordinary and reasonable use. Although "wear and tear" is referred to in two sections of the residential landlord-tenant code, it is not defined. This bill will provide clarification. Your Committee agrees with your Committee on Consumer Protection in its Standing Committee Report No. 182.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1140 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 541 Judiciary on S.B. No. 1390

The purpose of this bill is to remove from civil liability the communicating of conclusions from the Peer Review Committees of Professional Medical Societies to a similar committee, or to an authority which licenses such professions. This purpose is accomplished by amending Section 663-1.7, Hawaii Revised Statutes.

Your Committee on Judiciary is in agreement with the conclusions of your Committee on Health in their Standing Committee Report No. 387.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1390, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 542 Judiciary on S.B. No. 1669

The purpose of this bill is to grant the Governor clear authority to control the distribution of petroleum products when supply shortages occur or are anticipated. Under

existing statutes, the Governor is without clear legal authority to control such distribution or to impose rules that provide for conservation of petroleum.

This bill adds a new chapter to the Hawaii Revised Statutes to cover such emergency situations, yet requires the Governor to comply with prior notice and public hearing provisions of Chapter 91, Hawaii Revised Statutes. Your Committee is in agreement with your Committee on Energy and Natural Resources as stated in their Standing Committee Report No. 364.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1669, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 543 Judiciary on S.B. No. 86

The purpose of this bill is to prohibit persons from knowingly selling equipment or materials to unlicensed contractors for an unlicensed activity.

This bill amends Section 444-9.2, Hawaii Revised Statutes, by making it a misdemeanor to knowingly supply an unlicensed contractor for an unlicensed activity. Your Committee is in agreement with your Committee on Consumer Protection as stated in their Standing Committee Report No. 353.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 86, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 544 Judiciary on S.B. No. 1139

The purpose of this bill is to clarify the disclosure of information a landlord is required to make on the rental agreement.

This bill amends Section 521-43 subsection (A) and (B), Hawaii Revised Statutes, by requiring landlords or their authorized agents to furnish in writing current information as to the manager and owner of the premises and further provides that any person who fails to comply with that requirement becomes an agent for the landlord for service of process and performance of obligations of the landlord under Chapter 521 of the Hawaii Revised Statutes. Under present law, there is no way for a tenant who is not provided information for corresponding with the manager or owner to reach such persons. This bill requires the landlord to perform such corresponding obligations if he fails to provide such information.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1139 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 545 Judiciary on S.B. No. 512

The purpose of this bill is to amend section 708-6, Hawaii Revised Statutes, to permit the use of a citation in lieu of a physical arrest. The citation arrest is presently in use in several jurisdictions as an alternative to what many believe is an inequitable system which includes arrest, physical custody, and bail procedures. The citation arrest, in lieu of physical arrest and incarceration is not unique in the City and County of Honolulu. Citations are presently issued for certain offenses such as traffic, litter law, leash law, fish and game, airport ramp, harbor boating and industrial safety violations.

Your Committee heard testimony to the effect that implementation of the citation arrest procedure should reduce the amount of time used in relation to that of making a physical arrest and thereby allow more time for preventive patrol.

Your Committee has amended the bill to correct the section reference which was changed as a result of the adoption of the Penal Code. The correct section reference is section 723-6.

Your Committee has further amended the bill to provide for grammatical and technical changes which do not affect the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 512

as amended in S.D. 1, and recommends that S.B. No. 512, S.D. 1, attached hereto, pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 546 Judiciary on S.B. No. 514

The purpose of this bill is to amend Section 708-3, Hawaii Revised Statutes, to include the term "violation" as an act subject to arrest.

Your Committee has amended the bill to correct the section reference which was changed as a result of the adoption of the Penal Code. The correct section reference is section 723-3.

Your Committee has further amended the bill to use the all-inclusive term of the Penal Code "offenses" to cover felonies, misdemeanors, petty misdemeanors and violations. Apparently many have concluded, though erroneously, that since a violation as defined in the Penal Code is not a crime, a physical arrest cannot be made. This was not the intent of the Code. Therefore, this amendment is required to clearly include violations as acts subject to arrest.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 514 as amended herein, and recommends that S.B. No. 514, S.D. 1, attached hereto, pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 547 (Majority) Judiciary on S.B. No. 528

The purpose of this bill is to remove the judiciary from the inappropriate role of having to make determinations about certain trial expenses in criminal cases which in effect determine the quality of the case the prosecution or the defense presents at trial.

At present, the courts have an account titled "Legal Expenses" which is looked to by both the prosecutor and indigent defendants to pay for witness expenses, transcript costs in the case of indigent defendants and investigatory, expert and other services. In managing the funds, the courts are called upon to pass on the reasonableness of making the requested expenditures. The responsibility for obtaining and expending the necessary funds for trial expenses should be left to the prosecutor's office and the public defender's office and not with the courts.

The bill repeals Section 621-11, dealing with subpoenaing witnesses for the defendant at State expense.

The present in forma pauperis appeal procedure is abolished by repealing section 721-5. However, this does not mean the right to in forma pauperis appeal is abolished.

Section 722-7 is amended to provide litigation expenses to fill the void left by repealing sections 621-11 and 721-5.

The section provides that the court may, where the defendant is unable to pay, direct that certain expenses be paid from available court funds or waived. However, where the defendant is represented by the public defender or court appointed counsel, the public defender is charged with paying those expenses if he determines that the defendant is unable to pay and that they are necessary for an adequate defense. If there is a dispute as to the defendant's financial ability, the dispute is to be resolved by the court.

After thorough consideration your Committee has made the following amendments to the bill.

1) Section 3 of the bill has been amended by adding a comma after the word "mileage" in line 5 page 3 and adding the word "or" after it, and also by replacing the word "it" in line 15 with the phrase "the public defender." The purpose of these amendments is to clarify the language of the section.

2) Your Committee has also amended Sections 1, 2 and 3 of the bill setting out those provisions of law to be repealed and amended as required by Rule 42 of the Rules of the Senate of the Eighth and Ninth Legislatures of the State of Hawaii.

3) Your Committee has further amended section 3 of the bill to clearly specify that the public defender shall not determine expenses in the rare situation when private counsel

has been appointed because a conflict of interest would have existed if the public defender represented more than one defendant in a particular case. This change is consistent with the original intent of the bill and testimony presented by the judicial council and public defender. The only situations your Committee foresees when the court will pay for witness, transcript and services other than counsel expenses, are in the case of a defendant represented *pro se* (by himself) where private counsel has been appointed to avoid a conflict of interest within the office of the public defender, and where a defendant is represented by privately retained counsel. A minor amendment has been made deleting the word "mileage" and inserting "transportation" recognizing other travel expenses presently paid by court funds.

4) A new section 4 has been added to the bill to make operable section 621-9, Hawaii Revised Statutes, which has never been used. It has been amended to change the title of the section to "Witness Expenses" to accurately encompass the subject matter of the section. Presently, prosecutor witness expenses including transportation, fees, per diem and incidental expenses are being paid by the court with its Legal Expense Account. There is no statutory basis for such payments by the court. The Committee believes such practices are highly inappropriate and should be discouraged in the future. The section has also been amended to include witnesses authorized by the public defender. Therefore, the procedures for witness expenses for the prosecution and the defense in these criminal cases will be the same. Section 621-9 has also been amended by deleting the word "circuit" in line 6 on page 4. The State pays for witness expenses in district and circuit court and separate certification procedures may be required. Finally, the section has been amended by deleting the phrase "or if there is no money in the fund with which to pay same, it shall be registered and paid in its regular order." The intent of this change is to remove the possible interpretation of this section as a standing authorization for the public prosecutor and public defender to expend general fund money for witness expenses. Every program of the State has its costs and limits. Just as the courts "Legal Expenses Account" which previously paid these witness expenses was constrained by a budgeted appropriation, the funds for these accounts will be set and appropriated by the legislative budgeting process. In making these changes in decision-making authority and funding procedure your Committee does not intend that the quality or adequacy of the preparation and presentation of the prosecution or the defense, in litigation where the State has traditionally assumed payment of certain witness, transcript, and other expenses should diminish in any way. Where an "indigent party" properly request a service within the scope of this bill the determination should be based on the question of its necessity to an adequate defense or prosecution as in the past. But these decisions about the quality of the prosecution or defense to be presented the court are more appropriately made by the prosecutor for the State and by the public defender and defense counsel for the defendant than by the court.

5) Finally, your Committee has moved the provision for effective date from section 4 to a new section 5 and changed the date from "upon its approval" to "July 1, 1975." This change is necessary because your Committee makes the set of changes listed above as part of a larger intergrated package designed to remove the courts in all but a few necessary situations from the awkward circumstances of pretrial funding decisions. It contemplates that Rule 17(b) of the Hawaii Rules of Criminal Procedure which is the legal basis for certain requests made to the court by indigent defendants be repealed. It is the intent and desire of your Committee that such a change be made by the Supreme Court in the time provided by the delayed effective date.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 2 and be placed on the calendar for third reading.

Signed by all members of the Committee. Senator Kawasaki did not concur.

SCRep. 548 Judiciary on S.B. No. 534

The purpose of this bill is to provide statutory safeguards to a government employee who may be indebted to the State, county or independent board or commission.

Under present law, the government is permitted to withhold monies from employees who are indebted to the government. The amendment proposed under this bill guarantees such debtors an opportunity to voluntarily acknowledge the indebtedness and agree to a repayment plan or an opportunity to have the issue of indebtedness resolved by a formal administrative hearing.

Your committee has amended the bill by inserting the last sentence of Section 78-12 which was apparently inadvertently omitted.

Your committee is in accord with the intent and purpose of S.B. No. 534 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 534, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 549 Judiciary on S.B. No. 966

The purpose of this Bill is to authorize the Hawaii Bicentennial Commission to adopt, restrict or regulate the use of a bicentennial logotype. The bill gives the commission the authority to designate a logotype and to set standards or guidelines for its use.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 966, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 550 Judiciary on S.B. No. 1133

The purpose of this bill is to require the examiner of drivers to provide a method for donors under the Uniform Anatomical Gift Act to designate on the drivers license that they are donors.

Your Committee has amended the bill to provide that the highway safety coordinator shall provide the required method of designation since it is the appropriate agency. Upon consideration, your Committee has further amended the bill to delete the requirement that such designation meet the requirements of section 327-2(b), and the requirement that the notation be removed only upon written notice.

Your Committee has also amended the bill by deleting Section 2 which would have allowed donors to make gifts by executing an affidavit with the examiner of drivers. Your Committee believes that the procedures for donors should be left with the organization sponsoring such a program and that government should not become involved with the operation of a private foundation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1133 as amended herein, and recommends that S.B. No. 1133, S.D. 1, attached hereto, pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 551 Judiciary on S.B. No. 1158

The purpose of S.B. No. 1158 is to raise the dollar limit established in section 531-12 of the Hawaii Revised Statutes from \$1,000 to \$3,000 to conform to the limit of the small estates category, which is \$3,000.

Your Committee has received information that this raising of the limit will expedite the handling of small estates and will be of direct benefit to the public.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1158, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 552 Judiciary on S.B. No. 1161

The purpose of this bill is to repeal 531-11, Hawaii Revised Statutes, which requires that copies of petitions for probate of wills from the second, third, and fifth circuit courts be filed with the supreme court.

Your Committee finds that this practice duplicates records that are rarely used. In the interest of efficiency and conservation of storage space, it is appropriate to discontinue this practice.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1161 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 553 Judiciary on S.B. No. 1301

The purpose of this bill is to prohibit the use of ammunition that would needlessly aggravate or wound, such as "dum-dum bullets", bullets filled with glass, scored bullets, or bullets with filed off ends.

Your Committee has amended this bill in order to prohibit the use of this type of ammunition in handguns by either law enforcement officials or the public. Chapter 134, Hawaii Revised Statutes, is amended by adding a new section that would prohibit the use of such ammunition in handguns by either public or law enforcement officials, and provides that the exemptions stated in Section 134-11, Hawaii Revised Statutes, shall not be applicable. Section 134-11, Hawaii Revised Statutes, exempts the police department from such prohibitions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1301, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 554 Judiciary on S.B. No. 1582

The purpose of this bill is to modernize the law governing the issuance of passbooks to savings depositors and the recordation therein of deposits into and withdrawals from savings accounts.

The existing provisions were enacted in 1931 and have remained substantially unchanged. They require that a savings bank issue a passbook to every savings depositor and enter therein each deposit and withdrawal; they also prohibit any payment therefrom unless accompanied by and entered in the passbook, except for good cause.

Since then, electronic data processing has been developed and is constantly being improved. This bill would permit banks an alternative to the issuance of passbooks and the recording therein of each deposit and withdrawal. It would permit a bank to issue a certificate or other record evidencing the depositor's savings account, to evidence a deposit by issuance of a deposit receipt (similar to that in a deposit into a checking account) and to evidence a payment from the account upon duly authorized instructions of the depositor, without the necessity of a passbook.

These modernized procedures would afford depositors convenience by not requiring the presentation of passbooks to process transactions, would enable banks to use the new technology of Electronic Funds Transfer Systems, and would treat banks similarly to savings and loan associations which are not required by law to issue passbooks and record transactions therein. It should also be noted that this bill would not prohibit banks from using passbooks; it merely makes it optional.

Your Committee is in accord with the intent and purpose of S.B. No. 1582 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Ching.

SCRep. 555 Judiciary on S.B. No. 1652

The purpose of this bill is to increase the maximum allowable civil fine for violation of the unfair competition law from \$2,500 for each violation to \$10,000 for each violation.

Your Committee has found that unfair methods of competition or deceptive acts or practices in the conduct of any trade or commerce injures the economy of the State. This increase in the maximum allowable civil fine for violation of the unfair competition law will go a long way toward discouraging such activity. The current maximum civil fine (\$2,500) for such violation is little more than a relatively cheap license fee. Prospect of a much stiffer fine will hopefully make all businessmen think twice before taking such risks.

Your Committee has further found that similar legislation on the Federal level was introduced by the Federal Trade Commission and signed into law in 1973. The effective enforcement of our respective unfair competition laws will be enhanced by enacting corresponding penalties on the State level, thereby leaving no jurisdictional haven for those who violate the unfair competition laws.

Your Committee is in accord with the intent and purpose of S.B. No. 1652 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 556 Judiciary on S.B. No. 1654

The purpose of this bill is to increase the maximum allowable fine from \$10,000 to \$100,000 for violation of the antitrust laws committed by a natural person; to increase the maximum allowable fine from \$20,000 to \$1,000,000 for violations committed by a person who is not a natural person (i.e., corporation, partnership, association, etc.); and, to increase the maximum prison sentence for violation of the antitrust laws from one (1) year to three (3) years, thereby making such violation a felony rather than a misdemeanor.

Your Committee has found that the illegal gains from antitrust violations can frequently run into the millions of dollars. The current maximum allowable fine (\$20,000) is little more than the corporate equivalent of a traffic ticket. The prospect of much stiffer fines will go a long way toward making it less profitable to fix prices, divide markets or otherwise restrain trade.

Your Committee has further found that violations of the antitrust laws seldom occur as isolated cases. More often, they are conspiracies of long standing that have cumulative adverse effect upon large segments of our economy. They amount to nothing less than longterm stealing from large numbers of people simultaneously. Yet under our current statute, antitrust violations are deemed misdemeanors punishable by a one (1) year maximum sentence.

Your Committee has found no reason of law or policy why a person who steals from thousands should receive a significantly lesser penalty than a person who steals from one.

Your Committee has found that the proposed increase in the maximum jail sentence would change the penalty for antitrust violations from a misdemeanor to a felony, thus giving notice to potential violators that the State of Hawaii views such conduct as more than a mere traffic offense.

Your Committee has further found that similar legislation on the Federal level was signed into law by President Ford this past December, 1974. Effective enforcement of our antitrust laws will be enhanced if corresponding penalties are enacted on the State level, thereby leaving no jurisdictional haven for antitrust violators.

Your Committee is in accord with the intent and purpose of S.B. No. 1654 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 557 Consumer Protection on S.B. No. 1637

The purpose of this Bill is to further control the activities of persons exempt from the licensing requirements for contractors.

Section 444-2(7), Hawaii Revised Statutes, presently permits an owner builder to build multiple dwellings or commercial buildings by himself or through his employees without a license so long as: (1) a portion of the building is occupied by himself, his parents or his children, or (2) the sale of the premises is made only after the construction is completed. Your Committee believes that this exemption does not afford adequate protection to consumers. This Bill proposes to eliminate this exemption.

Your Committee has simultaneously amended the existing exemption under Section 444-2(8), Hawaii Revised Statutes, for an owner or lessee of property who builds or improves a residential or commercial building on such property for his own use and who does not offer it for sale or lease, by expanding the permitted use to cover his parents or children.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1637, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 558 Ways and Means on S.B. No. 228

The purpose of this Bill is to make the Hawaii Public Health Fund subject to be excluded from the scope of negotiations.

Your Committee finds that Chapter 87, Hawaii Revised Statutes, provides the authority which created the Health Fund and the Board of Trustees with its powers and duties. Chapter 89, Hawaii Revised Statutes, permits the negotiations over the Hawaii Public Health Fund by the exclusive representatives of the 13 bargaining units.

Your Committee further finds that a joint bargaining effort has not been successful and as a result an increase in individual union activity to modify the Health Fund. As the pressures of negotiations increase, there exist a definite possibility of fragmenting the existing Health Fund into 14 different Medical, Dental and Group Life Insurance Plans. This fragmentation will only result in increased cost because it is more expensive to purchase a given level of benefits if the risk is spread over a smaller group and the requirement for additional staff to administer the many different plans. There is no direct benefit to the employees associated with cost increase of this nature. Further, this authority and responsibility of the Board of Trustees is clarified when the Health Fund is made non-negotiable.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 228 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 559 Ways and Means on S.B. No. 717

The purpose of this bill is to establish a liaison between the legislature of the State of Hawaii and the federal government.

Your Committee finds that sufficient liaison has not been maintained between the legislature of the State of Hawaii and the federal government and that the increasing complexity of government requires such liaison. This bill provides that the legislative auditor shall serve as liaison between the federal government and the legislature of the State of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 717 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 560 Ways and Means on S.B. No. 1458

The purpose of this bill is to allow the department of transportation to issue general obligation bonds for the Hawaii State Ferry System.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1458 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 561 Legislative Management

Informing the Senate that S.C.R. Nos. 94 to 98, S.R. Nos. 314 to 321 and Stand.Com. Rep. Nos. 505 to 560 and 562 to 572 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 562 Judiciary on S.B. No. 698

The purpose of this bill is to raise the fee for a marriage license from \$5.00 to \$8.00.

This bill amends section 572-5, Hawaii Revised Statutes, by raising the fee for a marriage license from \$5.00 to \$8.00, and provides for retention of \$4.00 instead of \$3.00 by the collecting agent, and raises the amount remitted to the state's general fund from \$2.00 to \$4.00. The bill will help defray costs of mailing certified copies of marriage certificates as required in Act 31.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 698

and recommends that it pass Third Reading .

Signed by all members of the Committee.

SCRep. 563 Judiciary on S.B. No. 608

The purpose of this bill is to prohibit the possession or importation and sale of cheaply made handguns, commonly referred to as "Saturday Night Specials."

This bill amends Section 134, Hawaii Revised Statutes, by adding a new section that prohibits any person, including a manufacturer, importer, or dealer to possess, sell or deliver any pistol or revolver cast of a zinc alloy or other material that melts at a temperature of less than 800 degrees Fahrenheit.

Your Committee has amended the penalty provision of the bill to provide that violation of the provision is a misdemeanor to conform to the penal code provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 608 and recommends that it pass Second Reading in the form attached hereto as S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara .

SCRep. 564 Judiciary on S.B. No. 1566

The purpose of this bill is to amend section 571-8 and 604-2, Hawaii Revised Statutes, relating to district family judges and district judges, respectively, to provide for nomination and appointment of district family judges and district judges by the chief justice of the supreme court and by and with the advice and consent of the Senate.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1566 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara .

SCRep. 565 Economic Development on S.B. No. 102

The purpose of this bill is to redress the imbalance in bargaining positions between lessors and lessees of real property leaseholds.

Your Committee on Economic Development has amended such bill to clarify its provisions by providing that the land value on which rent is calculated shall take into account only improvements constructed by the lessor. The bill also provides that for nonresidential leases, the terms and conditions of the lease must be fully stated for the full term of the lease if the lease is for less than thirty years.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 102, S.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. 102, S.D. 2.

Signed by all members of the Committee except Senator King .

SCRep. 566 Human Resources on S.B. No. 1628

The purpose of this bill is to provide for coordination of services for the developmentally disabled by placing the Developmental Disabilities Council, referred to as the State Council, in the office of the Governor. Responsibilities for the Council would be planning, reviewing and monitoring plans prepared by the various departments of the State on behalf of the developmentally disabled. Provision is also made for coordinating programs of the various departments and private agencies to assure efficient use of funds, non-duplication of services and specific areas of responsibility.

Your Committee finds that there has been no coordination of services for the Developmentally Disabled within the State. As a result, fragmentation, duplication, and overlapping exists, as well as actual gaps in services.

Your Committee further finds that the placement of the State Council in the Office of the Governor, instead of the Department of Health, would give it a more independent role in establishing goals and priorities for planning and funding programs. In turn, this independence could make the body more effective in its job of advocating and

evaluating services for the developmentally disabled.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1628, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 567 Human Resources on S.B. No. 115

The purpose of this bill is to improve the collective bargaining law of the State in order to insure that the State shall receive all the rights and benefits it should when bargaining with employees and to insure that the public employees receive all the rights and benefits they should receive when bargaining with the State.

Your Committee finds that it is important to strengthen the role of the Chief Negotiator and that the collective bargaining process does not function at its best when subjected to a "whipsaw" situation on cost items between the various bargaining units.

Your Committee finds that the staggered requests for legislative approval on negotiated cost items have caused planned budgets to be amended or modified in order to accommodate these items. This inevitably leads to inefficient government operations when programs have to be cut or funds taken away. Such effects cannot be deemed to be in the best of the public's interest.

Your Committee believes that S.B. No. 115, S.D. 1 will eliminate staggered requests for legislative approval on negotiated cost items. This in turn will help to eliminate last minute cuts, additions and other changes to the government's planned operating budget.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 115, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 568 Human Resources on S.B. No. 1345

This bill in its amended form deletes section 1 of the original bill and retains that the employees of the Labor and Industrial Relations Appeals Board, other than clerical and stenographic personnel, be exempt from chapters 76 and 77 of the Hawaii Revised Statutes.

The purpose of this amendment would conform to the actions of the 1974 Legislature as it relates to employees of HPERB.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1345, S.D. 1 and be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 569 Ways and Means on S.B. No. 1645

The purpose of this bill is to appropriate funds to cover the collective bargaining cost items relating to the contract negotiated with the exclusive bargaining representative for bargaining unit 5 (teachers).

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1645, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 570 Ways and Means on S.B. No. 553

Your Committee on Ways and Means has amended the bill to establish new per diem rates for substitute teachers and to establish a substitute teacher classification system. The intent and purpose of the amended bill is to (1) establish a more equitable relationship

between the substitute teacher salary schedule and the regular teacher salary schedule and (2) to upgrade the classification requirements for substitute teachers so that they would be comparable to that of regular teachers with the same classification.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 553, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 553, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 571 Ways and Means on S.B. No. 535

The purpose of this bill is to appropriate funds for government programs for the 1975-77 fiscal biennium.

The bill represents the proposed budget of the executive branch as originally submitted to the legislature. After review of the proposed budget as contained in this bill, your Committee finds that it adequately provides for the necessary government programs and level of services for the fiscal biennium.

Your Committee was informed that the Department of Transportation has requested the deletion of item C10, Interstate Route H-3, listed under Part IV, Capital Improvement Projects. It is our expectation that this item will not be implemented.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 535 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 572 Ways and Means on S.B. No. 1281

The purpose of this bill is to appropriate funds for judiciary programs for the 1975-1977 fiscal biennium.

Your Committee on Ways and Means has reviewed the budget request submitted by the Judiciary as reflected in the original bill. We believe the request is reasonable and adequate to provide an effective level of service in the Judiciary Branch. Consequently, we have amended the Bill back to the original form.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1281, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1281, S.D. 2.

Signed by all members of the Committee.

SCRep. 573 Ways and Means on S.B. No. 33

The purpose of this bill is to allow an owner to petition for exemption from real property taxes by dedicating his property for hotel use, under the stipulations provided in section 1(b) of this bill.

The intent of the bill is to provide a viable vehicle which will facilitate the preservation of Hawaii's diminishing open space while also protecting hotel sites which have become of cultural, historical and aesthetic value.

As do many of the people of Hawaii, your Committee recognizes the urgency of the passage of this bill. Too quickly, the economic profitability of high-rise hotels on shoreline properties has taken precedence over the more intrinsic need to keep Hawaii as beautiful as its image purports it to be. Waikiki, in particular, often referred to as the "concrete jungle" of Honolulu, is beginning to look like a fortress of concrete cubicles. Tourists and residents alike fight their way from one air-conditioned cubicle to another, from one concrete sidewalk to still another cold pavement. But for some potted plants on railed balconies, there is little of Hawaii's lush grass and curved palms left for people to enjoy. Furthermore, as hotel after hotel towers into the sky, the once pleasurable past-time of enjoying a swim and relaxing in the sun-filled tradewinds of Waikiki's beaches has become impossible. Instead, swimmers and sunbathers swelter in the suffocating heat created by hotels which block the tradewinds from our narrow beachlines.

Your Committee strongly feels that it is imperative to act now to preserve what is left of a more graceful Hawaii. Existing laws, pandering to the economically profitable practice of making every single inch of land usable, overshadow the psychological and physical necessity of open spaces and lush vegetation. These present laws, by their very existence, mandate the continuing destruction of older, low-density, low-rise hotels.

Your Committee further finds that the stipulations of this bill are not without precedent. Present real property law provides for the dedication of land for agricultural use, residential use, golf course use, and open space use. Under open space use, land is fully exempted. This bill would place appropriate hotel sites under the same auspices as the more general open space provision now enjoys.

Your Committee has amended the bill by insuring that improvements to the land will be included in the real property tax exemption and made minor style and technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 33, S.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 33, S.D. 2.

Signed by all members of the Committee.

SCRep. 574 (Majority) Ways and Means on S.B. No. 649

The purpose of this bill is to establish a means whereby facilities for the local furnishing of electric energy or gas can be financed through the issuance of revenue bonds by the Department of Budget and Finance. The Federal tax exemption is provided in Section 103 (c)(4)(E) of the Internal Revenue Code.

The cost of electricity and gas affects everyone in Hawaii. Tax-exempt bonds bear lower interest rates than the bonds presently issued by the utility. Since interest rates, like the price of fuel, is taken into consideration in the setting of utility rates, the consumer will be the ultimate beneficiary.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 649, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator O'Connor.
Senator King did not concur.

SCRep. 575 (Majority) Intergovernmental Relations on H.B. No. 94

The purpose of this bill is to amend Chapter 54, Part II Hawaii Revised Statutes, by adding a new section to provide that "All county boards of water supply shall establish special low rates for agricultural users".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 94 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senator Yee.
Senator George did not concur.

SCRep. 576 Consumer Protection on S.B. No. 1328

The purpose of this bill is to (1) group the laws relating to odometers under a single chapter, by repealing those sections scattered throughout the Hawaii Revised Statutes and relocating them under Chapter 292; (2) broaden the enforcement authority of the Director to provide for more effective administration of the law; (3) remove certain ambiguities between Federal and State definitions; and (4) provide civil relief for the aggrieved party with a stipulated minimum amount.

Under the existing law, there are no provisions for receiving and retaining evidence to support prosecution. This defect has been corrected by providing for retention of evidence up to 96 hours, after which time the evidence must be released or a court order procured to retain it. This provision was specifically included to provide sufficient time for data retrieval, through Honolulu, for neighbor island transactions.

The bill provides a revolving fund for enforcement purposes and provides civil relief for an aggrieved party with a stipulated minimum of \$1,500 or treble damages, whichever

is greater. Also, the bill makes tampering with an odometer unlawful and requires the mileage history of each 1972 or later vehicle be presented in truthful fashion to the buyer, new or used, for the first five years and 50,000 miles.

The bill clarifies the definition of "motor vehicle" or "passenger car" as any vehicle capable of carrying 12 people or less and any light utility vehicle of 20,000 pounds or less, excluding non-highway vehicles, which is compatible with federal law.

Your Committee received testimony from the Hawaii Automobile Dealers Association, strongly endorsing and recommending favorable action on this bill; specifically, the revolving fund was identified as a necessity to provide adequate protection to the neighbor island consumers.

Your Committee received testimony from the Director of Weights and Measures indicating that, working under the deficiencies of the existing law, they were still able to effect restitution to seven defrauded purchasers, adjustments to y1, resolution of complaints from 161 purchasers and an injunction against three firms prohibiting their continuing practice of "spinning" or setting back odometers. The Director of Weights and Measures supported the contention of the Hawaii Automobile Dealers Association that the odometer program was reaching only about one-third of all the consumers and that, unquestionably, a revolving fund would extend this figure to nearly 100%.

Your Committee received testimony to the effect that odometers in passenger cars are manufactured to the design tolerance of the particular company and no two are necessarily the same. It was pointed out that no national standard tolerance exists for private passenger car odometers, and that Hawaii by requiring all odometers to be accurate within the national commercial tolerance was the only state where advertised mileage claims for new cars were valid. This validity stems from odometer controlled accuracy and temperature corrected gasoline, each of which must be known or corrected to determine miles per gallon.

Your Committee was impressed with the internal control maintained by the Division of Weights and Measures regarding each individual vehicle sold and resold in the State. The Division's computer program is a classic example of what can be done, given the right tools and competent personnel.

Your Committee is of the opinion that this bill will provide beneficial results to the consumer, reduce violations as relates to odometers and an accurate means whereby the individual purchaser can establish the relative efficiency in miles per gallon derived from his car.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1328 and recommends its passage on Second Reading and its referral to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 577 Consumer Protection on S.B. No. 1553

The purpose of this bill is to prohibit the selling or dispensing in eating establishments of imitation milk in place of fresh milk unless the consumer is adequately informed of this substitution by proper labeling or a visible sign or notice.

This bill amends Section 328-6, Hawaii Revised Statutes, the Hawaii Food, Drug and Cosmetic Act, by adding a new subsection.

Your Committee amended the bill by expanding its provisions to control substitutions of liquid and dry forms of non-milk fat substitutes for cream, of non-dairy frozen desserts for dairy frozen desserts, and any other imitation food for the genuine one.

Also, Section 328-8 was amended by adding a provision which further expands the authority of the department to protect consumers from imitation good or goods not meeting federal standards.

Your Committee also finds that in order to carry out effectively the implementation of this bill, an adequate level of support must be provided. The scope of enforcement will involve approximately 6,000 food establishments statewide. Your Committee amended the bill by providing an appropriation for additional inspectional and laboratory personnel and resources.

Your Committee on Consumer Protection is in accord with the intent and purpose of

S.B. No. 1553, as amended and attached hereto as S.B. No. 1553, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 578 Consumer Protection on S.B. No. 1556

The activities of unlicensed contractors are costly to the consumers, the construction industry and to the State of Hawaii. The penalty for unlicensed contracting is presently a fine, which is passed on to the costs of the next job. A stiffer penalty, and the threat of a possible jail sentence may help to discourage these operators from continuing their activities.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1556 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 579 Consumer Protection on S.B. No. 1638

The purpose of this bill is to require contractors to operate from a definite place of business in a business or industrial zoned area in the State.

This bill amends Section 444-15, Hawaii Revised Statutes, by strengthening the present requirements relating to place of business which now makes it possible for some contractors to operate with only a telephone number and post office box as an address. Some consumers have encountered great difficulty in locating contractors to voice and resolve complaints.

Also, this bill requires that a contractor display a sign stating the specialty of the contractor to assist consumers in making a proper selection of contractors.

Your Committee amended the bill by deleting the requirement that a contractor operate from a business or industrial zoned area. Present zoning, nuisance, and health laws provide adequate control of the use of residential premises and your Committee finds this provision may not be enforceable against shoddy or unscrupulous operators, and be too restrictive on small and reputable contractors.

A technical change was also made in the wording of the present section.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1638 in the amended form attached hereto as S.B. No. 1638, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 580 Consumer Protection on S.B. No. 1672

The purpose of this bill is to clearly delineate the nature of acts of a licensed contractors for which a person may recover from the recovery fund.

This bill amends Section 444-26, Hawaii Revised Statutes, by clarifying existing language which is broad and general, and which has led to confusion in administering the chapter.

This bill also amends Chapter 444 by replacing references to "licensee" with "licensed contractor" so that the recovery fund could be applicable only to contractors and not to managing employees who are also licensees. This bill makes the contractor responsible for the acts of his employees.

The Contractors Recovery Fund was established to provide certain relief for persons aggrieved by licensed contractors. The legislature and the Office of Consumer Protection has been concerned with the plight of consumers who pay in full to the general contractor and later receive notice that his property will be attached because the sub-contractors were not paid by the general contractor. Many attempts to remedy this situation have been proposed in the form of bills to amend the lien rights. These attempts have not yielded success because to do so would curtail the legitimate and traditional lien rights of sub-contractors and employees.

The Office of Consumer Protection solicited input from various groups within the construction industry and developed proposals to ease access to the Contractors Recovery Fund in order to provide relief for consumers caught in a double-payment situation, rather than infringing upon lien rights.

Your Committee amended this bill by including these proposals which is supported by the construction industry and the Office of Consumer Protection. These proposals amend S.B. No. 1672 in the following manner:

- 1) A subsection was added to Section 444-28, Hawaii Revised Statutes, which provides that in event a mechanics or materialmen's lien is enforced against a consumer, who has made full payment to a contractor who has defaulted, the court shall award a "valid judgment" to the consumer who shall secure payment from the fund.
- 2) A new section was added to Chapter 444, Hawaii Revised Statutes, which requires a disclosure by the contractor to the consumer, of lien rights and the option of the consumer to demand bonding on the project.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1672 as amended and attached hereto as S.B. No. 1672, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 581 Ecology, Environment and Recreation on S.B. No. 106

The purpose of this bill is to enhance the quality of our environment. Your Committee finds that one specific way to do this is to safeguard exceptional trees from destruction due to improper land development, and has amended the bill to so provide.

To achieve this purpose, the amended bill establishes a county arborist advisory committee in each county appointed by the mayor. Its members are to include the county planning director or his designee, a landscape architect, and not less than three other members selected on the basis of active participation in programs of community beautification, or research and organization in the ecological sciences.

The amended bill defines exceptional trees and provides that the counties enact appropriate protective regulations. It further provides for injunctive relief against the removal or destruction of such trees.

Your Committee on Ecology, Environment and Recreation has considered said bill and recommends that it pass Second Reading, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 582 Judiciary on S.B. No. 79

The purpose of this bill is to enact into law the Uniform Probate Code, with appropriate amendments, additions and deletions.

The Uniform Probate Code, promulgated and adopted by the House of Delegates of the American Bar Association in 1969, is the result of eight years of extensive deliberation and drafting by many of the nation's leading probate authorities. The extent of legislative consideration and acceptance of the code since its promulgation evidences widespread interest in probate law change. The Code has been enacted into law in Idaho, Alaska, North and South Dakota, Arizona, Wisconsin, Colorado, Montana, Minnesota and Nebraska, and is either under study or before the legislatures of nine other states, including Hawaii.

Your Committee, upon consideration and study of the bill, was informed that adoption of the Uniform Probate Code in Hawaii would significantly alter probate procedures and would also make substantive changes in the laws of intestacy, the method of executing wills and the rights of creditors with respect to assets held in joint tenancy. The law governing the protection of persons under disability and their property would be greatly expanded and substantial procedural changes would be made, although the jurisdiction of the Family Court would not need to be affected. Important changes would be made with respect to the continued effectiveness of powers of attorney after death. However, the "flexible administration" of decedents' estates provided by the Code and the related changes in probate procedures have occasioned most discussion and are generally

regarded as the heart of the Code.

Essentially, the Code would enable those interested in a decedent's estate to give effect to a will or to the intestacy laws without court supervision, unless a party should desire to obtain such supervision or to obtain a court ruling upon a particular question. The powers of a personal representative appointed by a will could be made effective by informal probate upon affidavits without prior notice, following which the action of the court would be invoked only as the parties might consider advisable. On the other hand, where the will so directs or the personal representative so chooses, the probate administration may be placed under the continuing supervision of the court.

The availability of the flexible administration procedures provided by the Code would enable many estates to be administered much as would have been the case had the assets been held in a living trust to be distributed by the trustee upon the settlor's death. Such probate avoidance devices are available today to persons who are sufficiently concerned and motivated to go to the necessary trouble and expense. However, instead of requiring lifetime action to enable an estate to be dealt with free of court supervision, the Code would make these procedures available unless the testator directed that the administration of his estate be supervised. On the other hand, the requirements of the inheritance and estate tax laws would not be affected, and the Land Court procedures applicable to registered land are not dealt with in the Code.

One of the most significant aspects of the probate administration provisions of the Code would be the elimination of statutory schedules of compensation for personal representatives and their attorneys. Hawaii law now provides that the compensation of an executor or administrator shall be measured by stated percentages of the estate principal and income, with provision for additional allowances for extraordinary services. The fee of the estate attorney is equivalent to the basic fee of the executor or administrator, again with provision for additional allowances. The Uniform Probate Code provides that the personal representative shall receive "reasonable compensation for his services" and that he shall fix both his own fee and that of the attorney, subject to review by the court on the request of any interested person.

The provisions of the Code dealing with foreign corporate fiduciaries and non-resident individuals are also significant. The Code presents the question whether the present disqualification of out-of-state banks and trust companies, and of non-resident individuals, should be retained. The Code contains no residency requirements and would require only that a foreign corporate fiduciary qualify to do business under the general corporation law.

The Uniform Probate Code is divided into eight Articles, the subject matters of which are as follows: Article I relates to general rules of construction, definitions, jurisdiction of the court and similar matters. Article II is entitled "intestate Succession and Wills" and deals with the distribution of intestate property, the elective share of a surviving spouse, the interest of a spouse or child who is unprovided for in the will, exempt property and allowances, the execution and revocation of wills, contractual arrangements relating to death and the custody and deposit of wills during the testator's lifetime. Article III provides the procedures for probate administration and defines the duties and powers of personal representatives. Article IV establishes procedures enabling foreign personal representatives to obtain possession of assets of non-resident decedents without ancillary probate. Article V provides for the appointment of guardians of the person and custodians of the property of minors and other persons under disability and also provides with respect to the status of powers of attorney after the death or incapacity of the principal. Article VI is concerned with methods of transferring property after death, and deals with multiple-party accounts in financial institutions and other contractual provisions for payment or transfer at death. Article VII contains provisions relating to the administration of inter vivos and testamentary trusts. Article VIII contains the transition provisions with respect to the effect of the Code on wills, estates, trusts and other instruments and relationships existing on its effective date. Article VIII also contains the amendatory and repealer provisions, which specify the effect of the Code on existing Hawaii statutes.

Senate Bill No. 79 is the same bill as those which were introduced in previous sessions of the legislature beginning in 1971, and which proposed enactment of the Uniform Probate Code. Those bills have undergone extensive study and analysis. On February 27, 1973, a voluminous report by the Judicial Council of Hawaii was forwarded to the legislature, and on January 25, 1974, the Hawaii Bar Association submitted its study and recommendations. In addition, the House Committee on Judiciary considered the Code in-depth during the 1973 session.

Senate Bill No. 79, S.D. 1, is the result of the studies and efforts mentioned above. Your Committee has attached hereto a memorandum of the changes made in S.B. No. 79

by S.B. No. 79, S.D. 1.

Your Committee received additional testimony suggesting additional changes to be incorporated into S.B. No. 79, S.D. 1. Your Committee has amended the bill to delete Section 7-305 because of its concern that trusts set up under wills of Hawaii residents could be removed to the mainland at the request of trust beneficiaries in flagrant disregard of the desires of the settlor of the trust who personally selected his trustee.

Your Committee has also deleted Sections 4-201 through 4-207 which allow mainland executors, both individuals and corporations, to come to Hawaii and remove Hawaii personal property with virtually no protection for Hawaii creditors, and which allow mainland executors of non-resident decedents powers to administer probate property in Hawaii just as a local executor could, when similar privileges are not extended by most states to Hawaii executors.

Your Committee has also amended the effective date of the bill to July 1, 1976 to allow sufficient lead time for implementation of the Code.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 79 as amended herein, in the form attached hereto as S.B. No. 79, 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 Senator Hara.

SCRep. 583 Judiciary on S.B. No. 249

The purpose of this bill is to prevent persons who are receiving treatment and are supplied with controlled substances from obtaining them from more than one physician at a time. This is an administrative bill of the Department of Health.

Prior to the enactment of the Uniform Controlled Substances Act (Chapter 329), Hawaii did have a law prohibiting such practice. This bill would restore this provision. The present statutes do not restrict the number of physicians that a person may visit or the amount of drugs that may be obtained, allowing for an abuse of these controlled substances. This bill amends Section 329-42, Hawaii Revised Statutes by adding subsection (4) that would prohibit such practices.

Your Committee on Judiciary is in accord with your Committee on Health in its Standing Committee Report No. 377 and with the intent and purpose of S.B. No. 249 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 584 Judiciary on S.B. No. 312

The purpose of this bill is to bring the penalty section of the Hawaii Motor Carrier Law into conformity with the Hawaii Penal Code.

This bill amends section 271-7, Hawaii Revised Statutes, by making all knowing and wilful violations of the Hawaii Motor Carrier Law misdemeanors punishable under the Hawaii Penal Code. Your Committee has amended S.B. No. 312, S.D. 1, to correct technical errors.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 312, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 312, S.D. 2.

Signed by all members of the Committee except Senator Hara.

SCRep. 585 Judiciary on S.B. No. 582

The purpose of this bill is to have all meetings of public bodies open to the public.

The bill provides that meetings of public bodies are to be open to the public with public notification therefor, except in exceptional circumstances. Your Committee affirms that in a democracy, the people have a right to scrutinize the activities of governmental bodies and that deliberations and decisions that go into the making of public policy should be open to the public so as to establish confidence of the public in government.

There is strong sentiment within the Committee to maintain confidentiality in cases involving litigation, collective bargaining or in cases where the privacy of the individual

are concerned. The bill provides adequate safeguards against invasions of privacy. The conflicting interests of openness and privacy are balanced by the bill.

Your Committee has amended the bill on page 2, line 15, and page 4, line 12 by adding the proviso "related to public safety or security."

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 582, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 582, S.D. 2.

Signed by all members of the Committee except Senator Hara.

SCRep. 586 Judiciary on S.B. No. 830

The purpose of the bill is to amend the Hawaii Penal Code, Title 37 (Section 829, Hawaii Revised Statutes), to give the courts an alternative method of sentencing individuals convicted of committing the offense of criminal littering.

Your Committee concurs with the findings of your Committee on Ecology, Environment and Recreation as stated in their Standing Committee Report No. 501.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 830, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 587 Judiciary on S.B. No. 1049

The purpose of this bill is to update the listing of controlled substances contained in Chapter 329, Hawaii Revised Statutes, and bring it in line with the Federal Uniform Controlled Substances Act. The Department of Health is required by Section 329-11(e), Hawaii Revised Statutes, to recommend changes to the schedule annually to the legislature by the means of a report. This bill is a result of such a report, and is an administrative bill from the Department of Health.

Your Committee has amended S.B. No. 1049 to correct technical errors.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1049, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1049, S.D. 1.

Signed by all members of the Committee except Senator Hara.

SCRep. 588 Judiciary on S.B. No. 1577

The purpose of this bill is to permit the Board of Land and Natural Resources to extend an agricultural lease of state land for the purpose of obtaining mortgage money, if such extension is necessary to qualify the lease for mortgage lending or guaranty purposes.

This bill amends Section 171-36, Hawaii Revised Statutes, to permit such lease extensions, yet places a limitation on the extension for not more than 65 years. Your committee is in agreement with your committee on Economic Development as stated in their Standing Committee Report No. 447.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1577, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 589 Judiciary on S.B. No. 1665

The purpose of this bill is to provide statutory authority to qualify Hawaii to enter into a cooperative agreement on endangered wildlife and plants with the U. S. Department of the Interior, and to qualify Hawaii for federal grant-in-aid funds for program costs.

This bill amends the Hawaii Revised Statutes by adding a new section that provides for positive actions by the State to insure the continued perpetuation of indigenous wildlife and plants of Hawaii. Your Committee has amended this bill by substituting the wording of section 191-56, Hawaii Revised Statutes for section -5 of S.B. No. 1665, S.D. 1, and adding the word "plant" where appropriate. Your Committee has taken the foregoing action at the recommendation of your Committee on Ecology, Environment

and Recreation, based on testimony at their public hearing.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1665, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1665, S.D. 2.

Signed by all members of the Committee except Senator Hara.

SCRep. 590 Judiciary on S.B. No. 516

The purpose of this bill is to amend various sections of the Hawaii Penal Code.

Sections 702-215 and 702-216 are amended to word the legal propositions contained therein in a positive way. At present the sections are worded negatively. Circuit Judge Masato Doi testified that lawyers like to take language directly from the statutes in framing instructions to the jury, and the negative proposition is a cumbersome one to convey in meaningful fashion. The amendments do not change the substance of the law. Only the form was changed for easier understanding.

Section 703-704 was amended for purposes of clarification. At present, subsection (1) requires that the actor believe that the use of defensive force is immediately necessary. In subsection (2) the word "immediately" is absent. This has given rise to the contention that for deadly defensive force to be used, the defendant need not believe that the use of deadly force was immediately necessary to protect himself. This contention is erroneous but plausible because of the absence of the word "immediately" in subsection (2). Therefore, the amendment is necessary.

Section 707-737 was amended to clear up an ambiguity in the present law relating to sexual abuse. Section 707-736(1)(b) provides that intentional sexual contact with another person under 14 is first degree sexual abuse. Section 707-737(1)(b) provides that intentional sexual contact with another person who is under 16 and at least 4 years younger than defendant, is second degree sexual abuse. Literally read, if the victim is under 14 and the defendant is over 18, the offense falls within the definition of both first and second degree sexual abuse. The incongruity is that an older defendant gets a break and may claim a second degree offense for victimizing a 14 year old. This, of course, is not the intent of the statute. The intent was to create a second degree offense even where the victim was older (i.e., 16 instead of 14) if the defendant was an older person (i.e., at least 4 years older than the victim). The amendment will exclude the "under 14" victim so that all cases involving "under 14" victims would be covered under first degree sexual abuse.

Section 707-739 was repealed because it is irrelevant. This section states that there can be no "effective consent" given if the victim is less than the specified age or if the victim is mentally or physically incapacitated and the age or condition of the victim is an element of the offense.

However, the entire Part to which this section applies does not contain any offense in which, age or condition being an element of the offense, consent is an excusing fact. That is, in all the sex crimes in Part V of Chapter 7 in which age or condition of the victim is an element of the crime, the giving of consent is immaterial and therefore the section should be repealed.

Section 712-1240 was amended by amending the definition of "marijuana." The present definition relates marijuana to the plant "cannabis sativa." Controversy, with conflicting decisions, has arisen in interpretation because of evidence to the effect that the genus "cannabis" is composed of three species - Cannabis Sativa L., Cannabis indica Lam., and Cannabis ruderalis Jan. The defense contends that only cannabis sativa is proscribed, while the prosecution contends that all cannabis was intended to be proscribed. The amendment clears up this problem by changing the definition to include any part of the plant (genus) cannabis.

Section 329-1 was also amended by amending the definition of marijuana to conform to the amended definition described above.

Section 712-1240 was further amended by deleting the definition of the term "unlawfully." Every offense of promoting drugs is defined as "knowingly" and "unlawfully" possessing or distributing certain drugs and compounds. Such definition makes the "unlawfulness" of the defendant's conduct an element of the crime which must be proven by the prosecution. Judge Doi testified that proof by the prosecution becomes a practical impossibility with the present definition of "unlawfully." The problem is caused by requiring proof of

a negative by the prosecution without being able to compel the defendant to testify to that negative because of his constitutional right against self-incrimination. To get around proving the negative, the negative has been eliminated as an element of the crime. The word "unlawfully" has been deleted from the description of every offense in Part IV, Chapter 12 of the Penal Code. The result is that the elements of the offense of promoting will be (1) to knowingly (2) distribute or possess (3) the dangerous, harmful or detrimental drugs. To exclude penal responsibility from the excepted categories of persons (doctors, druggists, those with prescriptions, etc.) an affirmative defense provision has been added. A defendant should have no difficulty proving his affirmative defense where his possession or distribution is justified. The result is that the prosecution will not be faced with an impossible evidentiary burden of trying to prove a negative with whole classes of people as required witnesses.

Your Committee has further amended Section 712-1240.1 by deleting the phrase "or sold" because selling is covered under the definition of the phrase "to distribute", and by adding the phrase "or intoxicating compound" to cover the different categories of drugs and compounds in the Penal Code.

Your Committee has also amended the bill by adding subsection 712-1240.2 which puts the burden on the defendant if he asserts the affirmative defense of going forward with evidence to prove the facts constituting the defense unless the facts are supplied by testimony of the prosecuting witness or circumstances in the testimony, and of proving the facts by a preponderance of evidence. Section 712-1240.2 also contains a "saving clause."

Your Committee has also amended Section 5 of the bill to change all of the references to Chapter 713 to Chapter 712 and its appropriate sections.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 516, as amended herein, and recommends that S.B. No. 516, S.D. 1, attached hereto, pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRRep. 591 Judiciary on S.B. No. 1050

The purpose of this bill is to clarify the responsibilities of a petroleum producer who terminates a franchise agreement with a retail service station in the State of Hawaii.

The bill amends Section 480, Hawaii Revised Statutes, by adding a new part relating to fair competitive practices in the termination of gasoline dealers franchise agreements.

In review, your committee amended the bill as follows:

1. Deleted reference to section 480, Hawaii Revised Statutes,
2. Deleted reference to the antitrust laws and commerce,
3. Clarified Section -2 by making a petroleum distributor liable to a gasoline dealer for "wrongful or illegal" termination or cancellation of the franchise during its term or the distributor's "unreasonable" refusal to renew the franchise rather than termination or cancellation of, or failure to renew the franchise,
4. Modified Section -2 by changing "circuit" court to "court of general jurisdiction",
5. Deleting Section -4 in its entirety which referred to the antitrust laws.

Your Committee has received testimony that small businessmen in the gasoline retailing business feel threatened by the future control of gasoline retailing by large oil companies and is concerned about the economic well-being of such small businessmen. Accordingly, your committee expresses its intent to assist such small businessmen.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1050 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hara and F. Wong.

SCRRep. 592 (Majority) Judiciary on S.B. No. 1051

The purpose of this bill is to prohibit producers or refiners of petroleum products

from operating retail service stations, and regulating voluntary allowances and rental agreements.

This bill would provide some 450 small businessmen in the gasoline retailing business with a guarantee that the major oil companies will not take over the retailing end of gasoline in the next five to ten years, as is the trend on the mainland. Oil companies, if allowed to retail gasoline to the public, would then control petroleum products in every segment, from pumping it out of the ground, to transporting it, refining it, wholesaling it and finally retailing the products.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1051 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara.
Senator George did not concur.

SCRep. 593 Judiciary on S.B. No. 1212

The purpose of this bill is to amend the sections of the Hawaii Revised Statutes related to elections by improving the wording and by implementing methods and procedures which would add to the effective administration of our elections recognizing that there is a constant need to reflect changes in federal laws and to incorporate laws passed in other states which are found to be good additions.

Your Committee heard testimony on this bill from the Office of the Lieutenant Governor, the Office of the City Clerk, and the Election Advisory Committee.

Your committee, after hearing testimony, recommends the following amendments:

Sec. 12-2 has been amended to change the primary election to the last Saturday of September in every even numbered year.

Sec. 13-4 has been amended to provide for the alphabetical listing of candidates for the board of education in the general election.

Sec. 11-115 has been amended by deleting a reference to Sec. 13-4.

Sec. 11-111 has been amended by substituting "the ballot reading device" for "automatic tabulating equipment" on page 9, line 8.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1212, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1212, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 594 Judiciary on S.B. No. 183

The purpose of this bill is to establish one or more upward bound demonstration programs for children in areas considered progressive neighborhoods.

"Upward Bound" programs are designed to place children and young adults in independent roles, working toward the achievement of difficult physical tasks under the adequate supervision of trained counselors.

Your Committee amended the bill by deleting the appropriation section.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 183 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 183, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Ching and Hara.

SCRep. 595 Intergovernmental Relations on S.B. No. 607

The purpose of this bill is to amend sections of Chapter 281, Hawaii Revised Statutes, relating to the granting of liquor licenses to business establishments. The changes proposed are intended to allow the liquor commission to deny a license to a business establishment which is found to create noise in excess of county standards.

The changes proposed place greater control over the amount of noise emanating from such establishments. It further provides that upon applying for a license notice for the hearing on such application shall be given by registered or certified mail to two-thirds, instead of a majority, of the persons being residents, owners, or holders of recorded leases of real estate, within a distance of five hundred feet from the nearest point of the premises for which the license is being sought. It has been brought out by testimony that in some instances the notices were being sent to those property owners and lessees at the outer limits of the 500 foot radius where the noise and nuisance impact would be at least objectionable. By increasing the number to be notified to two-thirds the effect of this strategy will be diminished.

In addition, the liquor commission is authorized to grant temporary thirty day renewals of licenses to those establishments which produce excessive noise, until corrective measures are taken.

Your Committee finds that the requirement that the notices of hearings must be by registered or certified mail is an annoyance to the recipients, many of whom are not at home when the mail is delivered. They are then obliged to make a special trip to the post office to pick up the notice.

Upon consideration of the bill and testimony received, your Committee has amended the bill as follows:

Sec. 281-51 Prior inspection. The last sentence of the underscored material has been amended to specify that the applicant for a license shall bear the cost of the services of an acoustical engineer.

Sec. 281-55 Reference to inspector. Minor rewording of this section has been added to the bill. The substance is not changed and the amendment has not effect on the purpose of S.B. 607.

Sec. 281-56 Report by inspector. This section is quoted in full and adds the words "of the same class" to paragraph (4) but incorporates all of the provisions of the original draft of S.B. 607 except the words "or re-licensing" at the end of paragraph (1).

Sec. 281-57 Notice. Four principal changes to this section are recommended and are reflected in the attached draft.

1. Public hearing notices may be sent by regular mail instead of registered or certified mail.

2. The number of property owners and recorded lessess to be notified by mail of a public hearing is increased from a majority of those within 500 feet of the premises involved to at least two-thirds of such owners and lessees.

3. The word "residents" is deleted from the second paragraph.

4. Provision is made for a notice of hearing on an application to be mailed to the management of every condominium within 500 feet of the applicant's premises. The notice is to be addressed to the condominium residents and the intent is to have the manager alert the residents in case they have not been notified by direct mail. The proposal that this mailing requirement apply to every building having three or more stories is impractical. I know of no reliable source from which an applicant may determine how many such buildings there are within 500 feet of his premises and it is unreasonable to expect him or the liquor commission staff to make an accurate personal count. Condominiums are a matter of record at the state tax office. I believe that the notification procedures proposed in the attached draft provide ample safeguards against an applicant's attempt to withhold notice of his application from those concerned.

Sec. 281-61 Renewals. Provision has been made for the liquor commission to withhold the issuance of a renewed license until steps have been taken by the licensee to correct noise problems.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 607 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 607, S.D. 1 and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator Yee.

SCRep. 596 Ways and Means on S.B. No. 908

The purpose of this bill is to provide for possible additional appropriations for new and on-going programs which your Committee finds meritorious.

Due to uncertainties as to the availability of funds at this time, your Committee has decided to defer making full appropriations for these programs. However, in the event additional funds are determined to be available at a later date during the current legislative session, it would then be opportune to reconsider full funding for them. This bill will provide the vehicle for the legislature to make such a possible future reconsideration.

As such, your Committee on Ways and Means has amended the bill to include a comprehensive list of viable programs which upon approval would contribute much towards improving public services to Hawaii's people.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 908, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 908, S.D. 1, and be placed on the Calendar for Third Reading.

Signed by all members of the Committee except Senators Hara, O'Connor and Rohlfing.

SCRep. 597 Ways and Means on S.B. Nos. 919, 922, 923, 934, 937, 938 and 939

The purpose of these bills is to appropriate funds for needed State programs. These bills will provide vehicles for accomplishing this purpose.

Your Committee on Ways and Means in in accord with the intent and purpose of S.B. Nos. 919, 922, 923, 934, 937, 938, and 939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. Nos. 919, S.D.1, 922, S.D. 1, 923 S.D. 1, 934, S.D.1, 937, S.D.1, 938, S.D. 1, and 939, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hara, O'Connor and Anderson.

SCRep. 598 Ways and Means on S.B. No. 360

The purpose of this bill is to make appropriation for the planning and operation of a pilot program for senior citizens who shall participate as observers in the legislature for a one-week period during the 1976 legislative session.

Your Committee finds vigorous support on the part of the elderly to develop broader interest in their local, state and national governments. They also seek to function more fully and effectively in our governmental system.

Your Committee has amended the appropriation for the purposes of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 360, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 360, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 599 Ways and Means on S.B. No. 165

The purpose of this bill is to add the regulation of mortuaries to the responsibilities of an expanded Cemetery and Mortuary Board. The present Cemetery Board is composed of seven members (four cemetery members and three public members) and regulates cemetery and pre-need funeral authorities. The expanded board would be composed of three cemetery members, three morticians, and three public members.

Mortuaries would be subject to the same controls presently being exercised over cemeteries and pre-need funeral authorities. Regulation of mortuaries would help protect the general public in its acquisition of at-need funeral services.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 165 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Hara, O'Connor and Anderson.

SCRep. 600 Ways and Means on S.B. No. 166

The purpose of this bill is to improve the coordination and delivery of programs and services to the elderly in Hawaii at both the state and county levels. Interim and pre-session work conducted by your Committee clearly established the fact that much of the dissatisfaction and problems associated with the current delivery of programs and services to the elderly were attributable to the fragmented fashion in which projects have been established, funded, and operated. This finding was confirmed by Gordon Associates, Inc., who in their report "Comprehensive Master Plan for the Elderly", December 15, 1974, noted that "The examination of current service delivery capabilities in Hawaii for service programs for the elderly presents a picture of a system operating in a contradiction to itself. In the jargon of the analyst, there is no comprehensive, coordinated, and integrated delivery system for the elderly. There are a number of competing public and private agencies that have more finite managerial control over the development and implementation of service programs that impact on the elderly than either the commission on aging or local area agencies despite the latter's mandate for informal clearance and review of all elderly program matters. This condition deprives the State of any effective administrative and planning function that could effectively integrate service delivery functions."

The goal of strengthening programs and services for the elderly can be markedly enhanced by establishing an executive office on aging within the office of the governor and making the director of the executive office on aging the principal official in state government solely responsible for the conduct, development, and control of programs, policies, and activities on behalf of the elderly. The proposed bill (1) provides the director with a deputy director and other support staff; (2) creates a policy advisory board appointed by the governor, a majority of whom are over sixty years of age to assist the director in policy deliberations; (3) creates county offices for elderly affairs and county policy councils for elderly affairs; and (4) abolishes the existing commission on aging.

Your Committee has amended the appropriation for the Executive Office on Aging.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 166, S.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 166, S.D. 2.

Signed by all members of the Committee.

SCRep. 601 Ways and Means on S.B. No. 75

The purpose of this bill is to reconstitute the board of paroles and pardons as a full-time professional board to be known as the Hawaii Paroling Authority, in order more effectively and efficiently to achieve the dual and inseparable purposes of parole, the protection of society on the one hand and the rehabilitation of the offender on the other. The present board is often frustrated by its desire to provide the needed community service coupled with its inability to do so because of time and financial constraints. The board's functions are demanding in terms of the complexity of factors involved in reaching any decision, in terms of time required to study and understand any single case, and in terms of effect on the safety of our community and the life of every individual person considered for parole. These functions should be conducted by persons with appropriate training and background.

The bill provides for a full-time paid chairman and two part-time paid members to be elected through the submission of not less than three names for each vacancy for action by the governor. The bill also provides for compensation of the full-time chairman at the same salary as that of district court judges, with the two part-time members receiving 90 per cent of the hourly wage paid the chairman.

Your Committee has amended the appropriation for the authority.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 75, S.D. 1, as amended herein and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 75, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 602 Ways and Means on S.B. No. 1634

The purpose of this bill is to require state payment for acceptable materials and supplies

delivered to a work site, upon an invoice or other suitable receipt stating that all the materials and supplies covered thereby were completely paid for by the claimant.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1634 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 603 Ways and Means on S.B. No. 1192

The purpose of this bill is to amend section 47-7, Hawaii Revised Statutes, to raise the counties' permissible ceiling on general obligation bond interest rates from 7% to 8%. This will enable the counties to continue issuing bonds in the face of rising interest rates.

Excluded from the provisions of this bill is the City and County of Honolulu which finds that the 7% ceiling is still an acceptable one.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. 1192, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 604 Ways and Means on S.B. No. 1677

The purpose of this bill are threefold:

1) To amend the existing statute to enable the State to participate with the Federal government in providing grants to substantially needy students as part of a total package of financial aid under the State Student Incentive Grant Program (SSIGP).

2) To amend the existing statute to enable the University to concurrently register a State scholarship holder at two or more campuses.

There are certain programs at various University of Hawaii campuses which require that a student register at more than one campus during the same semester in order to gain training in certain skills unavailable at the campus at which the student is seeking a degree. It appears that at the present time, when a scholarship holder at a baccalaureate campus must concurrently register at more than one campus, two financial aid units must be charged to meet the needs of one student.

Your Committee on Ways and Means has amended the appropriation for the State Student Incentive Grant Program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1677, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.D. No. 1677, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 605 Ways and Means on S.B. No. 1099

The purpose of this bill is to protect the fundamental rights of persons having title to land and easements, or rights of land possessed in fee simple by guarantee to these persons due process and legal assistance through the function of a state agency created for that purpose.

Your Committee has amended the appropriation for the purposes of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1099, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 1099, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 606 Ways and Means on S.B. No. 24

The purpose of this bill is to improve programs involving housing and the residential tenant. The bill calls for the development of a sound, comprehensive policy and strategy for housing under the direction of a special joint Senate-House Committee.

Your Committee has amended the appropriation for the purposes of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 24, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 24, S.D. 2.

Signed by all members of the Committee except Senators Anderson and Rohlfing.

SCRep. 607 (Majority) Ways and Means on S.B. No. 42

The purpose of the Bill is to preserve, protect and restore, where possible, the natural resources of the coastal areas of Hawaii and to provide an opportunity to the people of the State to guide the formulation of a State coastal zone conservation plan.

Your Committee has amended the appropriation for the purpose of this Bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 42, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 42, S.D. 2.

Signed by all members of the Committee except Senators Hara, O'Connor and Anderson. Senator Yamasaki did not concur.

SCRep. 608 Ways and Means on S.B. No. 22

The purpose of this bill is to provide for individual purchase of the fee title to a residential leasehold, by appropriating funds for the condemnation of leased residential lands by the Hawaii Housing Authority to enable individual lessees to purchase the fee interests of their respective leaseholds, pursuant to chapter 516, Hawaii Revised Statutes.

The sum appropriated may also be expended for all incidental costs of condemnation, including attorneys' fees, and appraisal expenses.

Your Committee on Ways and Means has amended the appropriation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 22, S.D. 1, as amended herein, and recommends that it pass Third Reading, in the form attached hereto as S.B. No. 22, S.D. 2.

Signed by all members of the Committee except Senators Hara, Kuroda, O'Connor and Anderson.

SCRep. 609 Ways and Means on S.B. No. 613

The purpose of this bill is to license and regulate marriage and family counselors. The bill establishes a 9-member board and places the board within the department of regulatory agencies for administrative purposes. Licensing and regulation is required to protect the public from the unprofessional, improper, unauthorized and unqualified practice of marriage and family counseling and from professional misconduct.

Your Committee has amended the appropriation for the purpose of this Bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 613, S.D. 1, as amended herein and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 613, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 610 Ways and Means on S.B. No. 348

The purpose of this bill is to commission a study on the rights of children. It is intended that a thorough examination be conducted of the status of the common law infant in our society, giving particular reference to the effects, the influence, and the future reformation of the treatment of the minor by the government and the laws of this State. The legislative reference bureau is to conduct the study and submit reports of its findings and proposed legislation for the consideration of the legislature in the next regular session in order that a beginning can be made towards a comprehensive program leading to a declaration of basic rights for minors.

Your Committee on Ways and Means has amended the appropriation to the sum of \$1.00,

for purposes of conducting the study. Any surplus funds may be used for operation of the bureau for the 1974-75 fiscal year. Surplus amounts remaining on June 30, 1975, shall not lapse but be carried over to the next fiscal years.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 348, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 348, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 611 Ways and Means on S.B. No. 1046

The purpose of this Bill is to establish a system of reasonable and equitable guidelines for medicaid payments in the delivery of adequate dental care service.

Your Committee finds that current payment levels for dental services have not kept up with rising costs, therefore, making it increasingly difficult for dentists and medicaid patients. The Bill recommends establishing fees, based upon Hawaii dental service data, at the seventy-fifth percentile of the usual, customary, and reasonable fee with review not less than once a year.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1046, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 612 Ways and Means on S.B. No. 1405

The purpose of this bill is to require the department of social service and housing to develop and encourage protective services for elderly persons--services which are necessary to maintain mental and physical health and which an elderly person is unable to perform or obtain for himself.

Your Committee on Ways and Means has amended the bill by deleting the appropriation for the program. Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1405, S.D. 1 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1405, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 613 Ways and Means on S.B. No. 315

The purpose of this bill is to amend Section 346-37, Hawaii Revised Statutes. It essentially deals with the proper administration of its money payment and medical assistance (Medicaid) programs. There are two major provisions contained in the amendment of this bill: 1) claim for recovery from the estate of a deceased recipient, and 2) assignment of a third party payment to Medicaid.

The chief benefit deriving from the proposed statutory provision is obviously the recovery of State General Funds. Very often, recipients passing away in their long-term care facilities leave small sums of money safekeeping account. The facilities, under State statute, are required to distribute the estate if the amount involved is \$100 or less. The County-State Hospital System is faced with a problem when they are unable to find any appropriate distributee of the estate. DSSH could submit claim for recovery from the estate if favorable action is taken in this bill.

Also, there is an urgent need to provide DSSH with a statutory authority to require applicants and recipients of Medicaid to assign third party benefits for medical payments to be made, or made in their behalf. Oftentimes, the existence of a third party resource is unknown to the Department at the time medical assistance is provided. It occurs mostly in cases involving accidental injuries. The Department is occasionally unable to obtain refund when recipients refuse to sign assignment forms.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 315, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Hara, O'Connor, Anderson and Rohlfing.

SCRep. 614 Ways and Means on S.B. No. 314

The purpose of this bill is to amend Section 346, Hawaii Revised Statutes by establishing that any payment of public assistance monies made to or for the benefit of children constitute a debt owed the Department of Social Services and Housing by the non-supporting parent.

The proposed bill will provide the state with a mechanism to protect rights of dependent children to be supported by their legally responsible parents. This bill would comply with Public Law 93-647, Child Support Programs, enacted on January 4, 1975. This public law specifically requires states to have laws for assignment of support rights to the state as a condition of eligibility for federal funds in the AFDC program and treatment of welfare support provided as a debt owed to the state.

In view of the fiscal benefits due to the Child Support Program, the state would receive 75% federal matching for State administrative cost instead of 50% providing the program is in operation effective July 1, 1975.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 314, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Hara, O'Connor and Anderson.

SCRep. 615 Ways and Means on S.B. No. 316

The purpose of this bill is to amend Section 346-29 of the Hawaii Revised Statutes. The amendment calls for additional exemptions in determining the needs of an applicant for medical assistance only.

Your Committee finds that present regulations imposes serious limitations for health care services to persons with low income. It was also found to be in partial compliance with Federal regulations as the amounts specified for retention does not increase proportionately with the number of persons beyond three.

This bill will help people to remain self-supporting during and after illnesses. It will also 1) allow for more people with the target population to be assisted, 2) encourage more people with small cash resources to apply earlier, before a serious deterioration of health occurs, 3) enable such individuals to meet emergency needs which are not provided for by any assistance programs, and 4) raise Medicaid's resource level closer to the amount provided for Supplemental Security Income under Title XVI of the Social Security Act.

This measure requires no appropriation.

Your Committee on Ways and Means thusly, is in accord with the intent and purpose of S.B. No. 316 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hara, O'Connor and Anderson.

SCRep. 616 Ways and Means on H.B. No. 1188

The purpose of this bill is to make an emergency appropriation of \$3,084,000 out of the general obligation bond funds of the state for the construction of Hamilton Library, Phase II, at the University of Hawaii.

This amount represents the difference between prior appropriations made for this project and the lowest bid submitted. The low bidder has agreed to hold his present bid until March 15, 1975. In the event this appropriation is not passed by that date, it is expected that costs for the project will go up due to inflation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 1188 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 617 Ways and Means on S.B. No. 1326

The purpose of this bill is to establish an office of collective bargaining within the

office of the governor to serve the governor in discharging the duties set forth in the public employment collective bargaining act.

Your Committee finds that the chief negotiator of the State is currently a one-man office attempting to meet the demands of bargaining with the exclusive bargaining agents of the various units. This organization is not the most efficient way to cope with the demands made by collective bargaining. An immediate and urgent need for a team of trained negotiators is demanded in view of the upcoming program demands.

Your Committee has amended the appropriation for the office.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1326, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 1326, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 618 Ways and Means on S.B. No. 637

The purpose of this bill is to make changes to the retirement benefit formula for certain members of the Employees' Retirement System.

Presently the retirement benefit formula for general members, including policemen and firemen, allows them to retire before attaining age fiftyfive if they have at least twenty-five years of credited service, but at a reduced benefit rate.

The maximum benefit of eighty per cent of final average compensation for firemen and policemen is not reached until thirtytwo years of service. A review of this current retirement and replacement trends suggests that the cost impact of a "thirty and out" provision would be within reasonable limits.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 637, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Young, Anderson and Henderson.

SCRep. 619 Ways and Means on S.B. No. 142

The purpose of this bill provides an incentive not to abuse sick leave and should expedite retirement and the subsequent filling of the position. This bill also favors the conscientious employee who does not abuse sick leave benefits.

Your Committee finds that close to retirement there is a tendency to use as much sick leave as possible. Sick leave policies are most liberal and therefore abuse is very difficult to control. Consequently production suffers due to the vacant position which cannot be filled.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 142, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Anderson and Henderson.

SCRep. 620 Ways and Means on S.B. No. 846

The purpose of this bill is to defer incremental and longevity pay increases to employees of all bargaining units in any fiscal year that an increase in the applicable wage schedule is affected.

Your Committee finds that, prior to collective bargaining, the granting of incremental and longevity pay increases was an acceptable practice inasmuch as the State Legislature did not provide for general wage or salary increases on an annual basis.

Your Committee finds that the collective bargaining law does not invalidate sections of the Hawaii Revised Statutes that provide for the granting of increment and longevity pay increases but the continual granting of these increases is costly and inappropriate under the current collective bargaining system.

Your Committee finds that July 1, 1976, is an acceptable cut off date for implementing the deferral concept because the majority of the collective bargaining contracts expire

on June 30, 1976.

However, your Committee finds an inequity for bargaining units that have deferred incremental and longevity pay increases for fiscal year 1975-76 and that this inequity will further be compounded with the implementation of the deferral concept. Therefore, to correct this inequity prior to implementation of the deferral concept your Committee has amended S.B. No. 846.

The amendment provides for the granting of increments and longevity increases to those employees entitled to such increases during fiscal year 1975-1976, had they not deferred these increases through collective bargaining. The intent of the amendment is to bring all bargaining units up to a reasonable base upon which all bargaining units can start negotiation under the deferral concept.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 846, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 846, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 621 Judiciary on S.B. No. 714

The purpose of this bill, as amended, is to provide a method by which three or more adult landowners may cooperatively assemble and develop their lots, and thereafter receive their pro-rate share of the profits or revenues generated from the housing project.

Your Committee concurs with the findings of your Committee on Housing and Hawaiian Homes as stated in Committee Report No. 394.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 714, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators O'Connor, Hara, Kawasaki and George.

SCRep. 622 (Majority) Judiciary on S.B. No. 875

The purpose of this bill is to amend the condominium laws of the State of Hawaii by giving more control to the condominium apartment owners. The bill accomplishes this purpose by amending chapter 514, Hawaii Revised Statutes, by adding the following sections:

1. a section that would limit to one year the contract period of a condominium when the managing agent is affiliated with the developer;
2. a section that would give a purchaser by agreement of sale the same rights of an owner, including the right to vote;
3. a section that permits the merger of increments in condominium developments;
4. a section that adds to the required bylaws the provision that the first meeting of the association of owners be held within 180 days of the issuance of a certificate of occupancy;
5. a section that exempts real estate brokers and salesmen from the requirements of the Uniform Securities Act in certain areas.

Your Committee is in agreement with your Committee on Housing and Hawaiian Homes as stated in their Standing Committee Report 222, including their amendments to this bill which:

1. requires the developer to give notice to all members of the association of apartment owners that their one-year warranty period will expire in ninety days;
2. require records to be kept by the association of apartment owners and made available by the board of directors;
3. prohibit any director of a condominium association from voting in matters in which he has a conflict of interest.

Your Committee has further amended the portion of the bill relating to merger of increments to limit the merger of condominium projects to situations where they are part of the same

incremental plan of development and in the same vicinity. The provision as originally written is too broad and could be interpreted to allow merger of projects in scattered parts of an island or even on separate islands. The enactment of this provision should not be construed as an indication that this type of incremental development was illegal prior to the effective date of this bill.

Your Committee has also amended the bill by deleting Section 5.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 875, S.D. 1, as amended herein and recommends that S.B. No. 875, S.D. 2; attached hereto, pass Third Reading.

Signed by all members of the Committee except Senators O'Connor, Hara and George. Senator R. Wong did not concur.

SCRep. 623 Judiciary on S.B. No. 1543

The purpose of this bill is to reaffirm and reiterate the findings and declarations of necessity originally set forth in adoption of Act 307, Session Laws of Hawaii 1967, regarding the monopolistic tendency pervading the pattern of land ownership and disposition which was inimical to the public health, and to amplify and clarify those findings and declarations of necessity in view of the increasing detriment such tendency will impose on the public if left unchecked.

Your Committee has made minor language changes to this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1543, S.D. 1, as amended in the form attached hereto as S.B. No. 1543, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators O'Connor and Hara.

SCRep. 624 Judiciary on S.B. No. 1637

The purpose of this Bill is to further control the activities of persons exempt from the licensing requirements for contractors.

Your Committee concurs with the findings of your Committee on Consumer Protection as stated in Committee Report No. 557.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1637, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators O'Connor, Hara and George.

SCRep. 625 Judiciary on S.B. No. 591

The purpose of this bill is to make available funds from the No-Fault Insurance Driver Education Fund Underwriters' fee for use in the operation of the high school Driver Education Program.

The bill calls for a 50-50 distribution of funds between the commissioner of motor vehicle insurance and the superintendent of the department of education. However, based on the estimated personnel and operating costs necessary to maintain the services presently provided by the courts' remedial driver program, your committee has amended the bill as follows:

(1) To allocate 70 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 30 per cent to the superintendent of the department of education for the fiscal year 1975-76.

(2) To allocate 60 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 40 per cent to the superintendent of the department of education for the fiscal year 1976-77.

(3) To allocate 50 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 50 per cent to the superintendent of the department of education for the fiscal year 1977-78.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 591,

S.D. 1, as amended herein, and recommends that S.B. No. 591, S.D. 2, attached hereto, pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor, Hara and Kawasaki.

SCRep. 626 Judiciary on S.B. No. 1303

The purpose of this bill is to increase the lien on a registered motor vehicle from \$350 to \$500.

Since the inception of the present statute of lien on personalty for work done and materials furnished, the cost of repair and parts for motor vehicles have risen substantially. The increase in the lien is to keep pace with rising costs.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1303, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 627 (Majority) Judiciary on S.B. No. 162

The purpose of this bill is to provide "seed money" for the development and operation of the Hawaii Bound School. The purpose of a Hawaii Bound School is to operate an outward bound type of program in Hawaii and through that program to facilitate the growth of those troubled and troublesome persons who need to learn or to relearn social skills and behaviors and the necessity of according to others an equal role in life.

Your Committee has amended the bill by providing for an appropriation of one dollar.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 162, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 162, S.D. 2.

Signed by all members of the Committee except Senator Hara.
Senator Kawasaki did not concur.

SCRep. 628 Judiciary on S.B. No. 19

The purpose of this bill is to regulate the residential lease rent renegotiation process by imposing specific restrictions on the frequency of renegotiations of residential lease rent terms and on the amount of the residential lease rent that may be fixed on renegotiation, and by providing for arbitration as to rent if the parties fail to arrive at mutually agreeable terms.

Your Committee has amended the first sentence of subsection (d) of the new section to read: "In the case of any lease of residential land where the rental has been renegotiated since June 24, 1967, the rental as of the effective date of this Act shall not be greater than that prescribed under subsection (a)(2)."

Your Committee has also made certain minor or clerical amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 19, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 19, S.D. 2.

Signed by all members of the Committee except Senator Hara.

SCRep. 629 Judiciary on S.B. No. 398

The purpose of this bill is to require the lessor to compensate the lessee for the fair market value of the lessee's improvements should the lessee, within sixty days prior to the lessee's termination or expiration, inform the lessor that he does not intend to remove his improvements.

The bill also proposes to afford similar rights for residential leasehold condominiums.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 398, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Hara, Takitani and F. Wong.

SCRep. 630 Judiciary on S.B. No. 1200

The purpose of this bill is to make more equitable and convenient the conversion of residential leasehold lands to fee simple ownership, and to clarify the rights and responsibilities of lessors.

Your Committee on Judiciary has fully analyzed and researched the complexities of legal and economic issues surrounding Act 307, Session Laws of Hawaii 1967.

Although your Committee does not have all of the answers to this complex matter, it feels that the public will be best served by the implementation of Act 307 and have accordingly amended the bill to provide for the following objectives:

1. To provide the means for the ownership of fee simple land by the present lessees.
2. To set forth a practical means for the implementation of Act 307.
3. To provide for modifications to the present law in order to make its implementation more feasible and proper.

Your Committee has concurred with the Committee on Housing and Hawaiian Homes in providing for a one-to-one condemnation of leaseholds if more than 50% of the lessees in a developed tract desire fee simple ownership. Only those lessees are affected. Non-petitioning lessees are not affected. Your Committee also concurs with the deletion of the words "occupied or to be occupied under leases".

However, your Committee has restored the provisions of Chapter 516 relating to revenue bonds, and the provisions authorizing the Hawaii housing authority to dispose of land through lease.

Your Committee has amended S.B. No. 1200, S.D. 1, to make the following changes in existing law:

1. The Hawaii housing authority is authorized to condemn portions of a development tract. This adds a maximum degree of flexibility not afforded to the authority under existing law.

2. The requirements for acquisition of a development tract are eased. The authority may designate a five acre development tract, which need not contain all leasehold lots. It may then acquire either the leased fee interest or lessor's reversionary interest in residential leasehold lots therein if more than fifty per cent of the lessees desire fee simple ownership. Your Committee feels that this change to existing law is necessary to make such law more workable. Further, such change is entirely consistent with the public purpose of promoting fee simple ownership, lowering land lease rents, and breaking up monopolistic land ownership by providing for the simultaneous conversion of sizeable numbers of leasehold lots to individual fee simple ownership.

3. The method for computing the compensation to be awarded to a lessor whose interest has been condemned is set forth more fully and revised substantially. Such compensation is to be based on the value of the land, exclusive of improvements, and on the amounts remaining to be paid to the lessor as reimbursement for improvements made on behalf of the lessee. However, in order to assure that the lessor is duly compensated but not unjustly enriched, your Committee has provided that the raw land value is in no event to be less than the present worth fair rental income due to the lessor, plus the value of his reversionary interest and any unpaid balances owing to the lessor by the lessee as actual reimbursement for offsite and onsite improvement costs by the lessor. Such fair rental value is determined by reference to the rental which was charged on June 24, 1967 or, if none, then in the year most immediately following 1967, adjusted for inflation by application of the wholesale price index. Your Committee finds that this formula is necessary since lessors have unfairly raised their lease rents since June 24, 1967 when Act 307 was first enacted, and that reference to the high lease rents presently in effect will give lessors a more than fair return. However, in the event that the fair rental value is invalid in any particular situation, fair rental shall be determined by reference to the contracted-for rental. Finally, since such fair rental value is based on a fair return due to the lessor in the future, a further adjustment for present value is made by the application of a capitalization rate based on the highest rate of interest on insured passbook savings accounts.

4. In the event of a dispute between a lessor or lessee, the burden of proof is placed on a lessor to show that the provisions of chapter 519 have not been circumvented.

5. Added authority is given to the Board of Land and Natural Resources and the Hawaii Housing Authority to exchange land and to acquire land for exchanging in order to effectuate the public purposes of Chapter 516.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1200, S.D. 1, as amended in the form attached hereto as S.B. No. 1200, S.D. 2, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Chong, Hara, Kawasaki and Leopold.

SCRep. 631 (Majority) Higher Education on S.B. No. 1732

The purpose of this bill is to create an educational non-profit public corporation to be known as the "Center for Cultural and Technical Interchange Between East and West, Inc." The corporation shall not be considered a department, agency, or public instrumentality of the State, and shall not be subject to the laws of the State applying to departments, agencies, and public instrumentalities of the State.

The primary purpose of the corporation is to promote better relations and understanding between the United States and the nations of Asia and the Pacific, called "the East", through the administration and operation by the corporation of the Center for Cultural and Technical Interchange Between East and West, popularly known as the "East-West Center". The East-West Center itself was established pursuant to the "Center for Cultural and Technical Interchange Between East and West Act of 1960" (Chapter VII of the Mutual Security Act of 1960, Public Law 86-472), enacted by the United States Congress.

The other purposes of the corporation are to promote among the nations of the East and the West in use of the East-West Center by qualified persons for cooperative study, training, and research in matters of East-West significance, and thus lead to better relations and understanding as to such matters; provide grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and the West as may be necessary to attract such scholars and authorities to the East-West Center; and provide grants, scholarships, and other payments to qualified students from the nations of the East and the West as may be necessary to enable such students to engage in study or training at the East-West Center.

The corporation will be managed and controlled by a board of governors of not less than twelve nor more than nineteen voting members as follows: The Governor of the State, or his designee, shall be an ex officio member and the Governor shall appoint two at-pleasure members; the Assistant Secretary of State for Educational and Cultural Affairs, or his designee, shall be an ex officio member, and the Secretary of State shall appoint two at-pleasure members; and the remaining members shall be elected by the members of the board. The initial board shall consist of twelve members: In addition to the two ex officio members and their four at-pleasure appointees, three of the remaining six will be appointed by the Governor and three will be appointed by the Secretary of State. Members elected to the board will serve for three-year terms and be limited to a maximum of three terms. Board members will be distinguished individuals representing, except for the ex officio members, a cross-section of educational, cultural, business, labor, and public service backgrounds, and due consideration will be given to ensuring that the board appropriately reflects the national character of the East-West Center.

The bill also provides for the establishment of an international advisory board to advise the corporation of its programs, upholding and preserving academic freedom in all of the programs and activities of the East-West Center, and publishing an annual report to be filed with the Governor and the Secretary of State.

The bill contains certain provisions governing the administrative transition of the East-West Center from the University of Hawaii to the corporation. Prominent among these are provisions to protect adequately the rights and interest of University of Hawaii employees presently working at the East-West Center. Such employees are given an opportunity to elect within a period of six months after the establishment of the corporation whether to become employees of the corporation or to remain University employees. Those electing to remain University employees will be given two opportunities to transfer to equal positions either in the University or elsewhere within the State government, with the right to remain at the East-West Center until given such opportunities. Protection of the retirement rights of all affected employees is also given, including the right to remain a member of the State employees retirement system while becoming an employee of the corporation. Finally, all collective bargaining agreements in effect upon the

establishment of the corporation shall continue in effect and unmodified.

The East-West Center is presently being administered and operated by the University of Hawaii under contractual arrangements made with the Secretary of State. The corporation will, upon its establishment, enter into contractual arrangements with the Secretary of State, and thenceforth assume the responsibilities of administering and operating the East-West Center.

It is your Committee's further understanding that the corporation will, upon its establishment, enter into contractual arrangements with the University of Hawaii for purposes of continuing cooperative educational programs and other institutional support. Similarly, the University will, upon establishment of the corporation, enter into contractual arrangements with the Department of State for purposes of terminating the existing contractual arrangement between them providing for the current operation of the East-West Center.

It is the intent and understanding of your Committee that in working out these contractual arrangements the Board of Regents will insure that there is adequate consultation by the administration of the University including the administration of the Center on the details of the arrangements with students, faculty, and staff on all matters which affect them before final approval is granted. It is our further intent and understanding that the final detail will insure that no University of Hawaii dormitory residents are involuntarily displaced.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1732 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1732, S.D. 1, and that it remain on the calendar for Third Reading.

Signed by all members of the Committee.
Senators King and Yim did not concur.

SCRep. 632 Legislative Management

Informing the Senate that Gov. Msg. No. 79, S.R. Nos. 322 and 323, and Stand. Com. Rep. Nos. 573 to 631 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 633 Legislative Management

Informing the Senate that S.R. Nos. 324 to 326 and Stand. Com. Rep. Nos. 634 to 637 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 634 Government Operations and Efficiency on S.C.R. No. 39

The purpose of this concurrent resolution is to establish a commission to develop a plan for reorganization to improve the efficiency, effectiveness and responsiveness of State government and to reexamine the role of State government in Hawaii within the context of its relationship to the private sector and to other levels of government.

Your Committee recognizes the need for such a commission since there has often been duplication and overlapping of certain functions in some areas of government and ill defined parameters of authority in others. It has also been reported that there is a lack of public and legislative input during the initial stages of the State's comprehensive planning processes.

Your Committee on Government Operations and Efficiency concurs with the intent and purpose of S.C.R. No. 39 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 635 Transportation on S.C.R. No. 45

The purpose of this concurrent resolution is to endorse Hawaiian Airlines' application to the Civil Aeronautics Board for the opportunity to operate between Vancouver, British Columbia, and Honolulu, Hawaii.

Your Committee finds that Hawaiian Airlines as the nation's seventh oldest airline and the pioneer air carrier in the Pacific areas has clearly demonstrated its potential operational capabilities through its past outstanding performance records. Hawaiian

Airlines has carried over 2.7 million passengers in 1974 and carried more passengers than Ozark or Southern Airway in 1973 while producing the best load factor in the U.S. air transport industry coupled with the industry's lowest passenger complaint record according to the Civil Aeronautics Board. Hawaiian Airlines has further demonstrated its operational expertise by providing essential passenger processing function for major airlines using DC-10 and 747 aircraft.

In addition, Hawaiian Airlines' proposal will further enhance the State of Hawaii by carrying forth the Aloha spirit to the people of Canada as well as provide increase tax revenues and jobs for the people of Hawaii.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 636 Transportation on S.R. No. 187

The purpose of this resolution is to endorse Hawaiian Airlines' application to the Civil Aeronautics Board for the opportunity to operate between Vancouver, British Columbia, and Honolulu, Hawaii.

Your Committee finds that Hawaiian Airlines as the nation's seventh oldest airline and the pioneer air carrier in the Pacific area has clearly demonstrated its potential operational capabilities through its past outstanding performance records. Hawaiian Airlines has carried over 2.7 million passengers in 1974 and carried more passengers than Ozark or Southern Airway in 1973 while producing the best load factor in the U.S. air transport industry coupled with the industry's lowest passenger complaint record according to the Civil Aeronautics Board. Hawaiian Airlines has further demonstrated its operational expertise by providing essential passenger processing function for major airlines using DC-10 and 747 aircraft.

In addition, Hawaiian Airlines' proposal will further enhance the State of Hawaii by carrying forth the Aloha spirit to the people of Canada as well as provide increase tax revenues and jobs for the people of Hawaii.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 187 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 637 Transportation on S.R. No. 262

The purpose of this Senate Resolution is to commend the American Lung Association of Hawaii, Oahu Lions Club, Automotive United Technicians of Oahu, and the Hawaii Automotive and Retail Gasoline Dealers as well as the Department of Transportation and Department of Health for sponsoring their free exhaust emission checks and electronic engine diagnosis on Saturday, March 15, 1975 at four locations around Oahu.

Your Committee finds this program to be in the best interest of the people of Hawaii and a progressive step in checking and protecting the island of Oahu from further air pollution.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 262 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 638 Transportation on S.R. No. 39

The purpose of this Resoluition is for the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, to declare its support for the construction of a planned Statewide Bikeway System.

Your Committee finds support in this Resolution from Bikers Hawaii, the Hawaii Bicycling League, and the Department of Transportation. Further the State of Hawaii Department of Transportation has reported plans to retain a consultant to develop the Statewide Master Plan for Bikeways and includes long- and short- range plans to guide the implementation of this program.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 39 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 639 Transportation on S.R. No. 139

The purpose of this Resolution is to report the status (of the development) of the Statewide Master Plan for Bikeways.

The State of Hawaii Department of Transportation has reported to your Committee on Transportation the development of an interim master plan for bikeways for Leeward Oahu. The department will shortly retain a consultant to develop the Statewide Master Plan for Bikeways. This master plan should reflect careful coordination with all appropriate governmental agencies as well as the biking public, and will present long- and short-range plans to guide the implementation of this program.

Your Committee on Transportation is in accord with the intent and purpose of S.R. No. 139 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 640 Human Resources on S.C.R. No. 78

The purpose of this resolution is to have this Legislature request Federal agencies which have been or may be importing alien labor to perform work in the State of Hawaii not to enter into any agreement to import alien labor. It also requests Hawaii's Congressional Delegation to assist in achieving this purpose.

Unemployment is a major problem in the State of Hawaii. Every effort is being made to create jobs for residents in Hawaii. Effective July 1, 1973, the Hawaii Regional Exchange (HRE), the Hawaii arm of the Army and the Air Force Exchange Services (AAFES) contracted its auto repair work to a Korean company, Keico, Inc., which imported labor from Korea to carry out the contract in the State of Hawaii. As a result, twenty-six employees of Hawaii lost their jobs.

At the public hearing before your Committee, those testifying were in support of S.C.R. No. 78.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 78 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 641 Human Resources on S.R. No. 54

The purpose of this Resolution is to urge the Departments of Labor and Industrial Relations and Social Services and Housing to actively seek all federal funds available for public service employment programs.

Your Committee finds that the Department of Labor and Industrial Relations, in close cooperation with other departments, has moved to optimize the use of federal funds already granted under the Comprehensive Employment & Training Act by swift implementation of Title VI Programs and by an accelerated reprogramming of Title II activities. This puts Hawaii in favorable position to compete for additional discretionary funding yet to come this year.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 54 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 642 Human Resources on S.R. No. 161

The purpose of this resolution is to urge the employment of additional elderly persons as paraprofessionals in the state agencies.

Many of the senior citizens are willing to continue to contribute their valuable services to society if they are given the opportunity to do so. This has been clearly shown in the Senior Community Service Employment program, which is federally funded under Title XI of the Older Americans Act. Under this program, senior citizens are provided employment in various public services to aid other senior citizens. It has been highly successful for the low income senior citizens employed under the program and for other senior citizens who enjoy the benefits.

This resolution urges the continued employment of the elderly, for they are possessed with valuable skills and talents.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 161 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 643 (Joint) Human Resources and Housing and Hawaiian Homes on S.R. No. 185

The purpose of this resolution is to request the United State Secretary of Labor to include native Hawaiians under the provisions of Title III of the Comprehensive Employment and Training Act of 1973 as a manpower "target group".

Your Committees find that due to some oversight, the Hawaiians were not included as one of the target groups of those who are entitled to additional services under the Act. The Hou Hawaiians group noticed this oversight and now ask support through the Legislature. Under Federal Law, Section 302 (a) (2) "Such programs shall be available to federally recognized Indian tribes, bands and individuals and to other groups and individuals of native American decent."

American Indians and Alaskan Indians benefit under this law since they are indigenous to our country and have been historically disadvantaged. They lack skills in the competitive work force and thus unemployable. Their housing and living standards have been substandard and they have not been gainfully employed in the labor force.

Hawaiians are indigenous to Hawaii and have as long a history as the American Indians. They face similar problems. Compared to the rest of the population here, the Hawaiians face heavy unemployment problems and represent a larger than average group needing public assistance.

Your Committees agree that the law should be amended to include Hawaiians as one of the target groups to derive the same benefits as the American Indians.

Your Committees on Human Resources and on Housing and Hawaiian Homes to which were jointly referred are in accord with the intent and purpose of S.R. No. 185 and recommends its adoption.

Signed by all members of the Committees except Senator Nishimura.

SCRep. 644 Human Resources on S.R. No. 204

The purpose of this Resolution is to request the Department of Health to study and develop a State master plan for handicapped children which improves, strengthens and coordinates public and private programs and services.

There is currently an increase in concern over the medical, educational, and developmental programs for handicapped children as well as an increase in the number of programs designed to deliver a full range of services to them. The present approach towards government programming for handicapped children appears to be sporadic with no general scheme for planning and coordination of program development.

This Resolution would request development of a State plan detailing the general scheme of delivery of services for handicapped children, including planning, development and coordination of programs.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 204 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 645 Human Resources on S.R. No. 269

The purpose of this Resolution is to have the Senate Committee on Human Resources join the House Committee on Youth and Elderly Affairs to review the progress, performance, and working relationships of the Commission on Children and Youth, the Community Coordinated Child Care Committee, and all agencies, offices, and departments with program responsibilities for child development and youth services, and to report their findings to the Senate not later than twenty days prior to the Regular Session of 1976.

Your Committee finds that there appears to have been and continues to be (1) Confusion

and lack of knowledge of earlier laws and the current law on the Commission on Children and Youth and its sub-committee, the Coordinated Child Care Committee (State 4-C); (2) Confusion on the roles, functions, and responsibilities of the Commission and its sub-committee, the State 4-C; (3) A serious breakdown in communication and cooperation between the Commission and its sub-committee, the State 4-C.

Further, your Committee has learned that the Commission has just recently met with the Governor to revise the Commission's roles, functions, and responsibilities. These changes are reflected in a bill sent by the Administration to this Legislature, a copy of which has not reached your Committee at this writing, as yet.

Your Committee also has been impressed that child development services are planned for and delivered by a variety of State and local agencies, each from its own perspective and jurisdiction of responsibility, be it health, social services, education, court work, police, federal program objectives, or others. Therefore, there is well founded and an appropriate concern for the need for general comprehensive planning and coordination of services.

Finally, your Committee finds that there is agreement with the intent of S.R. 269, and that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 646 Human Resources on S.R. No. 282

The purpose of this resolution is to request the Director of Labor and Industrial Relations to convene a Statewide Conference on Unemployment to be held on May 8, 1975, in a place convenient to the general community, and to continue as long thereafter as is necessary to develop an action structure and program; and to implement all possible elements of the program through appropriate agencies, and recommend any necessary statutory changes or appropriations in a report to the Legislature, to be presented not less than twenty days prior to the first day of the Regular Session of 1976.

There is concern that practicable steps are necessary soon to alleviate high unemployment. There are segments in the community both public and private who are anxious to have coordinated efforts made to form and organize action. Unemployment in Hawaii has risen to 7 percent, while the national rate is 8 percent. When the full impact of the national rate is felt in Hawaii, unemployment can rise to 10 or 15 percent.

In order to anticipate this trend, a concerted effort of the community is necessary to resolve the confusion on how to effectively solve this problem. Your Committee supports the Statewide Conference on Unemployment.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 282 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 647 Human Resources on S.R. No. 310

The purpose of this resolution is to support Senate Bill 410 of the United State Senate and to remove current provisions in the Social Security Act relating to earnings limitations and Social Security benefits in order that the elderly can continue to work and earn extra income in addition to Social Security.

Under the present law, payments to those reaching age 65 to 72 are reduced if they are earning outside income. This tends to discourage those elderly who wish to be employed and reduces them to live on Social Security benefits only. With the spiraling cost of living, it is a hardship for those who live on Social Security benefits alone.

Your Committee on Human Resources is in accord with the intent and purpose of S.R. No. 310 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 648 Legislative Management

Informing the Senate that S.R. No. 327 and Stand. Com. Rep. No. 649 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 649 Education on S.C.R. No. 3

The purpose of this concurrent resolution is to request that the Department of Education develop a minimal list of educational and cultural excursions for each school district and that this list include the number, kinds, and intervals of excursions to be conducted for each school year and at each grade level; the purpose of each excursion and its relationship to the educational curriculum and classroom activities; the cost of each excursion; and alternative budgets for the educational and cultural excursion program which show the amount required to finance the expenses of all children and the amount estimated to be required to defray the expenses of those children who cannot afford to go on excursions. In addition, the department is requested to supply this information to the Legislature twenty days prior to the convening of the Regular Session of 1976. The department is further requested, for the interim period, to do all things necessary, through the use of such funds as may be available in the schools or through the enlistment of parental and community support, to remove economic barriers to educational and cultural excursions.

Your Committee on Education believes that activities outside of the school, such as educational and cultural excursions and field trips that supplement classroom learning, are a valuable part of the learning process. Your Committee further believes that the State's commitment to provide educational opportunities equally for all of its students must be honored in this area as well as in others. In this regard, the predominant practice of having parents pay for these excursions denies these opportunities to those students whose families are not able to afford them.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 3 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 650 Legislative Management

Informing the Senate that S.C.R. Nos. 100 to 103, S.R. Nos. 328 to 336 and Stand. Com. Rep. Nos. 651 to 659 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 651 Intergovernmental Relations reporting per S.R. No. 113

Your Committee on Intergovernmental Relations which, by Senate Resolution No. 113 adopted February 10, 1975, was requested "to investigate and make recommendations as to the possibility of cooperation with the various counties in the joint use of satellite service facilities", and further "to report its findings back to the Senate before the adjournment of the 1975 session", reports as follows:

Your Committee having studied the matter and reviewed testimony relating to cooperation with the various Counties in the joint use of satellite service facilities finds that,

- 1) providing State information and services to the general public is desirable and therefore should be a necessary function of statewide concern;
- 2) the City and County of Honolulu has successfully launched a Satellite City Hall system to serve highly populated centers on Oahu which are far removed from City Hall;
- 3) the County of Hawaii in 1974, established the Kona Services Center to provide County services to North and South Kona, much to the satisfaction of the Kona residents;
- 4) there are various bills introduced in the 1975 legislative session which will provide extended State services to the public through joint cooperation with the several Counties;
- 5) specifically, S.B. No. 344, S.D. 1 entitled "A BILL FOR AN ACT RELATING TO STATE SERVICES.", would establish a system of providing State information and services to the general public through joint cooperation with the several Counties. S.B. No. 344, S.D. 1 provides that joint efforts will be made to use existing State and County facilities, and to acquire new facilities if necessary.

Your Committee has reported favorably on S.B. No. 344, S.D. 1. The bill has been referred to the Committee on Ways and Means for further consideration.

Your Committee on Intergovernmental Relations recommends that the Senate support

legislation such as is proposed in S.B. No. 344, S.D. 1, that would commit the State to provide extended statewide services to the public through cooperation with the various County governments. It is further recommended that the Governor, through his Office of Information review the needs for extended State information and service centers, and make every effort to use State and County facilities.

Signed by all members of the Committee except Senator Yee.

SCRep. 652 Education on S.C.R. No. 1

The purpose of this concurrent resolution is to request that the Department of Education analyze alternative means of delivering instruction than those currently in use and from such analysis design a comprehensive system that will broaden course offerings for students by making it possible for them to take any course offered in the school system. In addition, the Department is requested to report its findings to the legislature, Regular Session of 1976.

Your Committee has received testimony indicating that significant disparities presently exist in the school system's course offerings, particularly between large and small and between urban and rural schools. Such inequities in delivery of learning opportunities for students is in direct contradiction to the commitment to provide all of Hawaii's youth with equal educational opportunities.

Your Committee has learned that one of the primary reasons for differences in the levels of offerings is that no comprehensive system has been developed for the delivery of instruction other than through the use of full-time teachers.

Your Committee has suggested that a more systematic use of audio-visual technology, or itinerant tutorial support, or correspondence courses may provide part of the answer.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 653 Education on S.C.R. No. 2

The purpose of this concurrent resolution is to request that the Department of Education submit to the legislature a report on the development and implementation of the "Superintendent's Plan of Action to Deal with the Problem of Student Unrest and Disturbances in Our Schools."

Your Committee is deeply disturbed and concerned over the reports of acts of violence on school campuses. School administrators, parents, students, teachers, and community members have indicated to the members of this Committee that such acts are occurring with increasing frequency on school campuses. Your Committee believes it essential that an atmosphere conducive to learning be restored to school campuses and thereby has acted upon this resolution in the hopes of stimulating greater department inquiry into the matter to the end that a workable resolution of the underlying causes might be found.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 2 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 654 Education on S.C.R. No. 4

The purpose of this concurrent resolution is to request that the Department of Education increase its present efforts of informing the public of the availability of school facilities for community-related activities.

Your Committee finds that in many areas and in many cases school facilities lie unused outside of school hours. The State has a tremendous capital investment in these facilities, which lend themselves readily to public use. Your Committee believes that more organizations would make use of school facilities if they were aware of their availability. To that end, your Committee has requested of the Department of Education that it increase its efforts to make this information known.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 4 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 655 (Joint) Education and Higher Education on S.C.R. No. 36

The purpose of this concurrent resolution is to request that the Department of Education and the University of Hawaii College of Education develop and install pre-service curriculum courses that would aid the regular school teacher in identifying and working with special education students in the classroom and that the Department of Education provide a similar program of in-service training.

The purpose of the amendment to the resolution is to involve the University of Hawaii, as well as the Department of Education, in the in-service training program and to request of both institutions that they report on their program and its installation to the Eighth Legislature, Regular Session of 1976.

Your Committees find that there is a need to provide regular school teachers with the necessary background that will aid them in identifying and assisting slow learner students and students with adjustment problems in the classroom. Because regular school teachers are the individuals most familiar with the needs of their students, the responsibility of differentiating these students from the trainable and educable mentally retarded rests with them. Your Committees believe that the proposed pre-service courses and in-service training program will provide teachers with the necessary background.

Your Committees on Education and Higher Education jointly concur with the intent and purpose of S.C.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 36, S.D. 1.

Signed by all members of the Committees.

SCRep. 656 Economic Development on S.C.R. No. 16

The purpose of this Concurrent Resolution is to request the U.S. Army Corps of Engineers and the Hawaii Department of Transportation to expedite the development of a deep draft harbor at Barbers Point, Oahu.

The Department of Transportation testified that the transportation concept of this deep draft harbor is that it will expand in consonance with the growth and needs of Leeward and Central Oahu, thereby reducing land transportation of goods through the venture mauka of Pearl Harbor.

Your Committee finds that a deep draft harbor would reduce traffic congestion and save on fuel consumption by alleviating the trucking of goods from Honolulu Harbor. A deep draft harbor at Barbers Point would facilitate the growth of the heavy industrial area in Campbell and thereby create a second major employment center on Oahu.

Your Committee on Economic Development concurs with the intent and purpose of S.C.R. 16 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 657 Economic Development on S.R. No. 63

The purpose of this Resolution is to request the U.S. Army Corps of Engineers and the Hawaii Department of Transportation to expedite the development of a deep draft harbor at Barbers Point, Oahu.

The Department of Transportation testified that the transportation concept of this deep draft harbor is that it will expand in consonance with the growth and needs of Leeward and Central Oahu, thereby reducing land transportation of goods through the venture mauka of Pearl Harbor.

Your Committee finds that a deep draft harbor would reduce traffic congestion and save on fuel consumption by alleviating the trucking of goods from Honolulu Harbor. A deep draft harbor at Barbers Point would facilitate the growth of the heavy industrial area in Campbell and thereby create a second major employment center on Oahu.

Your Committee on Economic Development concurs with the intent and purpose of S.R. 63 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 658 Economic Development on H.B. No. 1528

The purpose of this Bill is to repeal Chapter 71, relating to artesian well control in the district of Honolulu.

Your Committee finds that Chapter 71 is redundant as its provisions are adequately covered by Chapter 178, Hawaii Revised Statutes. Additionally, the repeal of Chapter 71 will eliminate contradictory provisions regarding the transferring of wells to the City. In a public hearing, the Board of Water Supply, City and County of Honolulu, concurred with this Committee's findings.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1528 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 659 Ecology, Environment and Recreation on H.B. No. 1870

The purpose of the bill is to set forth reforms intended to insure the effective application of an established land use policy. The land use commission is recognized as a quasi-judicial body and mandated to make impartial decisions based on proven facts and established policies through the adversary process. Your Committee feels it is also important to allow for public participation, and has amended the bill to provide for public hearings.

Your Committee finds that the land use commission has felt it had insufficient policy guidelines to aid in decision-making. The bill provides for the establishment of a State land use guidance policy by the department of planning and economic development relating to the development of the land and the development of natural, environmental, recreational, scenic, historic and other resources within the State. The bill further provides that the commission in amending land use district boundaries shall diligently apply such policies and criteria and take only those actions which are consistent with the guidance policy. These policies and criteria are submitted to the governor for approval, and then to the legislature for approval or modification.

The bill further provides that every four years after the initial adoption of land use policies and criteria pursuant to this section, the department of planning and economic development shall make a comprehensive review of these policies and criteria, and shall, after public hearings, adopt and submit them to the governor and the legislature for approval. Your Committee upon further consideration has amended H.B. No. 1870, H.D. 1 to state that changes in land use boundaries shall be in conformity with the county general plan until such time as the State general plan may be adopted, and then in conformity with the State general plan.

Your Committee has amended the Bill in accordance with recommendations which were originally made by this Committee, and in conformity with the bill as it was originally reported out of this Committee.

The House draft deleted from the administration bill, the State land use guidance policy which your Committee believes is the key to land use decisions, and which was in the bill as originally reported out of this Committee. Therefore, your Committee has further amended the bill to replace this section providing for a State land use guidance policy which shall be prepared and adopted by the department of planning and economic development after public hearings to be conducted in each county.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 1870, H.D. 1 as amended in the form attached hereto as H.B. No. 1870, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 660 Legislative Management

Informing the Senate that Gov. Msg. Nos. 83 and 84, S.C.R. Nos. 104 and 105, S.R. Nos. 337 to 344 and Stand. Com. Rep. Nos. 661 to 663 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 661 Education on S.R. No. 264

The purpose of this resolution is to request that the Department of Education develop a curriculum for excursions to neighbor islands for public school children that will provide an appropriate educational experience for the students and that the Department cooperate with the Office of the Legislative Auditor in developing a cost estimate and analysis of such a program with the advice of such private sector establishments and persons as they consider necessary or desirable. In addition, the Department of Education and the Legislative Auditor are requested to report to the legislature on their findings and recommendations and to present a program for implementation, prior to the convening of the Regular Session of 1976.

Your Committee believes that appreciation for the uniqueness of our island state should be a part of each public school student's learning experience. The geographical separation of the islands of our State makes such an experience difficult to obtain without the financial support that can only be provided through public funding. To this end, your Committee has requested of the Department of Education that it develop an appropriate curriculum for student excursions to neighbor islands and of the Department and the Office of the Legislative Auditor that they jointly cooperate in developing cost estimates and analyses and an implementation plan for presentation to the legislature.

Your Committee on Education concurs with the intent and purpose of S.R. No. 264 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 662 Ecology, Environment and Recreation on S.B. No. 47

The purpose of this Bill is to provide a means to control population in the State. Your Committee finds that it is incumbent upon us to create a balance between man and nature, and resolve conflicts between man-made and natural environments. These conflicts have led to an imbalance, which bears a close relationship to population pressures. In Hawaii today, growth of population and increased levels of human desires have out-paced our capability to grow without environmental damage.

The Legislature has recognized the related problems of environmental quality and population, and established in 1974 the Commission on Population and the Hawaiian Future, Chapter 224, Hawaii Revised Statutes.

The Legislature similarly adopted SCR 26, SLH '74, which called upon the Governor to conduct research into the criteria which would define Hawaii's environmental carrying capacity and to develop procedures to deal with "overload."

Your Committee finds that it is now essential to follow these two important measures with a further step; that of exploring ways in which the Hawaii Revised Statutes might be amended in order to control, wherever and however, possible, immigration and immigration.

Your Committee on Ecology, Environment and Recreation has considered said bill and recommends that it pass First Reading and be recommitted to the Committee on Ecology, Environment and Recreation.

Signed by all members of the Committee.

SCRep. 663 Ecology, Environment and Recreation on S.B. No. 50

The purpose of this bill is to require that State buildings be designed in such manner as to take full advantage of our natural environment.

Your Committee finds that Hawaii is extremely dependent on foreign oil, and one of the greatest consumers of foreign oil is electric power. Your Committee further finds that air conditioning systems are among the greatest consumers of electric power. In recent years there have been continual trends toward elaborate air conditioning devices which consume increasing amounts of energy with marginal effects.

Your Committee further finds that designers and architects could minimize this need for vast energy consumption by utilizing the natural cooling provided by Hawaii's mild climate and tradewinds. Your Committee further finds that there are many practical ways of using shades, awnings, and decorative screens to allow diffuse light to enter rooms, which will allow the occupants thereof to enjoy a natural exterior environment, and at the same time to allow, in a controlled fashion, the natural air circulation to

moderate the internal environment.

Your Committee further finds that air conditioning is often used for secondary purposes, such as noise control and security. Your Committee feels that there are better means available to protect an individual from external disturbances; and it is no longer economically or ecologically feasible to use energy consuming devices such as air conditioning for these purposes.

There are other means of cutting down on energy consumption in the design of State buildings which should be explored, such as the use of natural solar energy for water cooling and heating.

Your Committee finds that since we are fortunate enough to live in Hawaii with its mild and pleasant natural environment, it is incumbent upon us to take full advantage of this environment by exploring the numerous and various methods of designing and constructing State buildings so as to decrease the amount of energy consumed by those buildings, and that the Hawaii Revised Statutes should be amended in such a way as to make this mandatory.

Your Committee on Ecology, Environment and Recreation has considered S.B. No. 50 and recommends that it pass First Reading and be recommitted to the Committee on Ecology, Environment and Recreation.

Signed by all members of the Committee.

SCRep. 664 Legislative Management

Informing the Senate that S.C.R. Nos. 106 to 110, S.R. Nos. 345 to 352 and Stand. Com. e Rep. Nos. 665 to 685 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 665 Health on S.C.R. No. 8

The purpose of this concurrent resolution is to request the United States Immigration and Naturalization Service to prevent the entry to Hawaii of aliens suffering from communicable diseases; to request the United States Public Health Service to amend their regulations to require health examinations and tuberculin tests for aliens entering the country on non-immigrant visas; to request the Public Health Service to support programs to detect and treat communicable diseases among foreign-born immigrants; to request the Public Health Service to reconsider 1975 amendments to regulations relating to the definition on active TB and diagnostic standards; and to express support of congressional legislation which addresses this problem.

Your Committee finds that, according to testimony by the Department of Health, in 1973, Hawaii had a new active case rate of 39.1 per 100,000 civilian population (including military dependents). This was the highest new active case rate among the 50 states, and compared to a national average of 14.8. The city of Honolulu ranked number two (2) among cities with a population of over 250,000, with a new active case rate of 49.9 being second only to Newark, New Jersey, where the case rate was 58.0.

Investigation of the data has shown that the basic reason for the high case rate is the high immigration rate from areas in the world where case rates are tenfold the rate here. In 1973, for example, 37.3% of the cases were in immigrants or non-immigrant aliens who had resided here less than one year and who had the disease on arrival. 10.6% was in foreign-born individuals who had resided here for from one to five years, and 19.8% in foreign-born individuals who had lived here for more than five years.

Your Committee has amended this concurrent resolution to add several resolved clauses to strengthen the urgency of the concurrent resolution and supply necessary details on specific recommended actions to alleviate this serious problem. Your Committee is alarmed at the continuing high rate of tuberculosis in Hawaii and is convinced of the need for federal action at the earliest possible date.

Your Committee on Health is in accord with the intent and purpose of S.C.R. No. 8 as amended herein and recommends its adoption in the form attached hereto as S.C.R. No. 8, S.D. 1.

Signed by all members of the Committee.

SCRep. 666 Consumer Protection on H.B. No. 132

The purpose of this Bill is to authorize the director of the Office of Consumer Protection to bring civil actions to collect civil penalties for violations of Section 480-2, Hawaii Revised Statutes.

Under present law, only the Attorney General is authorized to recover civil penalties for violations of Section 480-2. While the majority of actions filed by the Office of Consumer Protection are for violations of Section 480-2, its authority to collect civil penalties for such violations has been challenged on the basis that the present statute only authorizes the Attorney General to recover such penalties.

This Bill amends Section 480-3.1, Hawaii Revised Statutes to authorize the director of the Office of Consumer Protection to bring actions to recover civil penalties for violations of Section 480-2.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 132 and recommends that it pass second reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 667 Consumer Protection on H.B. No. 133

The purpose of this bill is to authorize circuit courts to enjoin or prohibit violations of laws or ordinances upon application of the director of the Office of Consumer Protection as well as other government legal officers.

Under present law the director of the Office of Consumer Protection is not named as one of the government legal officers upon whose application the circuit courts may enjoin violations of State laws or county ordinances. This Bill amends Section 603-23, Hawaii Revised Statutes, to authorize the circuit courts to enjoin violations of laws upon application of the director of the Office of Consumer Protection. This will provide the Office of Consumer Protection a much needed legal measure, the injunction, in stopping deceptive business practices.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 133, H.D. 1, and recommends that it pass second reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 668 Consumer Protection on H.B. No. 134

The purpose of this Bill is to authorize the director of the Office of Consumer Protection to bring actions to enjoin violations of unfair or deceptive acts or practices declared unlawful by Section 480-2, Hawaii Revised Statutes.

Under present law, only the Attorney General is authorized to bring injunctive proceedings to halt unfair and deceptive acts or practices. The Office of Consumer Protection has been challenged as to its authority to initiate such proceedings.

This Bill amends Section 480-15, Hawaii Revised Statutes, by empowering the director of the Office of Consumer Protection to bring proceedings to halt unfair and deceptive acts or practices which violate Section 480-2.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 134 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 669 Human Resources on H.B. No. 66

The purpose of this Act is to maintain and expand the multi-phasic health screening program to cover senior citizens throughout the State.

In examining the current fiscal status of the screening program, your Committee learned that the current program conducted by Hawaii Senior Services, Inc. is operated by federal funds which are scheduled to expire on June 30, 1975.

This bill proposes to appropriate the sum of \$120,465 to maintain and expand the multi-phasic health screening program. This figure is based on requests submitted by the Hawaii State Commission on Aging in cooperation with representatives from Hawaii Senior Services, Inc.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 66, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 670 Human Resources on H.B. No. 67

The purpose of this Act is to increase Statewide outreach services for the elderly.

Your Committee adopted the recommended appropriations figure as submitted by the Commission on Aging of \$415,946. The distribution by outer islands is as follows: Kauau, \$57,180; Oahu, \$135,365; Maui, \$58,448; and Hawaii, \$164,953; for a total of \$415,946.

Your Committee has amended the bill to provide for the expenditure of funds in Section 3 of this bill by the Commission on Aging.

Your Committee finds that the Commission on Aging should be the proper channel for expenditure of funds for all elderly programs.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 67, H.D. 1, in the form attached hereto as H.B. No. 67, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 671 Human Resources on H.B. No. 1037

The purpose of this bill is to correct the reference to the Charter of the City and County of Honolulu.

Your Committee finds that this correction is necessary due to the recent revision of the Charter of the City and County of Honolulu which changed the numbering of the Sections from "5-603" to "6-303".

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1037 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 672 Human Resources on H.B. No. 1864

The purpose of this bill is to amend the restrictions on who may become a State elevator inspector by referring to department policy on inspector qualifications.

At present there is a requirement that a prospective elevator inspector must have at least 5 years experience as an elevator mechanic. A qualified inspector of this experience earns approximately \$20,000 per year in private industry while the State elevator inspector's starting salary is approximately \$11,000 per year. While this regulation is an assurance that those who qualify will be competent, it has severely hampered recruitment for this position.

The department suggests allowing alternatives to the 5 years experience requirement without sacrificing competency and quality. These requirements are still quite selective yet more flexible.

Your Committee agrees with the department that the provisions of Act 22, Section 395-5.5 (b) are too rigid and that under these provisions elevator inspector positions cannot be filled because of the lack of "qualified" applicants. Therefore, the department has not been able to fill this position since the passage of the Act in 1974.

Your Committee on Human Resources is in accord with the intent and purpose of

H.B. No. 1864 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 673 (Majority) Human Resources on H.B. No. 1884

The purpose of the bill is to create a Second Deputy Director in the Department of Social Services and Housing.

Your Committee finds that the creation of a Second Deputy Director position will enable the Department to provide the administrative supervision and control that is appropriate to the size and importance of the programs involved. This new position will also enable the Department to more adequately meet the expectation which the community has of the Department.

Your Committee further finds that the Director of the Department can no longer maintain the breadth and depth of administrative contact that is called for with the assistance of the Deputy.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1884, and recommends that it pass Second Reading, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator R. Wong.
Senator Rohlfing did not concur.

SCRep. 674 Human Resources on H.B. No. 416

The purpose of this bill is to amend the Workmen's Compensation Law by deleting therefrom the term "workmen's compensation" wherever it appears and substituting the term "workers' compensation".

The Workmen's Compensation Law was enacted in 1915 when the work force was composed predominantly of male workers. The word "workmen", however, does not accurately reflect the present composition of the work force. Your Committee agrees the Workmen's Compensation Law is a Workers' Compensation Law and that vestiges of past discrimination in employment based upon sex should be removed from the law.

This bill is an administration proposal. The director of labor and industrial relations, however, has called your Committee's attention to the fact that the term in question also appears in other statutes such as Temporary Disability Insurance Law, Chapter 392. He has recommended that the scope of the bill be expanded to delete the term "workmen's compensation" from the Hawaii Revised Statutes, rather than from only Chapter 386.

Your Committee has accepted the foregoing recommendation of the director and amended the bill by making the provisions of Section 1 of the bill apply to the Hawaii Revised Statutes. The intent of the bill as amended is to delete the term "workmen's compensation" from the Hawaii Revised Statutes wherever it appears and to substitute a term which now more aptly describes the law.

During the public hearing conducted on the bill by your Committee, the Board of Underwriters of Hawaii expressed concern over a problem which would arise in the transitional period. The particular problem is related to the use of the deleted term in existing policies and other official documents. The department of labor and industrial relations, however, has informed your Committee that this would pose no problem as it will continue to accept the present forms until existing supplies of such documents are exhausted.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 416, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 675 Human Resources on H.B. No. 418

The purpose of this bill is to amend the Hawaii Occupational Safety and Health Law in several respects to keep it in conformity with federal standards.

Public Law 91-596, the Federal Occupational Safety and Health Act, prescribes standards

on occupational safety and health which are applicable on a nation-wide basis. However, a state is permitted to administer and enforce occupational safety and health standards under its own law if the state law is "as effective" as the federal law. Act 57, Session Laws of 1972, was enacted so the state could retain the authority to administer its own law. The law was recently reviewed and federal authorities have recommended several amendments designed to strengthen the law and keep it "as effective" as the federal law. The recommendations are embodied in Section 1 to 7 of the bill and the director of labor and industrial relations urges their adoption.

The specific proposals for amendment of Hawaii Occupational Safety and Health Law are:

1. Section 1 of the bill proposes a change in the definition section of the law which would clarify the state's jurisdiction to include every place of employment other than a place where the exclusive safety jurisdiction is vested in a federal agency.

2. Section 2 proposes to add new language which would permit the department of labor and industrial relations to prosecute, defend, and maintain actions to enforce the law.

3. Section 3 proposes criminal sanctions against persons who unlawfully use or possess explosives.

4. Sections 4, 5, and 6 propose clarifications in the administrative appeals procedures and in the provisions for judicial review of decisions of the labor and industrial relations appeals board.

5. Section 7 proposes to authorize the appeals board to issue orders to protect the confidentiality of trade secrets.

Your Committee agrees that the Hawaii Occupational Safety and Health Law should be amended to improve its effectiveness and to keep it in compliance with federal standards.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 418 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 676 Human Resources on H.B. No. 582

The purpose of this bill is to set forth more fully the conditions under which the Director of Labor and Industrial Relations may award compensation for disfigurement.

Your Committee after due consideration has deleted the provision relating to disfigurement and in its stead substituted an amendment to Section 286-43 (b) to allow death benefits to be exceeded in case of an unmarried child over eighteen incapable of self-support as long as he or she is otherwise entitled to such compensation. Your Committee finds that such child should be given the same benefit as a surviving spouse or a child below the age of eighteen.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 582, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 677 Human Resources on H.B. No. 606

The purpose of this bill is to clarify Section 78-5, Hawaii Revised Statutes, which authorizes the appointment of public officers and employees to boards and commissions.

Your Committee finds that the proposed amendment would clarify where service on a board or commission would be inconsistent or incompatible with his regular duties, an officer or employee may serve on boards or commission, other than the Civil Service Commission.

Your Committee further finds that the appointment of a public officer or employee to serve on a board or commission is beneficial because his expertise is often desirable, regardless of whether he is employed by the State or County.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 606, and recommends that it pass Second Reading, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 678 Higher Education on H.B. No. 24

The purpose of this bill is:

- 1) To amend the existing statute to enable the State to participate with the Federal government in providing grants to substantially needy students as part of a total package of financial aid under the State Student Incentive Grant Program (SSIGP).
- 2) To appropriate \$290,000 for the 1975-77 biennium for the Scholarship program.
- 3) To appropriate \$96,000 for the College Work-Study Program for the fiscal year 1975-76.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 24, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 679 Higher Education on H.B. No. 313

The purpose of this Bill is to appropriate funds out of the general revenues of the State of Hawaii for the operation of the Comprehensive Training Program (University Without Walls).

The Bill appropriates the sum of \$365,153. However, your Committee has amended this figure to \$221,000 in order to sustain the program at its current level for the year 1975-76.

Your Committee recommends that no additional positions be allowed and no new equipment be purchased at this time.

Your Committee also recommends that the University consider the possibility of including the Comprehensive Training Program in the Hawaii Open Program for the Excluded (HOPE). HOPE is a more comprehensive program to educate the disadvantaged.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 313, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 680 Higher Education on H.B. No. 453

The purpose of this bill is to appropriate \$325,000 out of the general revenues of the State of Hawaii for the State Higher Education Loan Fund (SHELF).

Established by the State Legislature in 1969, SHELF is assisting some 400 students. It has been of great assistance to students and their parents in the lower middle to middle income brackets.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 453, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 681 Higher Education on H.B. No. 1732

The purpose of this Bill is to enable the Community Colleges to conduct special programs which would be supported by funds collected by the colleges which are not part of the regular credit program. This Bill is to create a special fund so the colleges can receive, disburse, and account for these funds.

Your Committee finds that the regular Community College programs are limited in their ability to go off campus because of the controlled growth policy and the limitation of general funds. The Community College enrollment is increasing, and there appears to be a segment of the population who are willing to pay a special fee if the courses are offered off campus. Up to the present, the Community Colleges are not able to provide special programs without a special fund.

This special funding capacity will afford the Community Colleges to conduct summer sessions, overseas programs, evening sessions, study abroad, cultural enrichment programs, and other related activities. This fund will permit the colleges to perform community service functions which have been lacking. The accreditation teams of the various colleges have mentioned this as a concern of the Community Colleges.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1732, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 682 Human Resources on H.B. No. 152

The purpose of this bill is to amend the Workmen's Compensation Law to cover domestic workers.

The definition of "employee" in Chapter 386 presently does not include an individual whose "employment is solely for personal, family or household purposes". This serves to exclude domestic workers such as gardeners, maids, chauffeurs, and valets from coverage under the law. Thus a sizeable number of workers has been left without protection against wage loss from work-related injuries and disabilities.

This bill proposes to amend the definition of "employee" so that an individual employed "solely for personal, family, or household purposes" would be included within the meaning of the term and be afforded coverage and protection under the Workmen's Compensation Law.

Your Committee agrees that domestic workers should be covered under the law as they are exposed to the risk of injury and wage loss from work-related causes like all other workers.

The proposal was supported by the director of labor and industrial relations in his testimony before your Committee. However, his recommendation was that workmen's compensation coverage be extended only to those domestic workers who receive remuneration in cash amounting to at least \$50 in any calendar quarter from a single household. This would tend to exclude casual domestic employment and facilitate enforcement of the law as it will apply to domestic workers. Your Committee has adopted the foregoing recommendation of the director and amended the bill to limit the law's coverage of domestic workers only to those who are paid \$50 or more in cash during any calendar quarter from a single household.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 152, H.D. 2 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 152, H.D. 2, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 683 Human Resources on H.B. No. 597

The purpose of this bill is to appropriate monies out of the general revenues of the State of Hawaii to conduct a feasibility study relating to the Hawaii Income Assurance System (HIAS) for Hawaii's elderly.

Your Committee finds that one out of every five elderly persons live below the poverty level. Many of these elderly in Hawaii live on fixed incomes which are often insufficient to meet their basic living requirements. Furthermore, the present State and Federal system of providing income for the elderly is often inadequate in meeting the rising cost of living.

Your Committee recognizes that the proposal for the Hawaii Income Assurance System presented in the Comprehensive Master Plan for the Elderly is an alternative for providing supplemental benefits to the elderly assuring them of an adequate level of income.

However, an indepth study on the feasibility of this program is required.

Your Committee recommends that an appropriation of \$50,000 be expended by the Office of the Governor for the purpose of this bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 597, H.D. 1, as amended herein, and recommends that it pass Second Reading in the amended form attached hereto as H.B. No. 597, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 684 Human Resources on H.B. No. 946

The purpose of this bill is twofold: (1) to amend Chapter 350, Hawaii Revised Statutes, concerning child abuse, to include a definition of "child abuse and neglect,"; and (2) to adopt a definition which substantially conforms to the definition set out in the federal "Child Abuse Prevention and Treatment Act", Public Law 93-247.

This bill provides the definition of "abuse or neglect of a minor" which means physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under circumstances which indicate that the minor's health or welfare has been or is harmed or threatened.

The Department of Social Services, Hawaii Medical Association and Child Protective Service Center indicate that specification in the law of what constitutes abuse and neglect of a child will significantly increase the reporting of such behavior, enhancing opportunities for preventive and corrective treatment to affected children and families.

Your Committee finds that the adoption of the definition proposed by H.B. No. 946, H.D. 1, which substantially conforms to the federal definition, will enable Hawaii's child abuse programs to qualify for federal grants provided for under the Child Abuse Prevention and Treatment Act, for which they might otherwise be ineligible.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 946, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 685 (Majority) Human Resources on H.B. No. 1886

The purpose of this bill is to raise the number of exempt employees within the Office of the Lieutenant Governor by changing "six" to "eight" in Subsection 5.

Your Committee finds that since 1967, the demands made upon the Office of the Lieutenant Governor have increased and, the provision of "six" exempt employees have restricted the office from seeking and hiring employees beyond that number even if proper justification for more employees can be established.

Your Committee has amended this bill by deleting the "eight" in Subsection 5 to provide more flexibility and capability than is available at present.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1886, as amended in the form attached hereto as H.B. No. 1886, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee. Senator Yamasaki did not concur.

SCRep. 686 Legislative Management

Informing the Senate that S.C.R. Nos. 111 to 118, S.R. Nos. 353 to 362, and Stand Com. Rep. Nos. 687 to 695 have been printed and are ready for distribution.

Signed by all members of the Committee except Senator Henderson.

SCRep. 687 Health on H.B. No. 383

The purpose of this bill is to enable selected vital statistics personnel engaged in registration of vital events, such as births, deaths, and marriages, to administer oaths to applicants

as to the truth of the information given in the forms submitted, statements made to support registration of a vital event or to correct items previously given in a certificate form.

At the present time, applicants appearing physically at the Research and Statistics Office are sent to private notaries to have statements and documents to be submitted to this office duly notarized. Authorizing selected vital statistics personnel to administer oaths similar to the authority granted to marriage license agents of the Health Department by Section 572-5(c) would save applicants an extra trip to a notary and expedite delayed registration of vital events and corrections of items on vital statistics certificates.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 383 and recommends it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 688 Health on H.B. No. 384

The purpose of this bill is to simplify reporting of fetal deaths to the Department of Health resulting from section 453-16 (intentional termination of pregnancy) as required by section 338-9 (filing and preparation of death and fetal death certificate), Hawaii Revised Statutes.

Your Committee finds the Attorney General rules last year that abortions based on section 453-16, Hawaii Revised Statutes, can be performed in a physician's office during the first three months of pregnancy. As a result, it is anticipated that a great many such abortions will not be reported to the Department of Health under the present legal reporting requirements. This proposed change will simplify the basic reporting procedure that covers such situations and, hence, should reduce the number of unreported cases. The bill will also simplify the reporting of such abortions done in hospitals. Additional detailed procedural requirements connected with such reporting can be provided for any departmental rules and regulations without further alterations to the statutes.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 384 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 689 Housing and Hawaiian Homes on S.C.R. No. 9

The purpose of this resolution is to urge the U.S. Department of Agriculture to adopt rules and regulations to implement Section 516 of the 1974 Housing and Community Development Act. This section authorizes the U.S. Department of Agriculture to facilitate the purchase of condominiums in rural areas by low and moderate income persons through the granting and insuring of loans.

Your Committee recognizes that condominium development on lower-cost rural land can make available much-needed housing at prices within the means of low or moderate income households. However, the funds from this program are not now available to Hawaii and other states because rules and regulations to govern the program have not been formulated and adopted. This concurrent resolution requests the assistance of the U.S. Department of Housing and Urban Development and the Hawaii Housing Authority to assist the U.S. Department of Agriculture in formulating such rules and regulations.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 690 Military and Civil Defense on H.B. No. 277

The purpose of the Bill is to increase the uniform maintenance allowance for the enlisted personnel of the Army and Air National Guard of Hawaii while in training from 70 cents per day to \$1.50 per day and to provide for such allowance when they are ordered to active service by the Governor of the State.

The Bill is similar to S.B. No. 174, S.D. 1, which was acted upon favorably by your Committee on Military and Civil Defense and referred to the Committee on Ways and Means. (Senate Standing Committee Report No. 126)

Your Committee on Military and Civil Defense is in accord with the intent and purpose of H.B. No. 277, H.D. 1, and recommends that it pass Second Reading and be referred

to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 691 Military and Civil Defense on H.B. No. 377

The purpose of the bill is to provide the legal authority to the Department of Defense to permit the use of or temporarily rent portions of its armories, rifle ranges, reservations and installations which are State-owned as well as on license from the Federal government to civic, community, veterans and other non-profit public organizations and groups provided the use did not interfere with the military use thereof.

The bill is identical to S.B. No. 248 which was acted upon favorably by your Committee on Military and Civil Defense and referred to the Committee on Ways and Means. (Senate Standing Committee Report No. 84)

Your Committee on Military and Civil Defense is in accord with the intent and purpose of H.B. No. 377 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 692 Human Resources on H.B. No. 62

The purpose of this bill is to improve the coordination and delivery of programs and services to the elderly in Hawaii at both the State and county levels. Interim and pre-session work conducted by your Committee clearly established the fact that much of the dissatisfaction and problems associated with the current delivery of programs and services to the elderly were attributable to the fragmented fashion in which projects have been established, funded and operated. This finding was confirmed by Gordon Associates, Inc., who in their report "Comprehensive Master Plan for the Elderly," December 15, 1974, noted that "the examination of current service delivery capabilities in Hawaii for service programs for the elderly presents a picture of a system operating in contradiction to itself. In the jargon of the analyst, there is no comprehensive, coordinated, and integrated delivery system for the elderly. There are a number of competing public agencies that have more finite managerial control over the development and implementation of service programs that impact on the elderly than either the commission on aging or local area agencies despite the latter's mandate for informal clearance and review of all elderly program matters. This condition deprives the State of any effective administrative and planning function that could effectively integrate service delivery functions."

The goal of strengthening programs and services for the elderly can be markedly enhanced by establishing an executive office on aging within the office of the governor and making the director of the executive office on aging the principal official in state government solely responsible for the conduct, development, and control of programs, policies, and activities on behalf of the elderly. The proposed bill (1) provides the director with a deputy director and other support staff; (2) creates a policy advisory board appointed by the governor, a majority of whom are over sixty years of age to assist the director in policy deliberations; (3) creates county offices for elderly affairs and county policy councils for elderly affairs; and (4) abolishes the existing commission on aging.

At a public hearing before your Committee sitting in joint session with the House Committee on Youth and Elderly Affairs, witness testimony was unanimous in support of the basic structure and intent of the bill.

Your Committee after carefully considering the testimony has made the following amendments:

(1) Section 349-1(b), relating to the qualifications of the director of the executive office on aging, has been amended to expressly spell out the requirement for (A) professional training in the fields related to social work, education, public health; (B) extensive direct experience in programs and services for the elderly; and (C) recent experience in a supervisory, consultative, or administrative capacity.

(2) Section 349-2(3), relating to the principal functions of the director, has been amended to eliminate reference to the director's role in formulating and implementing other state agency policies and practices impacting on the elderly and to refocus the advocacy function from one of conducting such efforts to one of assessment and evaluation.

(3) Section 349-2(10), also relating to the duties of the director with respect to contracting

for services, has been amended to provide that the director may enter into master contracts with other state agencies and purchase of service agreements with appropriate agencies.

(4) Section 349-3(a), relating to the deputy director, has been amended to specify that the deputy director shall be professionally trained in the field of law and be licensed to practice before the courts of this State.

(5) Section 349-4, relating to the policy advisory board for elderly affairs, has been revised to (a) specify that the number of board members shall be not less than twenty-one nor more than twenty-seven; (B) affirmatively state that the board shall include one member from each county by name of county; (C) provide that the seven members representing the various state agencies shall serve as ex officio nonvoting members; (D) provide for staggered terms for the members; (E) specify that the chairman of the board shall be elected annually from among the nongovernmental voting members of the board; and (F) require that the board shall meet not less than twelve times a year.

(6) Section 349-8, relating to the powers of other departments and agencies and cooperation therewith with the executive office on aging, has been expanded to specify that it shall be the duty and responsibility of each state department and county agency serving the elderly to coordinate their efforts and programs with the executive office on aging and to clear its final plans with that office prior to implementation of such plans.

(7) A new Section 5 has been added to appropriate \$277,508.

(8) A new Section 6 has been added to provide that the sum appropriated shall be expended by the office of the governor.

(9) The existing Section 5 has been changed to a new Section 7 to provide, as previously, that the Act shall take effect upon its approval.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 62, H.D. 1, as amended herein, and recommends that it pass Second Reading in the amended form attached hereto as H.B. No. 62, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 693 Human Resources on H.B. No. 1877

The purpose of this Act is to rename an existing advisory board on vocational rehabilitation as the Board of Vocational Rehabilitation. The bill also increases the board membership from seven to eleven members.

Currently, the membership is composed of a representative from each of the four judicial circuits, the directors of the departments of health and labor, and the superintendent of education.

The Rehabilitation Act of 1973, Public Law 93-112, requires representation from recipients of vocational rehabilitation services, persons working in the field of vocational rehabilitation, and providers of vocational rehabilitation. By adding four members to the board, representation and assistance from these groups will be obtained.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1877 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 694 Ways and Means on H.B. No. 373

The purpose of this bill is to extend for an additional year the temporary 8% interest ceiling on State general obligation bonds. This had been previously authorized for one year until March 31, 1975 by Act 2, Session Laws of Hawaii 1974. Unless this bill is passed, the interest ceiling will revert back to 6% on April 1, 1975.

It is necessary to extend the temporary 8% interest ceiling because of the continued high interest rates in the municipal bond market. As of March 13, 1975, The Bond Buyers' 20Bond Index stood at 6.65%. Without the extension, the State may not be able to sell bonds in the coming months to finance needed capital improvement projects.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B.

No. 373 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 695 Consumer Protection on H.B. No. 147

The purpose of this bill is to regulate the sale of silver, gold or platinum in the form of bars or ingots for investment purposes.

This bill provides for the registration of bullion dealers and salesmen, with the department of regulatory agencies.

As originally drafted, this bill required bullion dealers to post a \$25,000 bond. The intent of this provision was to protect the consumer in an area in which the potential for harm is great. Your Committee is in accord with the intent of the provision; however, if enacted, it may adversely affect reputable bullion dealers currently operating in this State. Therefore, your Committee amended the bill by allowing the director to require proof of financial responsibility or a bond in the amount of \$15,000 for a bullion dealer. Your Committee finds that this will provide adequate protection for the consumer without hindering legitimate operations.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 147, H.D. 1, as amended and attached hereto as H.B. No. 147, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 696 Legislative Management

Informing the Senate that S.C.R. Nos. 119 to 121, S.R. Nos. 363 to 365 and Stand. Com. Rep. Nos. 697 to 708 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 697 Human Resources on H.C.R. No. 81

The purpose of this resolution is to establish a Committee to Reduce Unemployment, to study Hawaii's unemployment problem and to propose methods and programs by which the unemployment rate may be decreased.

The Committee is to study the State and counties improvement projects with special attention to job creation; to look into State manpower development and training programs to create programs for public and private sectors; to provide methods of tax incentives to encourage employers to expand their labor force; to give special attention to Federal programs; to review welfare and unemployment laws; to coordinate all unemployment programs to a single agency for efficiency and accountability; and to resolve all other programs existing in the State, County or Federal projects into an overall program to solve unemployment in Hawaii.

Further, the Committee is to propose and prepare appropriate drafts to legislation to carry out the unemployment programs and to recommend it to the Legislature. The Committee is to be composed of fifteen members made up of State and County governments, business, labor and the general public. The Speaker of the House and the President of the Senate will appoint the Committee members not later than May 1, 1975. The findings and recommendations would be made 20 days prior to the convening of the 1976 Session.

Your Committee on Human Resources concurs with the intent of H.C.R. No. 81, H.D. 1 and recommends that it be adopted.

Signed by all members of the Committee.

SCRep. 698 Human Resources on H.B. No. 430

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes by establishing that any payment of public assistance monies made to or for the benefit of children constitute a debt owed the Department of Social Services and Housing by the non-supporting parent.

The proposed bill will provide the state with a mechanism to protect rights of dependent

children to be supported by their legally responsible parents. This bill would comply with Public Law 93-647, Child Support Programs, enacted on January 4, 1975. This public law specifically requires states to have laws for assignment of support rights to the state as a condition of eligibility for federal funds in the AFDC program and treatment of welfare support provided as a debt owed to the state.

In view of the fiscal benefits due to the Child Support Program, the state would receive 75% federal matching for state administrative cost instead of 50% providing the program is in operation effective July 1, 1975.

Your Committee amended the bill to provide a statutory basis for compliance with federal requirements:

"The Department shall adopt such rules and regulations as required or permitted by the Federal Government for the receipt of federal funds."

Your Committee further finds that reduction in welfare cost result from collection of child support obligations. 70% of the AFDC caseload or 9,745 cases are single parent households. The cost to the State represented by non-supporting absent and deserting parents are estimated to be \$750,000 for approximately 1,000 cases.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 430, H.D. 1 as amended in the form attached hereto as H.B. No. 430, H.D. 1, S.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 699 Human Resources on H.B. No. 1740

The purpose of this bill is to make an appropriation from the general revenues of the State for the expenses of the interim Committee to Reduce Unemployment to be established by H.C.R. No. 81, Regular Session of 1975. This appropriation is to be used to defray the Committee's expenses in the coming Statewide Conference for Employment opportunities.

Your Committee agrees with the appropriation for \$10,000.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1740, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 700 Housing and Hawaiian Homes on H.B. No. 12

The purpose of this bill is to increase the real property home exemption from \$8,000 to \$12,000. The bill also requires that exemptions apply to the principal home occupied by the claimant as of the date of assessment, but deletes the requirement that the home be occupied by the owner during the first three months of the tax year. The bill also clarifies that exemption may be granted when property is held by the entirety, jointly, or in common.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. 12, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Henderson.

SCRep. 701 Housing and Hawaiian Homes on H.B. No. 13

The purpose of this bill is to amend Chapter 146 relating to the real property tax law provisions dealing with residential dedication. The dedication provisions are amended in the following manner: (1) the sixty-year age requirement for owners or lessees wishing to dedicate their property for residential use is eliminated; (2) residential parcels, regardless of size, located within hotel, apartment, resort, commercial, or industrial zoned lands may now be dedicated for residential use; (3) the penalty provisions are amended to fix the date of retroactive assessments and the percentage penalty that is charged against violators of residential dedication is increased from eight to ten per cent; (4) automatic renewal of the dedication is authorized; (5) the five-year notice of cancellation of the dedication is eliminated, although the cancellation may still be exercised by the owner or the director of taxation; (6) sections 146-12.4 and 146-12.5

are repealed.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 13, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Henderson.

SCRep. 702 Housing and Hawaiian Homes on H.B. No. 1887

The purpose of this bill is to amend and clarify the definition of "displaced person" to exclude a squatter, trespasser, or occupier of land without the permission or consent of the landowner from government assistance as provided for in this chapter. This bill also provides a definition for "dwelling", not before included in this chapter, to mean any structure not in violation of building and zoning code ordinances.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. 1887, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Henderson.

SCRep. 703 Transportation on S.R. No. 40

The purpose of the Resolution is to request the Senate Committee on Transportation to conduct a full review of all present transportation systems within the State; to include the report of the State Department of Transportation and to report and make recommendations to the Legislature.

Your Committee on Transportation finds that there is no existing State Transportation plan responsive to the needs of the people of Hawaii. Further we find that there should be a plan to be reflective of the State's emerging economic social and environmental goals.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 40 and recommends its adoption.

Signed by all members of the Committee except Senator Hara.

SCRep. 704 Transportation on H.B. No. 857

The purpose of the bill is to provide additional revenue to the Highway Special Fund to finance the present and planned programs of the State Highway System. The bill was amended by the House Finance Committee to provide an overall increase of 3 1/2¢. This would increase the State fuel tax from 5 to 8 1/2¢ per gallon on liquid fuel other than fuel mentioned in Section 243 (a) (1) and (2), Hawaii Revised Statutes, and from 4 to 7 1/2¢ per gallon on diesel oil.

Your Committee on Transportation has undertaken a critical analysis of the Highway Special Fund. Your Committee finds that the present level of revenue does not meet the present or future needs in the land transportation facilities and service programs. Despite tautly administered austerity, a \$2 million deficit is expected for the current fiscal year.

Your Committee has examined various alternatives and respectfully recommends a 1 1/2¢ increase in the State tax on motor fuel. This recommended action coupled with other sources of revenue should restore the financial solvency of the State Highway Special Fund for the coming biennium. Specifically, your Committee recommends that the 4% excise tax on liquid fuel be transferred from the general fund to the Highway Special Fund.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 857, H.D. 2 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 857, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 705 Transportation on H.B. No. 1241

The purpose of the bill is to exclude from the definition of motor vehicles, bicycles

powered by a small assist motor.

Your Committee has reviewed the testimony presented and finds that these bicycles are currently being regulated as motor vehicle.

Your Committee has adopted several amendments to insure for safe riding conditions as well as equal treatment to available manufactured equipment. One such change is to specify a wheel size of 16 inches in diameter or greater to preclude the use of "play vehicles i.e. tricycles, scooters, skateboards, etc." from operating in bikeways or bike paths. The other significant changes is to increase the horsepower to not more than 1 1/2 horsepower in order to provide for wider assortment of available equipment. Your Committee finds that the speeds attained with the larger motor is still much less than those possible on existing racing type bicycles.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1241 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1241, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Hara.

SCRep. 706 Human Resources on H.C.R. No. 85

The purpose of this resolution is to have the Senate Committee on Human Resources and the House Committee on Youth and Elderly Affairs jointly review the progress, performance, and working relationships of the Commission on Children and Youth, the Community Coordinated Child Care Committee, and all agencies, offices and departments with program responsibilities for child development and youth services, and to report their findings to the Senate not later than twenty days prior to the Regular Session of 1976.

Your Committee finds that there appears to have been and continues to be 1) Confusion and lack of knowledge of earlier laws and the current law on the Commission on Children and Youth and its sub-committee, the Coordinated Child Care Committee (State 4-C); 2) Confusion on the roles, functions, and responsibilities of the Commission and its sub-committee, the State 4-C; 3) A serious breakdown in communication and cooperation between the Commission and its sub-committee, the State 4-C.

Your Committee further finds that child development services are planned for and delivered by a variety of State and local agencies, each from its own perspective and jurisdiction of responsibility, be it health, social services, education, court work, police, federal program objectives, or others. Therefore, there is a need for general comprehensive planning and coordination of services.

Your Committee on Human Resources is in accord with the intent and purpose of H.C.R. No. 85 and recommends its adoption.

Signed by all members of the Committee except Senator Henderson.

SCRep. 707 Housing and Hawaiian Homes on H.B. No. 54

The purpose of this bill is to amend the State Constitution to expressly authorize the State of Hawaii to provide needed housing for its citizens.

Your Committee amended the bill by (a) deleting the phrase "the provision of housing and to engage in" after the word "in" in Line 8 and replacing it with the word "housing"; and (b) deleting the phrase "as prescribed by law" after the word "housing" in line 10 and replacing it with the phrase "and the exercise of such power is deemed to be for a public use and purpose."

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 54, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 54, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator Henderson.

SCRep. 708 Economic Development on H.B. No. 1870

The purpose of this bill is to provide reform of Hawaii's Land Use Law which will: (1) require the development of State land use policies for submittal to the Legislature prior to its 1976 and 1977 Regular Sessions; and (2) establish procedures intended to

insure the effective application of such State land use policies by the Land Use Commission through an adversary process in which all interests will have the opportunity to compete in an open and orderly manner and public participation and citizen input will be encouraged.

Your Committee finds that there is an urgent need for substantive State land use policies to guide and govern the Land Use Commission in determining land use district boundaries. The standards of Hawaii's existing Land Use Law, although laudable, lack sufficient specificity to guide the Commission in the exercise of its very important functions. This bill as amended herein, requires that the Department of Planning and Economic Development, with the assistance of an advisory council, after public hearings in each of the counties, develop a statewide land use guidance policy relating to the development of the land, and the development of natural, environmental, recreational, scenic, historic and other resources in the State. This statewide land use guidance policy is to be approved by the Governor and submitted to the Legislature prior to its 1977 Regular Session for legislative review and adoption. Once effective, this statewide land use guidance policy will govern Commission actions amending land use district boundaries. This bill requires that the Land Use Commission diligently apply such policy and take only such action as is consistent with it.

Your Committee believes that the statewide land use guidance policy should be developed by an agency other than the Commission and should be reviewed and adopted by the Legislature. Accordingly, the policy is to be prepared by the Department of Planning and Economic Development with the advice and counsel of a newly created land use guidance advisory council. The advisory council members include the directors of Department of Planning and Economic Development, Agriculture and Land and Natural Resources, a representative from the Governor's office, one member of the land use commission, and the planning directors from each of the four counties. Upon completion, the land use guidance policy is to be submitted to the Governor for his approval, and then to the Legislature for the adoption by concurrent resolution.

This bill as passed by the House of Representatives did not contain the section relating to the development of substantive land use policies and criteria governing the Commission. This was not because the House did not appreciate the necessity of such policies and criteria but because their development was called for in a companion measure, H.B. No. 677. House Bill No. 677, a bill which is still under consideration in the Senate, sets forth a requirement that the Department of Planning and Economic Development develop policies related not only to land use but to virtually all facets of our social, economic and cultural life. We agree with the House that there is a vital necessity for policies in all areas of state concern. We doubt, however, that this can be effectively accomplished prior to the opening of the 1976 session, a matter of months after the effective date of this measure.

Your Committee believes, however, and has been assured by the State Administration, that policies and criteria relating primarily to land use and of sufficient quality and specificity to guide the Land Use Commission in its decisions can be developed prior the 1977 session. They will constitute only a portion of the overall policy plan, and undoubtedly may need revision after final completion of the comprehensive policy plan. Your Committee feels that they should nonetheless be developed as quickly as possible. The Commission's need for direction is acute. Accordingly, this bill requires the Department of Planning and Economic Development to submit the proposed statewide land use guidance policy to the Legislature prior to the 1977 session. In addition, the Department of Planning and Economic Development is required to present a status report as well as a preliminary draft of the policy to the Legislature prior to the 1976 session.

Your Committee believes that the judicial process offers the best opportunities for effective citizen participation as well as sound decisions in the public interest. There are several advantages to the judicial process. First, they are wholly open. All evidence is recorded verbatim for anyone to examine. The Commission must confine itself to evidence. It must state its findings of facts and conclusions of law in writing. Commissioners are precluded from communicating with anyone regarding the case except after proper notice to all parties. Further, an effective adversary process although not perfect is the best tool yet discovered for a full disclosure of the truth. It is noted that the desirability of a judicial process is not intended as criticism of the incumbent Commission. Your Committee recognizes that the present commission has had to operate within a procedural framework which the Legislature set forth when it enacted the Land Use Law in 1961.

Your Committee feels that the judicial process by requiring the Commission to base written decisions on proven facts protects the Commissioners themselves from unfounded accusations relating to the propriety of their decisions. The record in any given case will speak for itself concerning the merits of the decision. Your Committee believes that

land use decisions have become so vital to our community today that it is necessary for the entire decision-making process to be documented and governed by known policies. A judicial process achieves this result.

Your Committee recognizes that legislative hearings do offer the advantage of permitting any interested member of the public, at any time, to express his views to the Commission or a particular Commissioner. Yet, your Committee believes that the extremely liberal standing requirements in this bill ensure even greater effective participation by all interests and points of view in the judicial hearing than presently afforded in legislative hearings of the Commission. Standing to participate in a boundary amendment proceeding under the bill is as wide as possible consistent with the necessity of an orderly hearing. The Commission is required to admit as parties all persons directly and immediately affected by a proposed change. This would include not only persons who reside on or adjacent to the land but all others who can demonstrate an interest clearly distinguishable from that of the general public. For example, persons able to demonstrate that they would be directly affected by inadequate sewerage disposal, drainage problems or other physical effects stemming from the proposed change would have to be granted standing as parties. In addition, any member of the public has the right to apply for admission and such applications can be denied only if the applicant's position is represented in the case and the admission of further parties will render the hearing cumbersome and unmanageable.

In an effort to further insure effective citizen input in land use proceedings your Committee has amended the bill to include a provision specifically directing the Commission to call as its witnesses during the judicial hearing representatives of citizen or community groups who indicate a desire to express their opinions and values relative to the proposed change. The Commission is empowered to limit cross-examination of such witnesses except as is necessary for a full disclosure of the facts.

Your Committee notes that the Committee on Ecology, Environment and Recreation, in Senate Draft 1, added a requirement that the Commission hold at least one legislative hearing in addition to the quasi-judicial hearing. Your Committee shares the Committee on Ecology, Environment, and Recreation's concern for the widest possible citizen input in these proceedings. Your Committee believes, however, that the liberal provisions governing the judicial hearing previously described insures full citizen participation. Accordingly, your committee has deleted the provision relating to a legislative hearing. Several significant problems arise from the inclusion of such a provision.

First, as a result of the Hawaii Supreme Court's decision in Town v. The Land Use Commission (June 19, 1974), such a process might be construed as an infringement on the constitutional rights of those with a property interest in the outcome of the proceeding. The Town case clearly indicates that an adjoining landowner has a property interest in a boundary amendment proceeding. Obviously, persons with an interest in the land itself have such an interest. These property interests would presumably be protected by the due process clauses of the Federal and State Constitutions. That being the case, any attempt by the Legislature to limit the right of these parties to cross-examine all witnesses offering evidence on which the Commission may base its decision could be construed as an interference with constitutional rights of such parties. It would appear that under the Town case any so-called legislative proceeding would in reality have to be a judicial one in order to protect the constitutional rights of those whose property interests are involved. Second, agency proceedings traditionally are recognized as either quasi-legislative or quasi-judicial in nature but not both. The Hawaii Administrative Procedure Act specially recognizes this distinction and provides for different procedures depending on the nature of the function being exercised. Requiring both kinds of procedures in a single proceeding would in your Committee's view result in confusion among members of the public desiring to express their views. Finally, your Committee points out that the judicial process itself in view of the very liberal standing requirements set forth in the bill provides an effective avenue for citizen participation.

The following paragraphs discuss the major changes in the Land Use Law accomplished by this bill as amended herein:

Section 2 of the bill amends section 205-1, Hawaii Revised Statutes, to repeal language providing that the Director of the Department of Planning and Economic Development and the Chairman of the Board of Land and Natural Resources shall serve as ex-officio voting members of the Commission. Since these departments of the State government will have standing to participate in proceedings before the Commission as parties, it is inconsistent that their heads also serve on the Commission. This section is also amended to provide that at least one member shall be appointed from each of the counties. The existing reference to "senatorial districts" is outdated. Other than the foregoing, there is no intent to change the composition of the Commission. Specifically, your Committee does not intend by this provision to change the operation of section 26-34,

Revised Statutes, relating to the length of time a single individual may serve as a commissioner. Your Committee intends that service on the Commission prior to the effective date of this act be included in determining whether a particular commissioner exceeds the eight year limit set forth in section 26-34.

Section 3 of the bill amends section 205-2, Hawaii Revised Statutes, to delete a sentence providing that the Commission shall set standards for determining land use district boundaries. As previously discussed, these standards are to be developed by the Department of Planning and Economic Development with assistance from an advisory council, approved by the Governor, and adopted by the Legislature. In addition, the term "agricultural parks" is added as one of the uses in agricultural districts.

Section 4 of the bill repeals old language which required the initial establishment of land use districts in 1964. As amended this section now simply provides that land use district boundaries existing on the effective date of this act shall continue in full force and effect subject to amendment as provided in the chapter. The new language is not intended to be an approval or ratification of any past Commission actions which may be subject to judicial review for litigation filed as of March 1, 1975.

Section 5 of the bill repeals the existing quasi-legislative procedures presently followed by the Land Use Commission and substitutes therefor the contested case or quasi-judicial procedures of the Hawaii Administrative Procedure Act. As stated this section also sets forth liberal standing requirements intended to insure an effective adversary process in which all public and private interests will be represented. The section does limit standing to petition for boundary changes to governmental agencies, both State and County, and persons with a property interest in the land sought to be reclassified. This limitation is necessary to produce some finality to Commission decisions. If a liberal standing requirement with respect to standing to petition were adopted, the Commission could be forced to react to an endless stream of petitions from members of the general public. This would be true even though the Commission may have recently established the boundary in question or may have already considered several petitions concerning the same land. Section 205-4 is also amended to make it clear that parties to proceedings to amend land use district boundaries may obtain judicial review thereof in the manner set forth in section 91-14, Hawaii Revised Statutes.

Sections 6 and 7 of the bill delete existing provisions of the Land Use Law relating to the adoption and amendment of regulations, and make it clear that the Commission may adopt, amend or repeal rules in the manner prescribed in chapter 91.

Section 8 of the bill repeals section 205-10, Hawaii Revised Statutes, which empowers the Commission to authorize a field officer to conduct a hearing and make a recommendation. Since under this bill hearings will be conducted in accordance with the contested case provisions of the Administrative Procedure Act, this provision is unnecessary. Under section 91-11, Hawaii Revised Statutes, the Commission would be authorized to appoint a hearing officer in an appropriate case.

Section 9 of the bill repeals section 205-11, Hawaii Revised Statutes, relating to the periodic review of districts. Under this bill the statewide land use guidance policy is to be reviewed every four years. It is unnecessary, therefore, to review the boundaries themselves at any particular interval.

Sections 10 and 11 of the bill provide for the adoption of an interim statewide land use guidance policy, which will remain in effect during the period from the effective date of this bill until the adoption of the permanent statewide land use guidance policy by the Legislature.

This interim policy sets forth the Legislature's present thinking with respect to its guidance of land use actions and decisions. Your Committee believes that these interim policies will effectively guide the commission during the interval between the present and the adoption of the permanent land use guidance policy.

Section 12 of the bill relates to the establishment of a permanent statewide land use guidance policy as has been discussed.

Your Committee has deleted the provision in the bill for the creation of a Land Use Division within the Department of Planning and Economic Development. We feel that such a division could be set up administratively without the necessity of statutory language.

Your Committee has made other minor amendments to this bill in the interests of clarity.

Your Committee believes that this measure takes a significant step forward in insuring

effective participatory democracy in the land use decision-making process. It establishes a workable framework through which the purposes of Hawaii's Land Use Law can be more effectively achieved.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1870, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1870, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator King.

SCRep. 709 Legislative Management

Informing the Senate that S.C.R. No. 122 and Stand. Com. Rep. Nos. 710 to 718 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 710 Health on H.B. No. 165

The purpose of this bill is to provide a comprehensive school health services program for grades kindergarten through twelve in the public schools of the State.

The report of the Legislative Auditor entitled "Program Audit of the School Health Services Project" submitted to the 1975 Legislature found that the School Health Services Pilot Project established under Act 130, Session Laws of Hawaii 1970, was generally effective in achieving program objectives. It further reported that there exists a need for readily accessible emergency health assistance services in the schools, and the paraprofessional approach in providing such services is a cost-effective approach.

However, the Report pointed out a number of program deficiencies. Among these are:

1. Project schools are not significantly better than non-project schools at maintaining required and recommended physical examination, tuberculin testing, and immunization levels;

Your Committee is particularly concerned with the finding by the Legislative Auditor that "a majority of students in both types of schools are not in compliance with recommended health guidelines, receive fewer physical examinations than they should, and receive less immunization and tuberculin testing than they should. There may be a number of upper grade level students whose DPT immunizations have expired, and a distressingly large number of students may have received no tuberculin test." Your Committee feels it is imperative that early inquiry be made into this deficiency, with a view towards alleviating it at the earliest possible time.

2. Unclear accident reporting criteria and procedures;
3. Poor maintenance of health records at higher grade levels;
4. Doubtful value of height and weight screening as currently conducted; and
5. Other operational problems.

In providing funding for the expansion of the School Health Services Project to all the schools in the State, your Committee recommends that the pilot project status of the program be continued to provide an interim period during which the Department of Health and the Department of Education may correct program deficiencies identified in the Auditor's report. Your Committee further recommends that the Governor's Advisory Committee for the School Health Services Pilot Project submit a report to the 1976 Legislature on the status of correcting such program deficiencies.

To realize an orderly implementation and mindful of the fiscal constraints, your Committee has amended the bill to recommend expansion of the School Health Services program in all of the public schools through a four-year installation plan.

Your Committee further recommends that the staffing positions be civil service exempt positions until such time as the program is fully implemented whereby an evaluation may be made to determine the feasibility of civil service pay rates for the School Health Services personnel.

Your Committee has therefore amended the bill by appropriating \$2,019,573 to be

expended as follows:

	<u>1975-76</u>	<u>1976-77</u>
	(195)	(267)
Personnel Costs	\$ 760,620	\$ 1,039,141
Current Other Expenses	56,250	81,062
Equipment	39,500	43,000

It is the intent of your Committee that appropriations by the Department of Health not exceed the level of current services contained in the Executive Budget for this program.

Your Committee on Health is in accord with the intent and purpose of House Bill No. 165, H.D. 2 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 165, H.D. 2, S.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 711 Judiciary on H.C.R. No. 5

The purpose of this Concurrent Resolution is to have the Eighth Legislature proclaim 1975 as International Women's Year for the reasons and purposes set forth in the resolution itself.

Your Committee takes cognizance of the fact that both the United Nations General Assembly and the President of the United States have proclaimed 1975 as International Women's Year, with special activities and events planned in its observance. Your Committee takes pride in recognizing the unique contribution of women to the administration of community, state, national and world affairs.

Your Committee on Judiciary is in accord with the intent and purpose of H.C.R. No. 5 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 712 Judiciary on H.C.R. No. 100

The purpose of this resolution is to declare Hawaii State Legislature's support of the Hawaiian Native Claims bill.

Your Committee finds that the historic injustices suffered by the Hawaiians, as expounded by the resolution demonstrate a need for Native reparations. There is no question as to the merit of the bill now before the United States Congress. As the time for hearing the bill is imminent, it is imperative that the legislature express its support in a united, affirmative voice. Legislative support of the measure may help amend the injustices.

Your Committee has amended the concurrent resolution by inserting the phrase "is said to have" preceding the word "admitted" in the sixth paragraph.

Your Committee on Judiciary is in accord with the intent and purpose of H.C.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 100, S.D. 1.

Signed by all members of the Committee.

SCRep. 713 Consumer Protection on H.B. No. 141

The purpose of this bill is to clarify the application procedures for mechanic's and materialmen's liens.

This bill amends Section 507-43(a), Hawaii Revised Statutes, by permitting a consumer to submit evidence in a hearing for the attachment of a lien against his property. This bill also amends Section 507-49 by deleting a provision which presently requires supply houses to update credit applications of contractors every three months.

These measures are being proposed to streamline and clarify present procedures involving mechanic's and materialmen's liens.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 141, H.D. 1 and recommends that it pass Second Reading and be referred to

the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 714 Consumer Protection on H.B. No. 499

The purpose of this bill is to prohibit discrimination on the basis of marital status in credit and real estate transactions as well as in employment.

Although the provisions of this bill are similar to federal legislation which becomes effective later this year, the federal agency responsible for enforcement lacks the necessary funding and personnel to provide adequate protection for Hawaii's citizens. This bill will provide the means to enforce these provisions through local agencies.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 499, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 715 (Majority) Consumer Protection on H.B. No. 821

The purpose of this bill is to amend the provisions of Act 205, Session Laws of Hawaii, 1972.

Act 205 provides an exemption from antitrust laws for the joint operations of newspapers, which are established to preserve the financial viability of one of the publications.

The Hawaii Newspaper Agency was formed in 1961, by the Honolulu Advertiser and the Honolulu Star-Bulletin in an attempt to alleviate the bleak financial situation of the Advertiser.

The Legislature adopted Act 205 in 1972, because of concern that the joint operation was in possible violation of antitrust statutes. The stated intent of the Legislature was first to preserve two independent editorial voices in the community, and secondly, to maintain the vital service of information dissemination to all of Hawaii's residents.

Since the enactment of this exemption, subscription costs and advertising rates have increased dramatically and home delivery has been terminated on the neighbor islands by the Honolulu Star-Bulletin.

Your Committee finds that the right of freedom of the press which is guaranteed by the first amendment of the United States Constitution, is the basis of our democracy and is fundamental to preserving the integrity of all other civil and human rights. However, it also finds that with respect to commerce and business practices, newspapers are no different from any other sole proprietorship, partnership, or corporation, as they have a obligation to provide adequate services to consumers for a fair price.

Although the antitrust exemption for newspapers has preserved the two independent editorial voices, to business establishments, which advertise, Hawaii is a one-newspaper state. These firms, which eventually pass these costs to Hawaii's consumers, are forced to deal with a government-sanctioned monopoly.

Because the Legislature has decided to permit this situation to exist, it has a moral responsibility to the consumers of Hawaii, to constantly ascertain whether they are paying a fair price, receiving adequate services, and to reassess the need for the continuance of assistance to the newspapers.

H.B. No. 821, H.D. 1 requires that newspapers of a joint operation which enjoys antitrust exemption, file an annual report with the Attorney General regarding profits, losses, and return of investment. These newspapers would also be required to report any rate or circulation changes, and to maintain reasonable availability of their service to all residents regardless of geographical location.

Upon consideration of this bill, your Committee made the following amendments:

(1) The purpose section was deleted.

(2) The provision to require the reasonably consistent availability of editorial policy was deleted. The intent of this provision was to require service such as home delivery on the neighbor islands. The Committee finds that there does not exist a strong need

for legislation of this type at the present time.

Although the constitutionality of this measure may be questioned, it is not the intent of your Committee to infringe upon any first amendment rights but rather to establish a balance between the interests of consumers and government-protected newspapers. Your Committee also believes that the courts should make the final determination regarding the validity of this proposed Act.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 821, H.D. 1 as amended and attached hereto as H.B. No. 821, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.
Senators O'Connor and Saiki did not concur.

SCRep. 716 Consumer Protection on H.B. No. 1209

The purpose of this bill is to provide for restitution to consumers who have incurred losses as a result of unfair or deceptive business practices.

Presently, the Office of Consumer Protection is not specifically authorized to take legal action seeking restitution for consumers who have been damaged by unfair or deceptive business practices. These consumers are often the witnesses for the State in actions filed by the Office of Consumer Protection to collect civil penalties for violation of consumer protection laws or to enjoin unfair or deceptive business practices. However, upon successful prosecution of the case by the Office of Consumer Protection, the consumers who have experienced losses are left to file their own actions in order to recover their damages. Your Committee believes that such consumers should have the opportunity to receive restitution without the necessity of filing a separate action.

This bill authorizes the courts to order restitution to consumers in cases filed by the Office of Consumer Protection to collect civil penalties or enjoin unfair or deceptive business practices. Restitution is limited to those consumers who have complained to the Office of Consumer Protection prior to the initiation of the action by that office. Further, consumers in whose favor restitution is ordered may refuse restitution and file their own actions but acceptance and full performance of restitution bars recovery of further damages by consumers who accept restitution from the person making restitution.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1209 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 717 Consumer Protection on H.B. No. 1874

The purpose of this bill is to assist consumers who are faced with "double-pay" situations in dealings with licensed contractors.

Presently some homeowners who have hired and paid a contractor, are faced with a mechanic's or materialmen's lien against their property because of the contractors failure to pay subcontractors or employees. This bill would ease access to the Contractors Recovery Fund for homeowners caught in this situation.

This bill also replaces references to "licensee" with "licensed contractor" in the provisions of the fund to limit recovery to acts of a contractor rather than an employee who may also be a licensee. The fund was established to protect consumers from the wrongful acts of contractors and not from the acts of an employee not acting on behalf of a contractor.

Most homeowners become involved in "double-pay" situations because they have little or no knowledge of lien rights or the consumers option to demand bonding on the project. Your Committee amended the bill by requiring contractors to disclose and inform the consumers of lien rights and the bonding option. Your Committee finds that prevention through education may reduce the number of these situations and subsequent claims against the fund.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1874, H.D. 1 as amended and attached herein as H.B. No. 1874, H.D. 1, S.D. 1

and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 718 Consumer Protection on H.B. No. 850

The purpose of this bill is to amend Chapter 294, Hawaii Revised Statutes, Hawaii's No-Fault automobile insurance law.

This chapter creates a system of reparations for accidental harm and loss arising from motor vehicle accidents, which compensates these damages without regard to fault, and limits tort liability for these accidents. While the basic intent and purpose of this chapter remains valid, there is need to make further amendments and modifications in order to refine the motor vehicle reparations system.

Your Committee considered the bill and made changes which will amend Chapter 294 in the following manner:

1. Section 294-2. Item (7) is amended by changing the definition of "monthly earnings" to mean 85% of one-twelfth of the average annual earnings of a person. Presently, one-twelfth of the person's annual earnings is considered to be his monthly earnings which permits persons to receive payments equal to what he would be receiving on the job. It is standard procedure in health and workmen's compensation insurance, to pay benefits slightly less than the actual income of a person to provide incentive to return to work. The Committee believes that premiums should be lowered accordingly.

2. Section 294-2. Item (8) was originally amended by H.B. No. 850, H.D. 1, to exclude trailer from the definition of motor vehicle based on the assumption that a trailer would be covered by the vehicle transporting it. Your Committee is not in accord with this assumption and therefore deleted the amendment accordingly.

3. Section 294-3. Item (c), relating to "maximum limit" of no-fault benefits, is reworded for purposes of clarity.

4. Section 294-7. This section is changed to provide for a right of subrogation to the no-fault insurer for all of the no-fault benefits paid by such insurer. Under the former provision, only 50% of such benefits was subject to subrogation which permits a person to receive a "bonus" of 50% of his no-fault benefits if he receives a settlement or obtains a collectable judgment against a third-party tortfeasor. Subrogation recoveries reduce net losses and premiums, and because most third-party recoveries are for death or serious injuries where high settlements and judgments are received, there seems little justification to deny the insurer full subrogation rights.

5. Section 294-10. Item (b) which requires the commissioner to accumulate experience data based on the claims made from maximum to zero and then determine the dollar amount under which 90 per cent of all motor vehicle medical claims fall, is amended by using the amount of \$1.00 in place of zero. The Committee finds that the zero figure is impractical and the intent of the law is to determine 90 per cent of all claims in which there was payment rather than all claims. The no-fault threshold is a vital and crucial component of the reparations system which must realistically reflect the experience of medical-rehab costs. The Committee finds that this amendment will clarify and improve the existing wording of this provision.

6. Section 294-13(b)(6)(D) was originally amended in H.B. No. 850, H.D. 1, by extending the period in which insurance companies could not increase rates by one year to September 1, 1976. The bill was amended by retaining the original September 1, 1975 limitation because the intent of the provision was to provide for competition in the market to the benefit of the consumer as soon as practical.

7. Section 294-13(m) relating to the 10% student discount is deleted. Hawaii's no-fault anti-discrimination provision regarding rates has been the subject of careful study and praise by other states interested in enacting or improving no-fault systems. Although the Committee is in accord with the intent of this provision to provide relief for students, it finds that other groups, such as senior citizens also deserve consideration. Granting these privileges to these groups would in effect, re-institute discriminatory rate-making which is contrary to the intent and spirit of fair and objective rate-making.

8. Section 294-35(1) has been reworded to clarify the intent.

9. Section 294-39(c) has been amended by the inclusion of a civil fine of up to \$1,000

or 30 days imprisonment, together with suspension of a driver's license or forfeiture of vehicle registration for violations of the mandatory insurance provisions of no-fault. As originally amended by H.B. No. 850, H.D. 1, a person "may" have been subject to these penalty provisions. Your Committee amended the bill by replacing the word "may", with the word "shall" to strengthen the intent of the proposal.

10. A new section was created to provide for a driver education fund underwriters fee of \$1.00 per insured vehicle. As originally drafted, these funds would be equitably distributed between the circuit court and the Department of Education. Your Committee amended the bill by providing that at least 50% of the funds are allocated for the Department's program, where the greatest need, and the greatest potential educational value exists.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 850, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 850, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 719 Legislative Management

Informing the Senate that Gov. Msg. Nos. 88 to 205, S.C.R. No. 123, S.R. Nos. 366 and 367 and Stand. Com. Rep. Nos. 720 to 739 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 720 Health on H.B. No. 518

The purpose of this bill is to exclude from discovery, peer review proceedings and records of optometrists.

Presently, the medical and dental professions enjoy this privilege. This bill would include the optometrical profession.

This discovery privilege is limited to only peer review committees at hospitals and of the societies of the profession. The underlying policy for excluding peer review from discovery is that the intent of peer review is to improve the quality of care and thus should not be subject to inquiry.

Your Committee has amended this bill to remove from civil liability for communicating of conclusions from the Peer Review Committees of Professional Medical Societies to a similar committee, or to an authority which licenses such professions, or to a government agency charged the responsibility for administering a program of medical assistance in which services are provided by private practitioners. This purpose is accomplished by amending Section 663-1.7, Hawaii Revised Statutes.

Your Committee finds that peer review activities of the medical society are focused on the performance of membership striving for the highest level of professional response of the physicians to patients' needs. Such groups are voluntary professional associations, and while peer pressure holds a great deal of potential power, there is no real power of enforcement from the standpoint of withholding the privilege of practice or restricting the practice of a physician to those fields in which he has competence.

Your Committee further finds that it represents a serious legal hazard for the medical societies to report their findings outside of its own organization and inform those that may have power to restrict or control an individual's practice of medicine. That protection from reprisal when informing hospital review committees, the Board of Medical Examiners, or government agencies of potentially hazardous situations, is also necessary to maintain the currently workable informal arrangement.

According to testimony from the Department of Social Services and Housing, the Department recently had occasion to refer a case for recommendation by the appropriate professional specialty society and at the same time to the Peer Review Committee of a county medical society. Both bodies considered the case and both reached conclusions on the matter presented to them. However, both bodies refused to communicate their recommendations to the Department out of fear that the Committee members did not have sufficient protection against a liability suit arising from such an action.

The Department was sued on a particular action in this case and according to the Attorney General's Office, did not have a defense against the suit because it was unable to obtain the conclusions and recommendations from the professional societies.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 518 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 518, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 721 Consumer Protection on H.B. No. 336

The purpose of this bill is to increase the maximum liability of hotels for the loss or theft of property placed in their custody by hotel guests.

This bill amends Section 507, Hawaii Revised Statutes, by increasing the innkeepers' liability from \$250 to \$500.

As the price of consumer goods increases, costs of replacement of these items have also steadily increased to the point that the present \$250 limit for items held in hotel safes, and the \$50 limit for items held within a room, are no longer adequate. The intent of this bill is to raise these limits to reasonable and realistic levels.

Your Committee clarified the intent of the bill by providing that any special agreement will only pertain to liability in excess of \$500.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 336, H.D. 1 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 336, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 722 Consumer Protection on H.B. No. 363

The purpose of this bill is to require the licensing of travel agencies. This bill amends the Hawaii Revised Statutes by adding a new section, "Travel agencies".

During the past year, the Office of Consumer Protection has received close to 100 complaints regarding the activities of travel agencies. The complaints ranged from misrepresentation of the tours and services contained in brochures to the non-performance of services. In one extreme case, it is estimated that consumers were defrauded of at least \$30,000 by one operator.

Presently, there is no law regulating travel agencies. All that is required for a person to open an agency is to obtain a gross income license from the Department of Taxation for \$3.00.

Because travel service entails large expense for which funds must be paid in advance, and because even a relatively minor trip can represent years of planning and careful savings, the potential for harm to consumers is great.

The intent of this bill is to impose some form of regulation to curb possible abuses in this area.

Your Committee considered the bill and made the following amendments:

(1) The bill originally exempted officially appointed agents of air and ocean carriers from the provisions of this chapter. This exemption was included because these agencies must meet strict requirements set up by the International Air Transport Association and the Air Traffic Conference for this accreditation. Among the requirements of these groups, is the posting of a bond. Although your Committee finds that most complaints do not involve these agencies, some form of regulation is necessary and these agencies should not be required to be bonded.

The definition section and the bonding provisions were accordingly amended.

(2) The bill would have also regulated travel agents, or the employees of travel agencies. It is the intent of the Committee that the acts of employees should be the responsibility of the agencies. However your Committee also found that outside sales representatives and non-salaried but commissioned employees, perform many functions and duties of agencies in an independent manner.

Because there exists lesser in-house controls and restraints on these operators, the bill was amended to license sales representative rather than travel agents.

(3) To provide for the adequate implementation of this bill, your Committee amended it to include an appropriation of \$8,000 to cover the costs of a clerical position, office equipment, and supplies for the Department of Regulatory Agencies.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 363, H.D. 1 as amended and attached hereto as H.B. No. 363, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 723 (Majority) Consumer Protection on H.B. No. 803

The purpose of this bill is to prohibit the removal of shopping carts from the property of a business establishment without proper authorization.

This bill makes it a petty misdemeanor to remove shopping carts unless given permission in writing by the business establishment. Signs would be required to be posted to warn shoppers that the unauthorized removal of carts from the premises is illegal.

The grocery industry in Hawaii incurs losses of between \$50,000 and \$75,000 a year due to "cart napping, basket removal, and similar offenses." These costs are passed on to consumers who already face some of the nation's highest food prices. The intent of this bill is to provide a deterrent for cart napping in order to reduce the losses.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 803, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.
Senator Saiki did not concur.

SCRep. 724 Consumer Protection on H.B. No. 1450

The purpose of this bill is to establish and maintain a cemetery recovery fund system through which any person aggrieved by a licensed cemetery or pre-need funeral authority or cemetery salesman may recover actual damages up to \$2,000 and to eliminate the current bond requirements.

The present bond requirements, under which each cemetery or pre-need funeral authority is required to post and maintain a bond in the penal sum of \$50,000 for each new license and each salesman a bond in the penal sum of \$5,000, is an unduly cumbersome and complicated procedure and results in no greater protection of the consuming public than the proposed recovery fund system. The recovery fund system which this bill proposes to establish would result in faster settlement of claims and savings of time and money for the licensees.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1450 and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 725 Consumer Protection on H.B. No. 1672

The purpose of this bill is to allow a person licensed in general pest or termite control to subcontract for the actual performance of fumigation as long as the subcontractor is licensed as a fumigation operator and performs pest control work only in areas in which he is licensed.

Under the present law, a licensed operator is prohibited from contracting any pest control work in a branch for which he does not hold a license.

Presently, licensed operators engaged in general pest control and termite work are qualified to identify and recognize termite infestation that is beyond economical and effective control by spot-treatment and therefore should be allowed to recommend and to subcontract with another operator licensed to do the necessary fumigation work. This would be in the best interest of the consuming public.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1672, H.D. 1, and recommends that it pass Second Reading and be referred

to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 726 Judiciary on H.B. No. 8

The purpose of this bill is to appropriate moneys out of the general revenues of the State of Hawaii in the total sum of \$168,353.33 to compensate 116 victims, 23 attorneys, 14 doctors, 9 hospitals, and 3 parents pursuant to Chapter 351, Hawaii Revised Statutes, The Criminal Injuries Compensation Act, for the year 1974.

The sums appropriated shall be deposited into the Criminal Injuries Compensation Fund to be applied to making payments as authorized by the Criminal Injuries Compensation Commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 8, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 727 Judiciary on H.B. No. 822

The purpose of this bill is to increase the fee for serving any criminal summons, warrant, attachment or other criminal process and provides for mileage fees.

The increase would be from \$6 to \$10. This increase is necessitated because deputy sheriffs, although representing the State, are not State or County employees and make their living from these fees. Such an increase would not provide them with any windfall gain but merely a better level of compensation to keep up with the cost of living.

Your Committee has amended the bill to make technical changes that do not affect the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 822, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 822, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 728 Judiciary on H.B. No. 1419

The purpose of this bill is to amend Section 606-13, Hawaii Revised Statutes, by increasing the fees which a court reporter may charge for transcripts of testimony and proceedings. The fee is increased from \$1 to \$1.25 per twenty-five line page for the original ribbon copy and from 40 cents to 50 cents per page for each carbon copy thereof.

Your Committee received testimony to the effect that the cost of paper and supplies has increased more than 50 per cent. In addition, much of the transcript work is done after regular duty hours and is in effect, overtime work. The Federal District Court recently granted its reporters a 25 per cent increase in rates. The last State increase took effect in July, 1969. In view of these factors, your Committee feels that the increase is justified.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1419 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 729 Judiciary on H.B. No. 851

The purpose of this bill is to amend the provisions of the Collection Agency Law, Section 443-9, Hawaii Revised Statutes, to require that the sureties on bonds executed by an applicant or licensee be insurers authorized by the State Insurance Commissioner to engage in the insurance business.

Under existing law, a corporate collection agency may be a self-insured by presenting a certified financial statement to the Collection Agency Board. The surety need not be authorized to engage in the insurance business provided it has presented the certified statement to the Board.

Your Committee has amended the bill by deleting the word "commissioner" at line 20, page 2, and inserting in lieu thereof the word "board". This amendment conforms this section with section 443-6 of the Hawaii Revised Statutes.

Your Committee finds that the rights of clients of collection agencies will be better protected if they are bonded only by an authorized surety bonding company.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 851, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 851, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 730 Judiciary on H.B. No. 1872

The purpose of this bill is to permit public members to sit on all regulatory boards and commissions in the Department of Regulatory Agencies. The bill further provides for an increase in membership on seven of the smaller boards to accomplish this purpose.

Presently, of the thirty-two boards and commissions within the Department of Regulatory Agencies, seventeen provide for public members, and fifteen are comprised solely of members representing the regulated professions and vocations. Under this bill, every board or commission will have a certain minimum number of members engaged in the profession regulated, but the remaining members may be laymen.

Your Committee finds that it is in the best interests of the public at large to have laymen sit on all regulatory boards and commissions to insure consumer representation. Therefore, it is your Committee's intention that the Governor exercise the discretion accorded by this bill by appointing laymen to all boards and commissions.

Your Committee, however, has amended H.B. No. 1872, H.D. 1, by providing that the state board of registration of professional engineers, architects and surveyors shall consist of at least three professional engineers, three professional architects, three professional surveyors and two professional landscape architects but has retained the provision permitting the Governor to appoint laymen to the board.

Your Committee amended H.B. No. 1872, H.D. 1, because it finds that a maximum of three laymen sitting on the board is sufficient and that an increase of the number of laymen sitting on the board may hinder the operation of the board because of the technical knowledge required in the regular workload activity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1872, H.D. 1, as amended herein, and recommends that H.B. No. 1872, H.D. 1, S.D. 1, attached hereto, pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara.

SCRep. 731 Health on H.B. No. 999

The purpose of this bill is to amend state law to conform with the provisions of Public Law 93641, the National Health Planning and Resources Development Act of 1974.

Public Law 93641 is perhaps the most significant and far reaching health legislation enacted by the 93rd Congress. It creates a planning and resources development mechanism to replace the former Comprehensive Health Planning, Regional Medical Programs, and HillBurton authorities. Signed into law by the President of the United States on January 4, 1975, Public Law 93641 authorizes the establishment of State health planning and development agencies and local health systems agencies. It includes new authorization for health facilities construction and modernization as well as funds to allow health system agencies to develop health resources as they implement their plans. New federal obligational authority for fiscal years 1975-77 to carry out the Act totals \$1.013 billion.

Public Law 93-641 contains highly detailed, complex and formal procedures for the establishment of new health planning agencies and areas. The timetables for State responses are also tight.

There is no precedent or model state enabling legislation available. Indeed, Hawaii may well be the first state to pass such enabling legislation, because the Hawaii legislature convened on January 15th (less than two weeks after Public Law 93-641 was signed into law).

This bill provides the enabling legislation for the State of Hawaii to take full advantage of federal programs and appropriations for planning and regulatory functions under Public Law 93-641.

Your Committee has amended H.B. No. 999, H.D. 1, as follows:

(1) Minor changes of language, titles and nomenclature have been made to eliminate inconsistencies in the use of terminology and to bring the language more explicitly into line with the language of Public Law 93-641.

(2) Sections relating to legislative review have been deleted. Your committee finds that legislative review and approval would add another layer to an already lengthy process and compound delays. The requirement for legislative approval of plans prior to submission to the Department of Health, Education & Welfare is unrealistic because of Hawaii's current sixty day legislative working schedule which roughly spans mid-January to early April. This raises the question of timely legislative approvals. Failure to obtain timely legislative approvals could result in substantial risk of losing Federal funds. It should be pointed out that plans still can be amended by the Legislature, as necessary, after submission to the Department of Health, Education & Welfare, without penalty.

(3) The State Agency is placed within the Office of the Governor instead of the "Department of Health for administrative purposes only." Your Committee finds that the State Agency should be given every opportunity to exercise its broad state charge in the most objective environment possible. Placement of the State Agency in the Office of the Governor would be such an environment and also follow the pattern established in placing the Office of Environmental Quality Control, a statewide environmental planning agency, in that office.

(4) Part II, Section-16, should read "The Governor may designate health service areas within the State..." Currently, the bill says that the governor shall designate such areas. Your committee finds that it would be wise to retain the option of having one state agency (instead of health service areas with their respective agencies), should the governor's adhoc committee studying the matter recommend such a policy following its current extended and thorough deliberations.

(5) Section 12 of the bill provides the effective date as July 1, 1975 provided that the Secretary of Health, Education and Welfare approves the establishment of the newly created state agency. Federal consultants have indicated that this is an unrealistic date because federal guidelines for the establishment of the State Agency will probably not be ready until late August. Your committee has therefore inserted transitional language that would delay repeal of the authority for existing agencies until it is possible to implement those portions of this bill dealing with the establishment of their successor organization, the State Agency.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 999, H.D. 1, as amended herein and recommends it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 732 Military and Civil Defense on H.B. No. 481

The purpose of this Bill is to increase the annual sum granted to carry on the operations and defray the expenses of the Hawaii Wing, Civil Air Patrol, from \$56,000 to \$75,000, provided that not less than \$3,000 shall be allocated to each Civil Air Patrol unit outside the City and County of Honolulu.

Your Committee on Military and Civil Defense is informed that the Bill will encourage and promote the Civil Air Patrol programs especially on the islands outside of the City and County of Honolulu.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of H.B. No. 481 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 733 Judiciary on H.B. No. 442

The purpose of this bill is to conform certain provisions in the Hawaii Franchise Tax Law on banks and other financial institutions, chapter 241, Hawaii Revised Statutes, to the Internal Revenue Code by incorporating certain amendments made to the Code by Public Law 91-172.

Section 433 of Public Law 91-172 provides that as to financial institutions the "sale or exchange of a bond, debenture, note, or certificate or other evidence of indebtedness shall not be considered a sale or exchange or a capital asset." Thus, in determining net income the net gain from such sale or exchange will be treated as ordinary income rather than as capital gains.

This bill is an administration measure, intended to bring Hawaii's tax law into compliance with Federal law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 442 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 734 Judiciary on H.B. No. 549

The purpose of this bill is to provide that private property taken in excess of the requirement for the purpose taken may be sold at public auction if it is of a size or configuration suitable for use as a separate property in conformity with applicable zoning regulations. The bill also provides a method of disposal where the excess land does not meet the zoning requirements.

The present law restricts the sale of excess property resulting from condemnation for public purpose, regardless of the lot size, configuration or topography, to the owner or owners of abutting land. Because of this restriction, conceivably, the sale price obtainable for such excess property may be far less than what could be obtainable if disposal were to be by sale at public auction for standard size parcels.

The present law also does not provide a method for disposal of excess land which does not meet zoning requirements in the event excess land is to be sold to abutting owners and more than one abutter is interested in purchasing the land. The bill provides a method of land disposal in such circumstances.

Your Committee has amended the bill to correct typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 549 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 549, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ching.

SCRep. 735 Judiciary on H.B. No. 1248

The purpose of this bill is to allow greater planning and operational flexibility by Hawaii's conditional release centers by removing the statutory restriction on the number of residents allowed at these centers.

Presently, Section 353-22, Hawaii Revised Statutes prohibits conditional release centers from having more than fifteen residents. This bill would remove this restriction and permit the Director of Social Services and Housing to set the resident limits to fit the various individualized programs implemented at the conditional release centers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1248 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 736 Judiciary on H.B. No. 1417

The purpose of this bill is to amend section 604-3, Hawaii Revised Statutes, to enable the chief justice to assign district family judges as well as other district judges to serve in any district court when there exists a disqualification, absence, or vacancy.

Your Committee finds that this measure corrects a situation where the district family judges in the first circuit cannot now be assigned to handle such vacancies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1417 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 737 Judiciary on H.B. No. 1784

The purpose of this bill is to transfer the office of the sheriff from the department of the attorney general to the judiciary.

The bulk of the workload of the sheriff's office relates directly to the courts. Therefore, the transfer is appropriate in that the responsibility for administration should be placed with the primary user agency. Such a transfer will streamline operations of the office, as well as make administration easier.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1784, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 738 Judiciary on H.B. No. 1873

The purpose of this bill is to change the renewal of professional and vocational licenses from an annual to a biennial basis.

The Department of Regulatory Agencies submitted testimony stating that there is a shortage of manpower in the department and that the increased time between renewals would relieve the workload. The bill provides for a staggered system of renewal times for the different regulatory boards to further spread out the workload. There should be no loss of revenue since this bill provides for a doubling of renewal fees.

Your Committee has amended the bill by deleting the phrase "or to conduct" on page 3, line 6 and by correcting a typographical error on page 40.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1873, H.D. 1, as amended herein, and recommends that H.B. No. 1873, H.D. 1, S. D. 1, attached hereto, pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 739 Judiciary on H.B. No. 612

The purpose of this bill is to improve administration of the Criminal Injuries Compensation Act by:

1. permitting the Criminal Injuries Compensation Commission to hold official hearings in the absence of the chairman so long as two members are present. The present law requires the presence of the chairman to conduct official business.
2. specifically listing in Section 3 of the bill the crimes for which compensation may be awarded. It deletes certain crimes from the list of compensable crimes.

Your Committee has amended the bill so as to allow the Commission, upon application from the prosecuting attorney or chief of police of the appropriate county, to suspend proceedings under Chapter 351 on the ground that a prosecution for a crime arising out of the act or omission has been commenced or is imminent or that release of the investigation report would be detrimental to the public interest.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 612, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 612, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 740 Legislative Management

Informing the Senate that S.C.R. Nos. 124 and 124, S.R. Nos. 368 to 374 and Stand. Com. Rep. Nos. 741 to 760 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 741 Intergovernmental Relations on H.B. No. 104

The purpose of this bill is to amend Chapter 52, Hawaii Revised Statutes, by adding a new section to provide that each County shall establish special units within its police departments to take on immediate and principal responsibility for the investigation of rape and other sexual abuse crimes, and to render aid, treatment, care and counseling to victims of sexual abuse.

House Bill No. 104, H.D. 1 provides that special rape squad units shall be composed, where possible, of personnel of both sexes appropriately trained in rape investigation, rendering appropriate aid to victims of sexual abuse, and shall act as liaison between such victims and other investigating personnel and such centers and hospitals.

Upon review and consideration of the testimony received, your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 104, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 742 Health on H.B. No. 990

The purpose of the bill is to establish a division within the department of health to be responsible for the development, coordination and implementation of a statewide system for substance abuse programs. Such programs would include drug, alcohol, and organic solvents.

Your Committee finds that the present organizational structure is not conducive to the development of a coordinated and effective system for substance abuse services and programs in that jurisdiction and responsibility and personnel are split between the office of the governor and the department of health.

In view of the departmental committee now studying reorganization of the department of health, your Committee has amended the bill by eliminating the creation of the division of substance abuse within the department of health; and, instead created a substance abuse program to be administered by the department. This amendment will give the department needed flexibility in establishing the program and will allow conformation with any future reorganization of the department.

In accordance with recommendations of the Substance Abuse Agency, your Committee has further amended the bill as follows:

1. References in section 4 of the bill to Act 218, Session Laws of Hawaii 1973, have been deleted, since the Agency was not established until May 2, 1974.
2. Instead of creating a new advisory committee on substance abuse, the bill has been amended to provide that the state advisory commission on drug abuse and controlled substances shall advise the director of health on substance abuse matters. A new section 3 has been added to the bill to amend section 329-4, Hawaii Revised Statutes, setting forth the duties of the state advisory commission on drug abuse and controlled substances by adding the duty to advise the director of health on substance abuse matters.

Your Committee has made conforming amendments and other technical and style changes in the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 990, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 990, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 743 Consumer Protection on H.B. No. 1820

The purpose of this bill is to allow higher rates of interest to be charged for money

which is due: (1) on bonds; (2) on the settlement of accounts; or (3) upon an open account.

Presently, in the absence of a written contract which specifies the rate, interest may be charged at six per cent. Interest on a written contract can not exceed one per cent a month or 12 per cent a year. This bill raises these amounts from six to seven per cent, and from one to one and one quarter per cent a month.

The present allowable rates were set sometime ago and interest rates charged by financial institutions have since dramatically increased. One group which has been seriously effected by this "freeze" in rates is the contractors who perform work for consumers who are unable or unwilling to borrow money from financial institutions. These homeowners permit their balances to become past due and subject to these present allowable rates which is considerably lower than what is charged by financial institutions. Contractors who do not receive payment on time, in many cases, buy materials on credit and are subject to regular interest rates. The losses incurred as a result of defaulting consumers, must in turn be passed to other consumers in the form of higher prices.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. 1820, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 744 Human Resources on H.B. No. 431

The purpose of this bill is to amend Section 346-37, Hawaii Revised Statutes. It essentially deals with the proper administration of its money payment and medical assistance (Medicaid) programs. There are two major provisions contained in the amendment of this bill: 1) claim for recovery from the estate of a deceased recipient, and 2) assignment of a third party payment to Medicaid.

The chief benefit deriving from the proposed statutory provision is obviously the recovery of State General Funds. Very often, recipients passing away in their long-term care facilities leave small sums of money safekeeping account. The facilities, under State statute, are required to distribute the estate if the amount involved is \$100 or less. The County-State Hospital System is faced with a problem when they are unable to find any appropriate distributee of the estate. DSSH could submit claim for recovery from the estate if favorable action is taken in this bill.

Also, there is an urgent need to provide DSSH with a statutory authority to require applicants and recipients of Medicaid to assign third party benefits for medical payments to be made, or made in their behalf. Oftentimes, the existence of a third party resource is unknown to the Department at the time medical assistance is provided. It occurs mostly in cases involving accidental injuries. The Department is occasionally unable to obtain refund when recipients refuse to sign assignment forms.

Your Committee amended the bill by adding a provision requiring a third party agency, including a health insuring organization to honor the recipient's assignment of benefits to the Department. Recipients with private health plans are often assisted by Medicaid in meeting their portion of the cost of covered services. For those with major medical coverage, additional benefits become available in the form of 80% reimbursement beyond \$100 cost-sharing (paid by Medicaid). It often involves large sums of money and the Department is unable to obtain reimbursement as it does not have the legal authority to require the assignment of such benefits. Checks are sent to the recipients who, in many cases, are unwilling to refund the Department.

Therefore, your Committee has revised Section 346-37 (b), Page 2 in its entirety.

Your Committee has also amended H.B. No. 431, H.D. 1, in order to provide a means for the Department to recover public funds paid to aliens on welfare. The amendment would hold the sponsor of the alien liable for welfare payments made to the alien. The basis of the financial obligation of the sponsor is his affidavit signed under oath made in order to assure the Immigration and Naturalization Service that the alien persons so sponsored "will not become public charges in the United States".

Your Committee by this amendment wishes to reaffirm the responsibility of the sponsor to provide the promised support necessary to maintain the alien. Our intention is to try to ensure that State Welfare Services do not encourage sponsors to escape their financial obligations, by non-compliance with their affidavit and thus allowing the sponsored alien to become a welfare recipient.

With the thrust of the amendment focused on the sponsor of the alien and not the alien himself, it enforces the financial obligations of the sponsor and does not increase his obligations or add additional conditions before the alien can be lawfully admitted into the United States. As such, our intentions are consistent with existing policy of the Immigration and Naturalization Service and we offer this amendment in order to recover welfare funds from sponsors paid out to aliens.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 431, H.D. 1 as amended in the form attached hereto as H.B. No. 431, H.D. 1, 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 Senator Anderson.

SCRep. 745 Human Resources on H.B. No. 1323

The purpose of this bill is to require State and County governmental agencies to purchase needed products from certified non-profit corporations and public agencies operating rehabilitation facilities serving handicapped persons.

Your Committee finds that this bill would increase work opportunities for the handicapped by requiring government agencies to purchase needed products, such as ballpoint pens, Hawaiian curios, book bindings, etc., from rehabilitation facilities before requesting bids.

Furthermore, your Committee finds that the Department of Social Services and Housing fully supports the intent of the bill since it will provide employment for the severely disabled who are unable to work in the competitive labor market.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1323, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 746 Health on S.R. No. 182

The purpose of this resolution is to request the Committee on Health to investigate deficiencies at the Hawaii State Hospital, which caused it to lose accreditation by the Joint Commission on the Accreditation of Hospitals, and to monitor and assist the progress of the State Hospital in regaining accreditation.

Your Committee is alarmed at the conditions existing at the State Hospital which led to its loss of accreditation. Over 80 deficiencies were listed by the commission report and, in addition, the head of the State's division of mental health has added that there are serious problems with understaffing and the lack of a separate facility for dangerous patients.

Your Committee has acted on other measures to appropriate necessary funds for improvements and additional staff at the State Hospital as well as to develop a comprehensive master plan for mental health as part of the mental health division policy to decentralize the State Hospital to community mental health centers. Your Committee feels it will be necessary to monitor the progress of all these activities during the interim so that any necessary additional legislative action may be taken at the next session.

Your Committee emphasizes its intent to carefully and thoroughly review and evaluate the progress of the State Hospital in regaining accreditation and the effectiveness of the mental health division policy of decentralization to community mental health centers.

Your Committee on Health is in accord with the intent and purpose of S.R. No. 182 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 747 Health on S.R. No. 203

The purpose of this resolution is to request the department of regulatory agencies and the associations and organizations of health professionals in Hawaii to carry out their assigned functions as contained in the recommendations of the State Advisory Council for Comprehensive Health Planning. These recommendations were made in response to Senate Resolution 88 of the Seventh Legislature, Regular Session of 1974,

and are as follows:

that at this time no legislation be enacted to require continuing education as a requirement for relicensure of physicians and other licensed health professionals,

that the respective professional organizations develop continuing education programs, including in their planning, criteria for judging the programs, a system for monitoring the programs and the attendance of health practitioners at the programs, and a procedure for certifying those who do attend,

that the department of regulatory agencies determine its staffing and financial requirements for the area of the health professions on the basis of the continuing education programs designed by the professional organizations,

that the department of regulatory agencies provide support to the organizations of health professionals to assist them in planning the program and attendance reporting system and in collecting data on their continuing education programs to provide a base of information for the future formulation of legislation on continuing education and relicensure of health professionals, and

that data collection begin no later than July 1, 1976;

Testimony received by your Committee from health associations involved, has been overwhelmingly favorable to these recommendations. Your Committee feels that continuing education and relicensure is a critical area of concern among health professionals and finds that these recommendations, having as they do a strong base of support from those involved, is an appropriate avenue for developing the best possible continuing education and relicensure programs.

Your Committee on Health is in accord with the intent and purpose of S.R. No. 203 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 748 Health on S.R. No. 296

The purpose of this resolution is to request the various departments and agencies of the State to assist the Habilitat at any time and in any manner where it is possible and to specifically assist it to seek and acquire suitable physical facilities to house The Habilitat residents.

Your Committee finds that The Habilitat is, and has been, performing a vital and valuable service to the State of Hawaii in providing drug-abuse rehabilitation to young people. Your Committee is also cognizant of the housing shortage in the State of Hawaii, and of the need for The Habilitat to relocate its facility due to needs of the Hawaii State Hospital where the facility is presently located.

Your Committee agrees that the various departments and agencies of the State should cooperate willingly with The Habilitat toward the mutual goal of benefitting Hawaii's youth whenever such cooperation is feasible and possible.

Your Committee on Health is in accord with the intent and purpose of S.R. No. 296 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 749 Health on H.B. No. 619

The purpose of this bill is to provide medical treatment to minors afflicted with venereal disease without requiring notification of parents or guardians. In addition the bill relieves parents or guardians from legal liability for such treatment and from financial responsibility for all medical care and services.

Your Committee finds that venereal disease is a major public health problem and is likely to continue as one. According to a Department of Health report entitled "Venereal Disease Control, State of Hawaii, Department of Health, A Current Review and Evaluation, December 31, 1975", "Venereal disease has been and continues to be, a problem of epidemic proportion in the State of Hawaii." According to Health Department statistics, the number of gonorrhoea cases rose from 330 to 2,923 between 1960 and 1974. Adjusting for population increase, the rate per 100,000 increased nearly 600 per cent over this period. Among teenagers 1519, 576 cases were reported in 1974, the second highest

total of any age group.

Testimony from the Health Department indicated that, "The major concern of health providers, consumers and interested groups in the community is that some teenagers avoid or delay medical examination and/or treatment for a venereal disease because they are more fearful of parental wrath than of the venereal disease. The availability of confidential medical examination and treatment is a constant question by high school students and many freely admit they would not seek treatment without the same guarantee of confidentiality enjoyed by those who have reached their majority."

The consequences of avoidance or delay in treatment for venereal disease includes the possibility of irreversible damage (gonorrhea is the most common case of sterility, according to the Health Department) and further transmission of the disease.

Your Committee feels that parental notification of venereal disease is an important part of the parentchild relationship and, where possible, should continue to be encouraged. However, in those cases where notification of parents or guardians may cause the minor to delay treatment for venereal disease, your Committee feels the public health warrants elimination of such an obstacle to treatment.

Under the language of the bill as contained in House Draft 1, notification to the parents of a minor's affliction with venereal disease would not be possible under any circumstances if the minor does not consent. Your Committee feels that such a rigid requirement is not in the best interests of the minor or the parentchild relationship.

Therefore, your Committee has amended this bill to place such notification of parents or guardians within the discretion of the attending physician if the minor is forewarned of this discretion by the physician. It is the intent of your Committee that this discretion be used in such cases as when the minor is severely ill with venereal disease. In addition, this discretion will give the minor the option of obtaining diagnosis and treatment from a particular doctor, knowing ahead of time that the doctor may, in his discretion, inform the parents if the minor is afflicted with venereal disease. If the minor is not diagnosed as afflicted with venereal disease, such information shall not be disclosed without the consent of the minor.

Your Committee has further amended the bill to provide for individual counseling services to all minors being treated for venereal disease, with a view towards improving the parentchild relationship and increasing the minor's knowledge of venereal disease and its prevention. It is the intent of your Committee that prevention be emphasized to lower the alarming rate of venereal disease; and, therefore it is strongly recommended that the Departments of Health and Education immediately intensify their efforts to provide education on venereal disease to teenagers in Hawaii's schools.

Your Committee has further amended the financial responsibility section of this bill to delete the words "and family planning services" and limited the section to the diagnosis and treatment of venereal disease. The purpose of this amendment is to delete the inappropriate reference to family planning services.

All paragraphs relating to venereal disease have been collected into one section for purposes of clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 619, H.D. 1, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 619, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 750 Consumer Protection on H.B. No. 142

The purpose of this bill is to enact uniform requirements regarding retail refund policies.

This bill adds two new sections to Chapter 481B, Hawaii Revised Statutes, which requires any merchant who has instituted a refund policy and who accepts the return of goods, to refund the full amount paid for such goods. Also, if the merchant does not accept returned goods or sets conditions for refunds, he is required to post a conspicuous sign to that effect.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 142, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 751 Consumer Protection on H.B. No. 1572

The purpose of this bill is to require contractors to report all changes of address or telephone number for their place of business to the Contractors License Board.

Some consumers have encountered great difficulty in locating contractors to voice and resolve complaints. The intent of this bill is to provide the Board with the current address and telephone number of a contractor in order to assist these consumers. Your Committee is in accord with this intent. Present requirements that a contractor "have and maintain" a place of business make it possible for some contractors to operate from a telephone and post office number. The bill was amended by requiring that a contractor "have, maintain, and operate from a definite place of business", in order to provide better protection for consumers.

Your Committee also made technical changes in the bill.

Your Committee is in accord with H.B. No. 1572, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1572, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 752 (Majority) Housing and Hawaiian Homes on H.B. No. 55

The purpose of this bill is to correct some of the unconscionable features of current residential lease rent renegotiation, and to properly and fairly establish the values inhering to the lessor and lessee.

Your Committee on Housing has considered said bill and has determined that such purpose is best implemented by amending the bill to provide the following:

1. All residential leases which provide for renegotiation of lease rent terms shall not schedule such renegotiation more frequently than once every ten years, and the first such renegotiation is not to be scheduled prior to the tenth year of the lease.
2. Upon any renegotiation, the lease rent payable is not to exceed an amount derived by multiplying the current maximum rate of interest on passbook savings accounts by the sum of the value of the land exclusive of improvements and the amounts remaining to be paid to the lessor as reimbursement for improvements made on behalf of the lessee. However, in no event is the renegotiated rent to exceed the amount derived by adjusting the prior rent to take into account the aggregate increase or decrease in the wholesale price index over the term of the lease. Your Committee has determined that the above formula allows for a fair and equitable return to the lessor while assuring that the lessor is not unjustly enriched.
3. The above rules apply to leases in effect on the effective date of the Act as well as to leases entered into subsequent to said effective date.
4. In the event that the lessor and lessee are unable to reach agreement during renegotiation, the Hawaii housing authority or its designee is directed to arbitrate. Your Committee has determined that, in order to further redress the unconscionable imbalance in bargaining between lessors and lessees on residential leaseholds and to effectuate the foregoing, it is necessary to provide for an expeditious manner of settling disputes during renegotiation.
5. In the case of residential leases which have been renegotiated subsequent to June 24, 1967 (the effective date of Chapter 516), the lease rental on the effective date of the Act is not to exceed an amount derived by adjusting the rent prior to renegotiation to reflect the aggregate increase or decrease in the wholesale price index during the lease term. Your Committee has determined that subsequent to the enactment of Chapter 516, many lessors unfairly raised their lease rents, and that such high lease rents should be reduced to prevent unjust enrichment of such lessors at the expense of their respective lessees.
6. Any lease provision which violates the above is to be of no force or effect.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 55, H.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the amended form attached hereto as H.B. No. 55,

H.D. 1, S.D. 1, for further consideration.

Signed by all members of the Committee except Senator Anderson.
Senator Henderson did not concur.

SCRep. 753 Housing and Hawaiian Homes on H.B. No. 278

The purpose of this bill is to facilitate the State-assisted conversion of residential leasehold lands to fee ownership. Such purpose is best implemented by amending the bill to provide the following:

(1) Authorize the State to condemn leasehold lots for conversion to fee on a one-to-one basis if more than 50% of the lessees within a development tract petition for the conversion. Only those lessees who petition are affected by the condemnation and they are required to purchase their fee title. Non-petitioning lessees are not affected by the condemnation.

(2) Redefine the words "development tract" under Section 516-1(11) to exclude the words "occupied or to be occupied by leases". This amendment means that a development tract need not contain all leasehold lots.

(3) Authorize the Hawaii Housing Authority to condemn portions of a development tract. This amendment gives the authority flexibility to implement the provisions of Chapter 516.

(4) Upon designation of a five-acre development tract, authorize the authority to acquire either the leased fee interest or the lessor's reversionary interest in the residential leasehold lots, provided that 50% or more of the lessees within the tract petition for the conversion.

(5) Valuation of the land condemned, for the purposes of compensating the lessor, is based on the value of the land, exclusive of improvements, and including the amounts due the lessor by the lessee as reimbursement for improvements made by the lessor on behalf of the lessee. Notwithstanding the value established by this formula, the value of the land for condemnation will not be less than the present worth of the fair rental income due the lessor, plus the value of his reversionary interest and any balances due the lessor for on- and offsite improvements paid for by the lessor on the lessee's behalf. Such fair rent will be based on the lease existing on or after June 24, 1967, adjusted by the annual increase or decrease, in the wholesale price index. This formula is found to be necessary and in the public interest because of the dramatic and unwarranted increases in lease rents since June 24, 1967, when Act 307 was first enacted. However, should this fair rental value be determined to be invalid, then the fair rental value shall be determined by reference to the contractual lease rent, which would be capitalized at a rate equal to the highest rate of interest on insured passbook savings.

(6) Place the burden of proof on a lessor in a dispute with his lessee to show that the provisions of Chapter 516 have not been circumvented.

(7) No trustee, officer, or agent of a lessor shall be deemed to have breached a trust while acting in accordance with Chapter 516.

(8) Expressly authorize the Department of Land and Natural Resources and the Hawaii Housing Authority to exchange land or to acquire land for exchange in order to effectuate the conversion of leasehold land to fee.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 278, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Economic Development in the form attached hereto as H.B. No. 278, H.D. 1, S.D. 1, for further consideration.

Signed by all members of the Committee except Senator Anderson.

SCRep. 754 Housing and Hawaiian Homes on H.B. No. 1755

The purpose of this bill as amended, is to make amendments to the Horizontal Property Act. In effect, it will clarify practices and definitions related to Chapter 514 of the Hawaii Revised Statutes.

The bill amends the law as follows:

(1) Sec. 514-2: Definition 18 is expanded to include land which may or may not be contiguous and including more than one parcel of land. This is added in order to allow

property ownership for areas for parking, recreation, etc., which may be on separate parcels of land. It also allows for increments being completed at different times.

(2) Sec. 514-3: The change to this section is to require the owner of any project whether leasehold or fee simple to join in the declaration for the establishment of the horizontal property regime. It has been found that in instances where there is a default by the master sublessor under his master lease, the apartment owner may not have protection under his apartment lease. In order to handle this situation, this amendment is proposed. It is recognized that in some instances, there may be some difficulty in getting the fee owner (master lessor) to sign the declaration along with the master sublessor. This amendment will require the fee owner to join in the declaration.

(3) Sec. 514-11: In the filing of condominium projects with the Real Estate Commission the concept of "phased or incremental development" has been introduced. In order to clearly indicate that such "phased or incremental development" is possible, subparagraph 12 regarding the contents of the declaration is added.

(4) Sec. 514-12: On some occasions the description of land on which the condominium project is built is very lengthy. It is understood that it is not necessary to have it repeated in all the apartment deeds. Therefore, provisions are made to provide for incorporation by reference of the description in the declaration in the apartment deeds.

(5) Sec. 514-13: This section has been amended to require that elevations of buildings to be filed along with the floor plans. The reason for having elevations is that in the event that any project is damaged or destroyed, the elevations along with the floor plans, as suggested in this amended form of Sec. 514-13.

(6) Sec. 514-16: There has been some question as to whether or not an Improvement District Assessment or any utility assessment constitutes a blanket lien which must be satisfied at the time an apartment is conveyed for the first time from the developer to the initial buyer. Section 514-16 is amended to make clear that an Improvement District Assessment and/or utility assessment need not be paid in full in order to convey an apartment whether it be the first or subsequent conveyance.

(7) Sec. 514-24: Under the priority of liens in this section, where there is an unpaid mortgage or record, there is a question whether or not the costs and expenses include attorney's fees as provided in the mortgage. Section 514-24 is amended so that the mortgages of record, and other related costs and expenses such as attorney's fees will have priority over the maintenance fees of the Association of Apartment Owners.

(8) Sec. 514-29: The existing law is not clear as to whether or not an offer of sale of a condominium can commence prior to the issuance of the Commission's public report on the project. In order to make it clear that it is necessary to have a public report prior to the offering for sale, Section 514-29 is amended to that effect.

(9) Sec. 514-37: At present, all changes made which materially change the project requires the developer to immediately submit sufficient information to the Real Estate Commission. However, minor changes, usually involving the use of equivalent material in the construction of the building, need not be reported. It is the intent of the amendment to establish a limitation period of 90 days from the date the purchaser has accepted in writing the apartment or he has first occupied the apartment within which he may file a complaint as to any changes in building plans.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1755, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator Anderson.

SCRep. 755 Housing and Hawaiian Homes on H.B. No. 1756

The purpose of this bill is to provide for an accounting of tenant security deposits when a landlord transfers his interest in rental units to another landlord.

This bill amends section 521-44, Hawaii Revised Statutes, by adding a new provision to subsection (f) which requires that a landlord provide an accounting of the security deposits received for each dwelling to his successor before or at the time of transfer. In the event that this requirement is not met, it will be presumed that the tenant has paid a security deposit equal to the original monthly rent and the landlord's successor shall thereafter be bound by this amount.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1756, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection for further consideration.

Signed by all members of the Committee except Senator Anderson.

SCRep. 756 Housing and Hawaiian Homes on H.B. No. 1875

The purpose of this bill is to amend the Hawaii Revised Statutes relating to the Horizontal Property Regimes Act. Chapter 514 is amended in the following manner: (1) Initial management contracts for condominiums are limited to one year if the first managing agent of the association is the developer or an affiliate of the developer. Also, such contracts may be terminated by either party to the management contract provided that sixty days' written notice is given. (2) Purchasers of units under agreements of sale are given the same voting rights in association matters as owners, provided that the seller may retain voting rights on matters that substantially affect his security interest in the unit. (3) Developers are required to pay a pro rata share of the maintenance costs of the condominium association based on the number of unsold units. (4) The first meeting of the condominium association shall be held not later than 180 days after the issuance of the certificate of occupancy for condominium by the appropriate county agency. In addition, the chapter has been amended to require all members of the board of directors to be owners, co-owners, spouses of owners, or officers of any corporate owner of a unit.

Your Committee has further amended this bill by: (a) Requiring the developer to notify all association members and members of the board of directors that the one-year warranty period for structural and appliance defects will expire in ninety days. (b) Prohibiting a director to vote on any issue in which he has a conflict of interest. (c) Requiring that all books of receipts and expenditures of the condominium association be available for examination at the address of the project or elsewhere within the State.

For the purposes of consistency your Committee also recommends that this bill be further amended as follows:

- (a) A new section 4 to be added, and sections 4 and 5 be changed to sections 5 and 6, respectively.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1875, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senator Anderson.

SCRep. 757 Public Utilities on S.C.R. No. 118

The purpose of this concurrent resolution is stated in its title.

Your Committee has amended the second paragraph on page one to read "WHEREAS, pursuant to that request, the Legislative Auditor has completed Volume I of this report and has issued that portion of the report to the 1975 Legislative Session, to be followed within 90 days by remaining portions of the report; and".

Your Committee on Public Utilities is in accord with the intent and purpose of S.C.R. No. 118, as amended herein, and recommends that it be referred to the Committee on Legislative Management for further consideration in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 758 Public Utilities on S.R. No. 363

The purpose of this resolution is stated in its title.

Your Committee has amended the second paragraph on page one to read "WHEREAS, pursuant to that request, the Legislative Auditor has completed Volume I of his report and has issued that portion of the report of the 1975 Legislative Session, to be followed within 90 days by remaining portions of the report; and".

Your Committee on Public Utilities is in accord with the intent and purpose of S.R. No. 363, as amended herein, and recommends that it be referred to the Committee on

Legislative Management for further consideration in the form attached hereto as S.R. No. 363, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 759 Human Resources on H.B. No. 374

The purpose of this bill is to increase the monthly dental plan contribution from \$2.04 to \$2.57, and to clarify the language of prior amendments to Section 87-4, Hawaii Revised Statutes.

Your Committee finds that \$432,222 is needed to maintain a current level of dental benefits for the children of employer-beneficiaries under the age of 19, who are enrolled in the Health Fund's Dental Plan.

Your Committee has amended this bill by changing the statutory dental plan contribution rate from \$2.04 to \$2.57 per month per child.

Your Committee found that a 26 per cent increase would be needed for fiscal year 1975-76 alone. Without additional funds, the parents of such children will be required to pay a higher portion of the dentist's billing.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 374, as amended in the form attached hereto as H.B. No. 374, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 760 Judiciary on H.B. No. 846

The purpose of this bill is to increase marriage license fees and the compensation of agents authorized to grant such licenses.

The fee for a marriage license would be increased from \$5 to \$8 under this bill, and provides for the retention of \$4 instead of \$3 by the collecting agent, if he is not a State employee and raises the amount remitted to the State's general fund from \$2 to \$4. The bill will help defray costs of mailing certified copies of marriage certificates as required by law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 846 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 761 Ecology, Environment and Recreation on H.B. No. 379

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary, for an immediate study of the feasibility and impact of manganese nodule mining in the State. The sum appropriated shall be expended by the Department of Planning and Economic Development, together with any matching funds obtained through federal grants.

Your Committee finds that economists and scientists have estimated that the manganese nodule deposits in the Pacific are the richest mineral deposits on this planet. Certain of these manganese nodule clusters are within the immediate vicinity of this State. International consortia have expressed interest in nodule mining in Hawaii. The University of Hawaii Law School and the Harvard East Asian Law Program have initiated a Deep Sea Mining Project that will probe Hawaii and Pacific seabed questions.

Before any determination as to the feasibility or appropriateness of establishing mining facilities, your Committee believe it is crucial for the State to conduct a preliminary analysis of manganese nodule processing and treat such questions as ownership of the manganese nodule resources, location of any processing plants and environmental problems stemming from the mining and the refining as well as the social and economic impact which might result.

In light of the testimony presented at a public hearing on this bill, your Committee feels it cannot too strongly emphasize the importance of conducting this study as promptly as possible.

Your Committee has amended the bill to include a findings section, which was in the companion Senate bill as it was originally reported out of your Committee.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 379, S.D. 1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators Hulten, Ching and Rohlfsing.

SCRep. 762 Ecology, Environment and Recreation on H.B. No. 677

The purpose of the bill is to create a structure for policy plan formulation and coordination which will order the action of all state and county agencies contributing to the physical development of the State under the general policies and directions prescribed by the legislature.

Your Committee has amended the bill in accordance with the recommendations which were originally made by and reported out of this Committee.

Your Committee finds that although the State of Hawaii has been pointed to as a national leader in commitment to land use planning, substantial further steps are necessary to develop a comprehensive planning program which would most effectively implement the State's policy goals.

The bill provides that the director of the department of planning and economic development shall be responsible for the development and coordination of a state policy plan.

The bill establishes a policy council of which the director of the department of planning and economic development shall be the chairman. Members of the council shall include the planning director from each county, the directors of various state agencies, a member of the city or county council from each county, a member of the State Senate, a member of the State House of Representatives, and the chairmen of the environmental council, the state foundation on culture and the arts, the Hawaiian homes commission, the commission on population and the Hawaiian future, the land use commission, and the Hawaii housing authority.

The bill further provides for the adoption of a state policy plan and for the adoption of the state general plan and compliance therewith and implementation thereof by all state agencies and the respective counties. The bill also provides that the land use commission shall not reclassify any land to urban unless such action is in conformity with the state policy and general plan and the county general plans.

Your Committee finds that a periodic review of the state policy plan and state general plan is desirable and the bill so provides.

Your Committee has further amended the bill to appropriate the sum of \$250,000, which sum shall be expended by the director for purposes of the Act.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of H.B. No. 677, H.D. 1, as amended in the form attached hereto as H.B. No. 677, H.D. 1, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators Ching and Rohlfsing.

SCRep. 763 Legislative Management

Informing the Senate that Gov. Msg. Nos. 206 to 263, S.C.R. Nos. 126 to 134, S.R. Nos. 375 to 385 and Stand. Com. Rep. Nos. 761 and 762 and 764 to 815 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 764 Health on S.R. No. 174

The purpose of this resolution is to request the Office of Comprehensive Health Planning to work closely with all other governmental and private agencies in coordinating activities related to health planning, and to request that the Office submit a report of its progress in this coordination to the next session of the Legislature.

Your Committee finds this activity particularly important in light of the recent passage of P.L. 93-641, entitled The National Health Planning and Resource Development Act of 1974. This Act will have major implications for Hawaii in terms of planning and construction of health facilities and development of a comprehensive Statewide health plan. Your Committee has already acted on other measures to enable the State to establish appropriate agencies in order to receive funding under the federal act.

Moreover, your Committee feels it is extremely important for the present Comprehensive Health Planning agency to coordinate its activities with other governmental and private agencies during the critical period of transition to the new law.

Your Committee on Health is in accord with the intent and purpose of S.R. No. 174 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 765 Health on H.B. No. 419

The purpose of this bill is to amend section 393-6, Hawaii Revised Statutes, to redefine the principal employer as the one who pays the most wages, in cases where an employee has two or more employers concurrently.

Your Committee finds that at present, section 393-6 of the Prepaid Health Care Law gives a regular employee who works concurrently for two or more employers, the right to choose the principal employer or the employer who is to provide the required health care coverage. The other concurrent employer(s) would be relieved of coverage liability. Section 393-13, however, provides that the employee may only be required to pay the lesser of one-half the premium cost or 1.5 per cent of his monthly wages.

Your Committee finds that this method of selecting the principal employer has its drawback. In a situation where a regular employee works concurrently for a full-time and a part-time employer, the employee may find it to his advantage to select the part-time employer as the principal employer because the employee's share of premium cost would be considerably less than if he were to select the full-time employer. This situation forces the part-time employer to bear a substantial portion of the premium cost whereas the full-time employer who pays most of the employee's wages would be relieved of providing coverage.

This measure would designate the employer who pays the employee the most wages the principal employer. In the event one employer, who does not pay the most wages, employs the regular employee for at least 35 hours a week, the employee selects the principal employer. The selection of the principal is binding for one year or until a change of employment occurs.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 419, H.D. 2 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 766 Judiciary on S.R. No. 100

The purpose of this resolution is to reaffirm the Senate of Hawaii's belief in the constitutional principle of separation of powers, and to warn against the erosion and usurpation of legislative prerogatives by other branches of government.

Your Committee recognizes the dangers inherent when any one branch of government increases its own power at the expense of another. This resolution reaffirms our belief in three separate, independent, and co-equal branches of our government.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 100 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 767 Judiciary on S.R. No. 146

The purpose of this resolution is to require the Department of Regulatory Agencies to provide a study concerning the local servicing of insurance claims and the advisability of requiring all insurance companies to have such service available locally.

There have been complaints of inadequate or non-existent claims service involving companies which do not maintain or utilize local adjusters. Complaints involving companies without local adjusters totaled 80 in 1974.

Your Committee feels the resolution should be amended to require the Department of Regulatory Agencies to report its findings to the legislature prior to the adjournment of the Regular Session of 1976.

The purpose of the amendment is to allow more time for statistics to be properly categorized to achieve a more definitive conclusion.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 146 as amended herein and recommends its adoption in the form attached hereto as S.R. No. 146, S.D. 1.

Signed by all members of the Committee.

SCRep. 768 Judiciary on S.R. No. 188

The purpose of this resolution is to request the United States Postal Service to issue, in honor of the two hundredth anniversary of Captain James Cook's arrival in the Hawaiian Islands in 1778, a commemorative stamp, and to designate one or more post offices in Hawaii as the sites of first issuance.

Your Committee recognizes the navigational achievements of Captain Cook, and feels it fitting that these contributions both to the Hawaiian Islands and various island nations in the South Pacific should be commemorated by the issuance of a special U.S. postal stamp.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 188 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 769 Judiciary on S.R. No. 199

The purpose of this resolution is to place the Senate of the State of Hawaii on record as being in support of the concept, intent, and purposes of H.R. 10589.

Your Committee has amended the title and body of this resolution by substituting the correct H.R. number, which should read H.R. 1894.

Your Committee recognizes the humane concept of Congressman Matsunaga's resolution and wishes to express its support.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. 199, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 199, S.D. 1.

Signed by all members of the Committee except Senator George.

SCRep. 770 Judiciary on S.R. No. 225

The purpose of this resolution is to request Congress and the President to enact legislation that would create a network of youth advisory boards that would stimulate the interest and participation of our youth in civic affairs. The purposes of the boards are set forth in the resolution itself.

Your Committee feels that the establishment of such a national network of youth advisory boards merits encouragement and establishment by federal law, so that our youth may develop the qualities of leadership and good citizenship.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 225 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 771 Judiciary on S.R. No. 238

The purpose of this resolution is to request the Hawaii Bar Association to initiate a program to consider developing and sponsoring a prepaid legal services program

in the State.

Your Committee finds that due process of law is an inherent right of all Americans. However, rising legal costs make legal services prohibitively expensive for the middle income citizens. This segment of society is not eligible for legal aid and cannot afford legal expenses. As a result, these citizens are denied the full benefit of their right under the law. A prepaid legal services program will help alleviate this problem.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 238, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 772 Judiciary on H.B. No. 132

The purpose of this bill is to provide the Director of the Office of Consumer Protection with the authority to bring civil action against those in violation of Section 480-2, for unfair competition and practices.

Under present law, the Attorney General is specifically authorized to collect civil penalties for violation of the statute while the director of the office of consumer protection is not.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 132 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 773 Judiciary on H.B. No. 133

The purpose of this bill is to amend Section 603-23, Hawaii Revised Statutes to specifically authorize the circuit courts to enjoin violations of laws upon application of the Director of the Office of Consumer Protection.

Under present law the director of the Office of Consumer Protection is not specifically named as one of the government legal officers upon whose application the circuit courts may enjoin violations of State laws or county ordinances. This will provide the Office of Consumer Protection a much needed legal measure, the injunction, in stopping deceptive business practices.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 133, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

SCRep. 774 Judiciary on H.B. No. 134

The purpose of this bill is to authorize the director of the Office of Consumer Protection to bring actions to enjoin violations of unfair or deceptive acts or practices declared unlawful by Section 480-2, Hawaii Revised Statutes.

Under present law, only the attorney general is authorized to bring such actions. This bill amends Section 480-15, Hawaii Revised Statutes, by empowering the director of the Office of Consumer Protection to also bring such proceedings.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 134 and recommends that it be pass Third Reading.

Signed by all members of the Committee.

SCRep. 775 Judiciary on H.B. No. 103

The purpose of this bill is to increase the penalties for promoting harmful drugs.

This bill would make promoting a harmful drug in the first degree a Class A felony and promoting a harmful drug in the second degree a Class B felony. Presently each offense is a Class B and C felony, respectively.

Your Committee feels that the imposition of stronger penalties may act as a deterrent against persons now engaged in promoting harmful drugs as well as those who may be considering such activity for the first time.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 103 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 776 Judiciary on H.B. No. 108

The purpose of this bill is to rectify the present confusion of enforcing section 28-54, Law enforcement records and to preclude the possible abuse of the law in relation to secret detention.

The confidentiality of records, which is covered to a great degree by Act 92, could well be used for those portions of Section 28-54 that deal with the subject. The spirit of Section 38-54 could be carried out by amending Act 92 to further protect the rights of the arrested but not convicted individual.

Your Committee has amended the bill by correcting grammatical and typographical errors and composition for purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 108, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 108, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 777 Judiciary on H.B. No. 115

The purpose of this bill is to enact the Uniform Parentage Act, with appropriate amendments, additions, and deletions to meet particular needs in Hawaii, especially in the areas of procedures in paternity proceedings, adoption proceedings, and vital statistics. The Act is intended to provide substantive legal equality for all children regardless of the marital status of the parents.

Your Committee, upon consideration of the bill, amended Section 1 for purposes of clarification and style.

Section 2 of the original Act was amended and reinserted in the bill to restate the intent of the bill that substantive legal equality be provided for all children regardless of the marital status of their parents, where a parent and child relationship has been established under the provisions of the Act.

Your Committee also amended the first sentence of section 6(a) of the original bill for purposes of clarification. Section 6(a)(1)(B) was inserted into the bill as it apparently had been inadvertently deleted.

Your Committee also made several technical changes involving renumbering of sections and section references and correction of typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 115, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Takitani and Leopold.

SCRep. 778 Judiciary on H.B. No. 116

The purpose of this bill is to update provisions of the law relating to exemptions from attachment and the provisions relating to execution. The present statute is antiquated and contains exemptions which have no relation to modern conditions.

Your Committee agrees that amendment to these sections is long overdue and concurs in the amendments made to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 116, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 779 Judiciary on H.B. No. 121

The purpose of this bill is to revise the existing laws relating to garnishment to conform with existing Federal laws and Supreme Court rulings as to prejudgment practices and procedures.

Presently, there exists a void in the law regarding prejudgment procedures in light of recent Supreme Court rulings. The bill establishes proper procedures.

This bill amends the existing law in the following respects: (a) requires the creditor to first apply to the court for garnishee process detailing the facts showing probable validity of the claim, (b) requires the clerk to give four-day notice of a hearing if there is no request for a temporary restraining order and if there is such a request, requires the court to act on the request, (c) allows for the debtor to appear in court to present his reply, (d) allows garnishee process to issue without hearing under limited circumstances, and (e) limits the court's determinations to only those issues relevant to the proceedings.

Your Committee finds that the amendments proposed by the bill are in conformity with Federal legislation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 121 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 780 Judiciary on H.B. No. 424

The purpose of this bill is to broaden the coverage of credit disability insurance by deleting the exclusion from coverage resulting from foreign residence, and limiting the exclusion from coverage of pre-existing illness, disease, or physical condition.

Presently, Section 435-7(c)(2), Hawaii Revised Statutes, excludes from coverage disabilities resulting from foreign residence and from pre-existing conditions for which the insured received or was advised to obtain medical advice, consultation, or treatment during the six-month period preceding the effective date of coverage. Both exclusions have been the source of many complaints and lend themselves to uneven interpretation by insurers. This bill eliminates the foreign residence exclusion, and limits the pre-existing condition exclusion to a six-month period following the effective date of coverage.

This bill comes at the recommendation of the National Association of Insurance Commissioners. Your Committee is in agreement with the House Committee on Consumer Protection and Commerce as stated in their Standing Committee Report No. 135.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 424, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 781 Judiciary on H.B. No. 428

The purpose of this bill is to provide for uniform penalties for knowing and willful violations of various provisions of the Hawaii Motor Carrier Law and to provide for a citation procedure for violation of the law.

Under the present law, Section 271-27, Hawaii Revised Statutes, sets forth the penalties for various knowing and willful violations of the Motor Carrier Law. Although all of these violations are classified as misdemeanors, the fines for the various violations differ. This bill would provide for identical penalties as provided for in the Hawaii Penal Code for all the misdemeanors enumerated in Section 271-27. Under the Penal Code, misdemeanors are punishable by imprisonment of not more than one year and a fine not exceeding \$1,000.

The present law also provides for a penalty of \$100 and \$50 for each additional day of a continuing violation regardless of willfulness. This bill amends this provision to make clear that such penalties are civil penalties.

The bill also provides for an arrest and citation procedure which is consistent with the present procedures followed in the district courts.

The bill further allows discretion in the imposition of the civil penalty as there may be cases in which a technical violation occurs which does not warrant the imposition of the civil penalty.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 428, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 782 Judiciary on H.B. No. 429

The purpose of this bill is to clarify the prerequisites for taking the real estate broker examination administered by the Real Estate Commission.

This bill amends Section 467-9.5, Hawaii Revised Statutes, by requiring all real estate broker applicants to be previously licensed as a Hawaii real estate salesman.

The section was enacted in 1973. The intent of that legislation was to require that all applicants for the broker examination (1) be previously licensed as a Hawaii real estate salesman, and (2) have two years previous experience in selling real estate on a full-time basis as a Hawaii real estate salesman or have other experience or education equivalent to two years experience.

However, the statute as presently worded may be interpreted to only require that applicants be either previously licensed as a Hawaii real estate salesman on a full-time basis for two years or have experience or education equivalent to two years experience in the real estate business. Thus, a person who has never been licensed as a Hawaii real estate salesman would be eligible for the broker examination upon establishing that he has the equivalent of two years experience in the real estate business. This bill makes clear that all applicants for real estate broker examination must have been previously licensed as a Hawaii real estate salesman and that it is only the requirement for two years experience in the real estate business that can be waived by the Commission upon proof of equivalent experience or education.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 429 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 783 Judiciary on H.B. No. 610

The purpose of this bill is to provide the Department of Land and Natural Resources with the authority for administering oaths in relation to the subscription to a summons or citation by the officer issuing the summons covering a violation of the laws, regulations or ordinances described in Section 184-5.3, Hawaii Revised Statutes.

The bill requires the officer who issued the summons to subscribe to it under an oath administered by an official of the department designated by the chairman of the department and approved by the prosecuting officer.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 610 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Taira.

SCRep. 784 Judiciary on H.B. No. 643

The purpose of this bill is to broaden the jurisdictional limits of the District Courts in cases involving summary possession or ejectment where the defendant in the action may have a valid counterclaim in excess of \$5,000 in value. The bill also raises the amount of exclusive jurisdiction of the District Court from the present level of \$500 to \$1,000.

Under existing law, the defendant in a summary possession or ejectment action has been required to go to the Circuit Court for disposition of any counterclaim related to the subject property whose value exceeded the jurisdictional limit of the district courts. This created a situation in which it was possible that a person with a valid counterclaim could find himself dispossessed before the counterclaim could be decided.

This works to the disadvantage of the defendant whose counterclaim may have offset the claim on which the initial action was brought. This bill alleviates this dilemma by expanding the jurisdictional limits of the District Court in such cases. It works to the benefit of all parties concerned to have all aspects of a case disposed of in one court. Passage of this bill will insure efficient disposition of such cases.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 643, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Taira.

SCRep. 785 Judiciary on H.B. No. 849

The purpose of this bill is to grant the purchaser of an individual life or disability insurance policy the right to return the policy without obligation within ten days of receipt. This allows the insured to return the policy and have his premium refunded if he is not satisfied.

Presently, most insurers will not allow the purchaser to inspect the insurance policy without obligation. Frequently it is only after the policy holder has taken delivery of the policy and is committed to the purchase that he has ample opportunity to study it and determine whether the policy is really suited to his needs and financial ability to pay the premiums.

A life or disability insurance policy is a complex legal document which the policyholder may not fully understand during the negotiation stages. This bill would permit consumers to make more informed decisions relative to their insurance coverages and would encourage them to make a prompt review of any policy purchased. The purchaser will be liable, however, for actual medical examination expenses incurred by the insurance company in the event he returns the policy.

This bill should not impose any undue hardship on the insurance companies and will not significantly increase the workload of the Department of Regulatory Agencies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 849, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 786 Judiciary on H.B. No. 931

The purpose of this bill is to include the offense of driving while under the influence of intoxicating liquor in the driver point system established by Section 286-128, Hawaii Revised Statutes.

Presently, there is no assessment of points for driving while under the influence of intoxicating liquor. This bill amends Section 286-128, Hawaii Revised Statutes, by providing for an assessment of four to eight points for driving while under the influence of alcohol.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 931 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 787 Judiciary on H.B. No. 944

The purpose of this bill is to allow all persons the right to choose which surname they will use in marriage.

The surname chosen would be the person's own, that of the person's spouse alone or that of the person's spouse placed before or after the person's own surname and separated by a hyphen.

Testimony submitted by the Department of Health recommended that upon passage, the bill not take effect until January 1, 1976 to give the department time to revise its indexing and processing systems as existing marriage certificates and computer programs would have to be changed.

Your Committee adopted the recommendation of the department and amended Section 3 of the bill accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 944, H.D. 1, amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 788 Judiciary on H.B. No. 1130

The purpose of this bill is to authorize the board of directors of a state chartered credit union to appoint one or more persons from its general membership to serve as membership officers who may act upon applications for membership within limitations established by the board.

This bill amends Section 410-3, Hawaii Revised Statutes by allowing the appointment of membership officers from among the general membership of a state chartered credit union. This authority is presently set forth in the bylaws of Federal credit unions and is also contained in the Model Credit Union Act.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1130 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 789 Judiciary on H.B. No. 1136

The purpose of this bill is to allow the courts, in sentencing persons convicted of crime, to make restitution and reparation for loss to or damage inflicted upon the victims of their crimes as part of the convicted person's sentence.

Your Committee finds that in the criminal justice system, the victim of crime is almost always neglected. By requiring the "convicted person" to make restitution and reparation to the victim, justice is served. In so doing, the criminal repays not only "society" but the persons injured by the criminal's acts. There is a dual benefit to this concept: The victim is repaid for his loss and the criminal may develop a degree of self-respect and pride in knowing that he or she has righted the wrong committed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1136, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 790 Judiciary on H.B. No. 1408

The purpose of this bill is to amend section 604-7(a)(2), Hawaii Revised Statutes, to permit district court judges to subpoena witnesses from any part of the State to attend court without the necessity of having the subpoena endorsed by a circuit court judge.

Your Committee finds that it is appropriate to vest this power with a district judge in that the district courts are courts of record and subpoena power is an appropriate power for such courts to exercise.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1408 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 791 Judiciary on H.B. No. 1410

The purpose of this bill is to add a new section to chapter 501, Hawaii Revised Statutes, which permits the use of facsimile signatures of the Registrar of the Land Court for certain duplicate records filed in the Land Court.

Your Committee finds that this addition of a new section to the Hawaii Revised Statutes would enhance the efficiency of the Land Court and would have no adverse effect on documents filed with the court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1410 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 792 Judiciary on H.B. No. 1412

The purpose of this bill is to repeal section 531-11, Hawaii Revised Statutes, which requires that copies of petitions for probate of wills from the second, third, and fifth circuit courts be filed with the supreme court.

Your Committee finds that this practice duplicates records that are rarely used. In the interest of efficiency and conservation of storage space, it is appropriate to discontinue this practice.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1412 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 793 Judiciary on H.B. No. 1550

The purpose of this bill is to provide criminal sanctions for the pirating of sound recordings for commercial reasons.

Under existing law, there are no sanctions, other than civil sanctions, to deter such activities. Your Committee received testimony to the effect that owners of master phonograph records are being victimized by persons who reproduce master phonograph records without authority with the intent to sell the same.

As originally drafted, the bill does not clearly define "owner". Your Committee has amended the bill to provide such a definition so as to clarify the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1550, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 794 Judiciary on H.B. No. 1576

The purpose of this bill is to create an exemption from registration of securities sold in compliance with Rule 146 of the Securities and Exchange Commission.

Your Committee finds that securities sold under Rule 146 are essentially private offerings. The exemption will permit the workload of the Department of Regulatory Agencies to be decreased without lessening the law's protection of investors, because Rule 146 imposes numerous requirements upon issuers using it, which requirements are more severe than those of our present law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1576 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 795 Judiciary on H.B. No. 1783

The purpose of this bill is to define in law persons who are authorized to give consent for adoption.

The bill conforms and updates Hawaii Revised Statutes, Chapter 578, relating to adoption with other chapters in the Hawaii Revised Statutes. The bill amends the present adoption law by clarifying the law in the following respects: 1) persons required to consent to adoption; 2) persons whose consent may be dispensed with by order of the court; 3) persons whose consent is not required; and 4) presumptions of paternity. Your Committee finds that this type of legislation is long overdue.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1783 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 796 Judiciary on H.B. No. 1853

The purpose of this bill is to increase the maximum allowable civil fine for violation of the Unfair Competition Law from \$2,500 to \$10,000 for each violation.

Your Committee has found that unfair methods of competition or deceptive acts or practices in the conduct of any trade or commerce injures the economy of the State. This increase in the maximum allowable civil fine for violation of the unfair competition law will go a long way toward discouraging such activity. The current maximum civil fine (\$2,500) for such violation is little more than a relatively cheap license fee. Increasing the maximum allowable fine should help to deter unfair competition.

Your Committee has further found that similar legislation on the Federal level was introduced by the Federal Trade Commission and signed into law in 1973. The effective enforcement of our respective unfair competition laws will be enhanced by enacting corresponding penalties on the State level, thereby leaving no jurisdictional haven for those who violate the unfair competition laws.

Your Committee is in accord with the intent and purpose of H.B. No. 1853 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 797 Judiciary on H.B. No. 1854

The purpose of this bill is to increase the maximum allowable fine for violations of injunctive orders to cease and desist from violating State anti-trust laws from \$2,500 to \$10,000.

The current maximum fine for such violations amounts to little more than a relatively cheap license fee when compared to the potential for gain by continuing anti-competitive activity. The prospect of a harsher penalty for violating such injunctions should discourage businesses from violating injunctive orders to cease and desist from violating anti-trust laws.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1854 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 798 Judiciary on H.B. No. 1855

The purpose of this bill is to increase the maximum allowable fine from \$10,000 to \$100,000 for violation of the antitrust laws committed by a natural person; to increase the maximum allowable fine from \$20,000 to \$1,000,000 for violations committed by a person who is not a natural person (i.e., corporation, partnership, association, etc.); and, to increase the maximum prison sentence for violation of the antitrust laws from one (1) year to three (3) years, thereby making such violation a felony rather than a misdemeanor.

Your Committee has found that illegal gains from antitrust violations can frequently run into the millions of dollars. The current maximum allowable fine (\$20,000) is little more than the corporate equivalent of a traffic ticket. The prospect of much stiffer fines will go a long way toward making it less profitable to fix prices, divide markets or otherwise restrain trade.

Your Committee has further found that violations of the antitrust laws seldom occur as isolated cases. More often, they are conspiracies of long standing that have cumulative adverse effect upon large segments of our economy. They amount to nothing less than long-term stealing from large numbers of people simultaneously. Yet under our current statute, anti-trust violations are deemed misdemeanors punishable by a one (1) year maximum sentence.

Your Committee has found no reason of law or policy why a person who steals from thousands should receive a significantly lesser penalty than a person who steals from one.

Your Committee has found that the proposed increase in the maximum jail sentence would change the penalty for antitrust violations from a misdemeanor to a felony, thus giving notice to potential violators that the State of Hawaii views such conduct as more than the equivalent of a mere traffic offense.

Your Committee has further found that similar legislation on the Federal level was signed into law by President Ford this past December, 1974. Effective enforcement of our antitrust laws will be enhanced if corresponding penalties are enacted on the State level, thereby leaving no jurisdictional haven for antitrust violators.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1855 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 799 Judiciary on H.B. No. 1890

The purpose of this bill is to authorize the Attorney General or any bar association of the State to take actions to prevent the unauthorized practice of law without infringing upon the power of our courts to take such action.

Passage of this bill will help to protect the public from receiving purported "legal" advice from persons whom the State has not found to be competent to provide such advice. Members of the public who rely on improper legal advice could suffer grievous consequences as a result. This bill provides a fair and expeditious method of preventing such activity.

Presently, only five other states besides Hawaii require the enforcement of unauthorized practice of law by the prosecuting attorney. Most states give the bar association authority to bring suit to halt such activities. With passage of this bill, Hawaii will join the large majority of jurisdictions which permit the local bar with the power to prevent such activities.

Your Committee has amended the bill in the following respects:

1. Deleted in paragraph 1, section 1, the phrase, "and to repeal the criminal sanctions contained in the present law and to substitute comparable civil penalties therefor." This is to conform this section with the intent of the bill as expressed by House Standing Committee Report No. 487.

2. In section 2, amended the language to conform with the language of the Hawaii State Penal Code.

3. Corrected grammatical errors throughout the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1890, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached as H.B. 1890, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 800 Human Resources on H.C.R. No. 72

The purpose of this concurrent resolution is to urge Congress to pass a bill which would provide grants to "gateway" States and cities with disproportionate populations of foreign-born persons.

Your Committee finds that because of Hawaii's multi-ethnic population and desirable location, it serves as a destination for a substantial number of immigrants from Asian and Pacific countries. In 1971, Hawaii ranked 12th, nationwide, in relation to the number of immigrants finding residence in Hawaii.

The Department of Social Services and Housing is aware of the social and fiscal impact on Hawaii due to the increasing immigrant population. The Department believes that because immigration is a matter of national policy, the Federal government should assume a major responsibility for monies spent in alleviating immigration problems.

Your Committee on Human Resources is in accord with the intent and purpose of H.C.R. No. 72, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 801 Consumer Protection on H.C.R. No. 55

The purpose of this concurrent resolution is to establish an interim committee, comprised of members of the House Committee on Tourism and the Senate Committee on Consumer Protection, to investigate the problem of hotel overbooking.

Tourism is currently Hawaii's biggest industry and residents depend on it for jobs and other sources of income. In turn, the industry depends heavily on the goodwill of visitors and the reputation of Hawaii as the Aloha State.

However, Hawaii's image and credibility have recently been damaged as a result of a few cases of severe hotel overbookings.

Both the House Committee on Tourism and the Senate Committee on Consumer Protection have held hearings on measures regarding overbooking and as a result have decided to seek means of control other than through legislation at the present time.

The purpose of this interim committee is to study and to seek these means of control and should it be determined that a need for legislation exists, the development of specific proposals may also be considered.

Your Committee on Consumer Protection concurs with the intent and purpose of H.C.R. No. 55, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 802 Consumer Protection on S.R. No. 276

The purpose of this resolution is to request the Senate Committee on Consumer Protection and the departments of Planning and Economic Development and Agriculture to determine the reasons for the high price of food products which are closely integrated with the economy of the State.

According to a survey conducted by the Hawaii Newspaper Agency on February 7, 1975 at Safeway Supermarkets or equivalents, Honolulu ranked first among the ten U.S. cities with the highest cost of living in the price of bananas, which are grown locally, third in regards to sugar, which is the third highest revenue generating industry in Hawaii, and sixth in the price of tuna, which is caught in waters contiguous to and processed within the State.

Your Committee amends this resolution by requesting the President of the Senate to appoint an interim committee from the members of the Committee on Consumer Protection to conduct this investigation with the departments. Your Committee finds that this is a serious problem and one requiring more in-depth study than could be provided by holding one or more hearings during the legislative session.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 276, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 276, S.D. 1.

Signed by all members of the Committee.

SCRep. 803 Housing and Hawaiian Homes on S.C.R. No. 98

The purpose of this concurrent resolution is to facilitate the conversion of residential leaseholds to fee simple interests by establishing a State policy of (1) capital gains treatment for non-charitable institutions, and (2) maintenance of tax-exempt status of charitable institutions in cases where there is conversion of residential leaseholds to fee under threat of condemnation (as provided in Act 307, S.L.H. 1967).

The concurrent resolution requests the United States Internal Revenue Service to follow suit by issuing a specific ruling to the effect that any sales of single-family residential leasehold tracts under threat of condemnation be treated in conformity with this State policy, and to make clear that certain affected landowners may themselves hold mortgages for such purchases without loss of tax-exempt status under Title 26, Sections 512 and 513.

Should such rulings not be forthcoming, the Congress of the United States is requested to enact amendments to the Internal Revenue Code to achieve these purposes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purposes

of S.C.R. 98 and recommends that it be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 804 Housing and Hawaiian Homes on S.R. No. 321

The purpose of this Resolution is to request that both State and Federal tax laws be interpreted or amended to allow the income to lessors from the conversion of residential leasehold land to fee under the threat of condemnation to be taxed at capital gains rate for noncharitable institutions, and to be exempt from taxation for eleemosynary organizations.

Your Committee has found that rising land values in this State and the resulting high lease rents established upon renegotiation have threatened the tenure of homeowners of leasehold property. Lessors, including charitable and noncharitable organizations, who would otherwise consent to the conversion of their leasehold land to fee, have been stymied by federal and State tax statutes which would treat their income from such conversion as corporate income. This Resolution seeks to remove these statutory obstacles to the conversion. State and federal tax officials are asked to rule in favor of the preferential tax treatment exemption for charitable organizations and capital gains rate for noncharitable institutions--for involuntary sales of fee property to lessees. In absence of such rulings, Congress is requested to make the appropriate amendments to the Internal Revenue Code to achieve the same purposes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.R. No. 321 and recommends its referral to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 805 (Joint) Higher Education and Health on S.R. No. 164

The purpose of this resolution is to request the School of Public Health, University of Hawaii, in collaboration with other appropriate agencies, to initiate studies on the possible establishment of a data base system for use by social and health planners throughout the State, and to report its findings to the next Legislature.

Your Committees find that the overall goal of improving the health of the population and improving the health care system requires comprehensive data on current health problems, utilization of services, availability of resources and health trends. The present programs to collect and analyze such data are incomplete and poorly coordinated not only in Hawaii but in virtually every other State.

The National Center of Health Statistics is advocating establishment of a Cooperative Health Statistics System, which will be a coalition among the various levels of government for the purpose of establishing and maintaining a current and accurate data base. This will provide for the collection of any particular needed data item by that level of government best equipped to collect it--Federal, State or local--and sharing of information with other levels. The National Center for Health Statistics will pay the respective governmental agency its "fair share" of the cost of producing the data that it desires.

Your Committees find that the School of Public Health is the appropriate body to begin preliminary study on the feasibility of a data base system because it has the necessary research capability and has already convened a Steering Committee broadly representative of the agencies and organizations cited in the resolution, and others, as a means of attaining policy guidance in the exploration and experimental stage of the development, and as a means of identifying an appropriate future location for the on-going management of such a system once it has been developed.

Both the Department of Health and the School of Public Health testified in favor of the concept contained in this resolution. Your Committees feel it is essential to begin the initial exploration of the data base system, particularly in light of the recent passage of federal legislation (P.L. 93-641) which recognizes the need to strengthen and coordinate planning for health services and facilities development.

Your Committees on Higher Education and Health are jointly in accord with the intent and purpose of S.R. No. 164 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 806 (Joint) Education and Health on S.R. No. 201

The purpose of this resolution is to request the Departments of Health and Education to study the potential conflicts and overlaps between the two departments in administering services to handicapped children and to report their findings jointly to the next session of the Legislature.

Your Committees find that these two departments are extensively involved in providing services to handicapped children, with the result that there are considerable overlapping jurisdictions and confusion as to the responsibilities of each. Further, this problem may be compounded by the recent completion by each department of master plans for the care of handicapped children.

Your Committees are concerned that the most efficient and effective delivery of services be provided to our handicapped youngsters and that unnecessary duplications and confusion be eliminated in implementing the respective master plans.

Your Committees on Education and Health are jointly in accord with the intent and purpose of S.R. No. 201 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 807 Education on H.C.R. No. 35

The purpose of this concurrent resolution is to request that the Congress of the United States enact legislation that would permit all states, upon request, to obtain federal cash payment in lieu of food commodities that are provided by the United States Department of Agriculture under its Commodity Distribution Program.

Precedent for receipt of cash in lieu of commodities has been established under the National School Lunch and Child Nutrition Act Amendments of 1974, which granted cash payments to the state of Kansas, after Kansas phased out its commodity distribution facility. Your Committee believes that Hawaii, likewise, should be afforded the same opportunity to expend its commodity funds for Hawaii-produced foods and food products used in our school lunch and related programs.

The purpose of the amendment to the concurrent resolution is to add the Secretary of Agriculture to those receiving certified copies of this concurrent resolution.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 35, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 35, S.D. 1.

Signed by all members of the Committee.

SCRep. 808 (Majority) Education on S.C.R. No. 93

The purpose of this Senate Concurrent Resolution is to provide a unit on voter and citizen responsibility within the social studies curriculum for high school students.

Your Committee in its review of this Resolution recognizes the need for more voter participation and the need for an informed and responsible electorate. Such a unit on voter and citizen responsibility would be geared towards meeting this end.

However, your Committee has amended the Resolution to request the Department of Education rather than requiring the Department to develop a unit on voter and citizen responsibility. It is the feeling of your Committee that the Department should be first given the flexibility to review its curriculum and to respond to the wishes of the Legislature accordingly.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by all members of the Committee. Senator Anderson did not concur.

SCRep. 809 Education on H.B. No. 714

The purpose of this bill is to establish equivalent learning centers on a statewide basis and fund the following: Kailua Learning Center; "Storefront Classroom," Wahiawa; and alternate schools for the intermediate schools in Hilo, Hawaii, Maui school district,

Kona, Hawaii and Olomana School, Oahu. All these projects represent educational alternatives for underachieving and failing students.

In addition to the said projects, your Committee amended the bill by adding two similar projects to the list of projects for alternative teaching methods; Individual Education Project at Wahiawa, Oahu and "Interest Curriculum" for Nanakuli, Oahu.

Your Committee has also amended the appropriation of \$1,000,000 to \$1,000 provided for the purposes of this Act.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 714, H.D. 2, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as H.B. No. 714, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 810 Ecology, Environment and Recreation on H.B. No. 37

The purpose of this bill is to appropriate funds for the production and local distribution of thirty to sixty second radio and television spots relating to environmental concerns to be aired on commercial television and radio as public service announcements. The bill appropriates \$15,000 or so much thereof as may be necessary for these announcements.

Your Committee finds that such public service announcements could play an important role in making members of the community more aware of their relationship to and their responsibility for their environment.

The House Committee on Environmental Protection recommended in its Standing Committee Report on this bill that the Office of Environmental Quality Control assume the responsibility for authorizing and/or preparing the script for the announcements with professional assistance from the Environmental Quality Commission, the Department of Health, the Department of Lands and Natural Resources and other public agencies with environmental concerns. Your Committee concurs with this recommendation.

At a public hearing on the bill the Hawaii Public Broadcasting Authority testified they have the necessary staff and facilities to produce such public service announcements for radio and television and would welcome the opportunity to cooperate with the Office of Environmental Quality Control and other public agencies concerned with environmental issues in the preparation of such announcements.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 37, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 811 Ecology, Environment and Recreation on H.B. No. 40

The purpose of the bill is to appropriate \$1,000,000 or so much thereof as may be necessary to fund chapter 115 of the Hawaii Revised Statutes for the purpose of assisting the counties to purchase land for public rights-of-way to the shorelines and the sea for public transit corridors where topography is such that safe transit does not exist along the shoreline.

Your Committee finds that chapter 115 provides for the counties to purchase land for public rights-of-way to the shorelines and to the sea and for public transit corridors, and names the Department of Land and Natural Resources as the expending agency. The chapter specifies that the Department of Land and Natural Resources shall enter into agreements with the counties for the acquisitions provided that the counties match the funds appropriated by the legislature. This bill would appropriate funds to initiate the program authorized by this chapter.

The Hawaii Chapter of the Sierra Club and the Hawaiian Trail and Mountain Club in testifying on this bill at the public hearing recommended that it should also apply to access to publicly owned mountain lands. Your Committee concurs with this recommendation and has amended the bill to fund section 46-6.5, Hawaii Revised Statutes, and to provide access to any public lands to which the public should have access and private lands intervene.

Your Committee wishes to caution the Department of Land and Natural Resources

that in acquiring and regulating these lands, the Department make every effort to insure that they are utilized in a manner which protects them against environmental damage and respects the rights of adjacent property owners.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 40, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 40, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 812 Ecology, Environment and Recreation on H.B. No. 381

The purpose of the bill is to comply with the request of the Environmental Protection Agency that section 342-7, Hawaii Revised Statutes, be amended.

Your Committee finds that the State of Hawaii has recently been delegated the authority to administer the National Pollutant Discharge Elimination System (NPDES) permit program under Section 402 of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500). The Federal Act prohibits the use of variances in the water pollution NPDES permit program. It does, however, allow the modification of a discharge permit if the Department of Health deems it advisable.

The Environmental Protection Agency has requested that the State amend its statutes to make it clear that Hawaii's variance provisions would not be applicable when they are inconsistent with the guidelines and requirements of Federal Water Pollution Control Act.

The Department of Health, which proposed this bill, testified at a public hearing on the bill, that it would comply with the Environmental Protection Agency request without compromising or jeopardizing the interest of the State and its people. The Department of Health further testified that it already follows this permit modification procedure in its water pollution control program, and as a result no change in procedures would result by the enactment of this bill.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 381, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 813 Ecology, Environment and Recreation on H.B. No. 1117

The purpose of the bill is to recognize that the State of Hawaii, while occupying a progressive role in the modern world, should be ever mindful of the richness of its heritage preceding the annexation of Hawaii by the United States.

The bill provides that this purpose shall be accomplished in part by placing for permanent display in the rotunda of the State Capitol a sculpture of Queen Liliuokalani. The bill further provides that this shall be accomplished by establishing within the department of budget and finance a jury to be appointed by the governor to recommend commissioning of an artist, based on a design competition, for the creation of this sculpture. In making its final recommendation for commission of an artist, the jury is to give preference to artists residing in the State of Hawaii to help ensure the devotion of the sculpture to the spirit of Hawaii.

Your Committee finds that the placement of this sculpture, though it should be at the Capitol, should not be limited to the rotunda, if structural or esthetic reasons otherwise dictate, and has therefore amended the bill to delete references to the rotunda.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 1117, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 2, S.D. 1, and be referred to the Committee to Ways and Means.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 814 Ecology, Environment and Recreation on H.B. No. 1624

The purpose of this bill is to restore to the shoreline setback law (Section 205-33, Hawaii Revised Statutes) two classes of prohibition that were omitted in error when the law was amended in 1974. These are (b) new shoreline structures, and (c) replacement of shoreline structures.

According to the bill no structure or any portion thereof shall be permitted within the shoreline area, with the exception of those structures which legally existed on June 22, 1970 and those structures which may be necessary for safety or for protection from erosion or wave damage.

Your Committee finds that the language of the bill is unclear and might be interpreted to mean that such structures could be constructed to protect the land itself from erosion or wave damages. Your Committee wishes to clarify this point so that the protection from erosion and wave damage shall apply only to improvements built on the land, and has amended the bill accordingly.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 1624, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 815 Ecology, Environment and Recreation on H.B. No. 1713

Section 103-8, Hawaii Revised Statutes, now provides that one per cent of construction costs of state buildings can be used for acquisition of works of art for exhibition in public facilities. The purpose of this bill is to allow part of the one per cent to be used also to defray costs of transportation and for upkeep of the works of art.

At the public hearing on this bill, the Chairman of the State Foundation on Culture and the Arts testified that such provision for transportation is advisable, so that the works of art can be exhibited to a greater extent at various locations throughout the State.

Your Committee finds that the present language of the law is not broad enough to allow for such transportation costs. Your Committee further finds that maintenance and repairs are critical to the proper care of works of art acquired by the State.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 1713, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 816 Ecology, Environment and Recreation on H.B. No. 91

The purpose of the bill is to amend the present historic preservation provisions of chapter 6, Hawaii Revised Statutes, by expanding and clarifying the provision relating to a comprehensive historic preservation program, providing for the establishment of a Hawaii Advisory Council on Historic Preservation; and reorganizing, renumbering, and restating provisions relating to the Hawaii Foundation for History and the Humanities and to monuments and memorials.

Your Committee finds that the legislature is committed to historic preservation and that the preservation, restoration, and maintenance of historic and cultural property are part of public policy. The bill charges the department of land and natural resources with the establishment and implementation of a comprehensive historic preservation program, grants the department necessary powers to carry out its responsibilities and provides for a historic preservation officer to be appointed by the governor who is responsible for the overall development of a comprehensive historic preservation program and who shall receive federal funds for historic preservation in accordance with federal acts related to historic preservation. The bill further requires all state projects and programs relating to historic preservation to come under the department of land and natural resources.

Your Committee has amended the bill to provide that before structures are nominated

to the State Register of Historic Places, the owners of these structures should be given adequate notification and an opportunity to respond.

Your Committee has further amended the bill to provide that the state preservation officer shall be appointed on the basis of his experience as an historian or archeologist, to change the amount of the appropriation from one per cent to one-half of one per cent, to delete imprisonment from the penalty provisions, and to delete section 9, which provided that all funds appropriated and not used by any state department for the operations of any project or program related to historic preservation shall be transferred to the department of land and natural resources or other appropriate state agency.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of H.B. No. 91, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 91, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Ching, Chong and Nishimura.

SCRep. 817 Legislative Management

Informing the Senate that Gov. Msg. Nos. 264 to 278, S.C.R. Nos. 135 to 141, S.R. Nos. 386 to 398 and Stand. Com. Rep. Nos. 818 to 841 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 818 (Joint) Health and Higher Education on S.R. No. 281

The purpose of this resolution is to request the School of Public Health, University of Hawaii, in cooperation with other appropriate disciplines, to study the effects of guns in Hawaii as a public health matter and to report their findings to the next regular legislative session.

Your Committees find that there exists today a dearth of information on the broad health, welfare and socio-economic aspects of weapons in our society. Arguments presented for and against gun control at public hearings are often so charged with emotion and so lacking any basis in researched facts that a reasonable decision is almost impossible to make.

Your Committees find that this resolution would permit the School of Public Health to undertake a study on a wide spectrum of seldom-investigated aspects of death and injury by guns. The goal would be to compile research data and supply factual information that would be used as a guide for future legislative deliberations.

According to the Honolulu Police Department, from 1973 to 1974, deaths by guns increased almost four fold and may double from that figure in 1975 if the first months projections prove accurate.

Your Committees believe that any effort to move the matter of gun legislation into a more productive arena for deliberation and for the development of objective legislation would be beneficial.

Your Committees on Health and Higher Education are jointly in accord with the intent and purpose of S.R. No. 281 and recommends that it be adopted.

Signed by all members of the Committees.

SCRep. 819 Housing and Hawaiian Homes on H.C.R. No. 73

The purpose of this resolution is to request that the Hawaii Housing Authority acquire land in Haleiwa or Waialua for the purpose of constructing low cost housing projects.

Your Committee finds that the population trend on Oahu is moving towards the North Shore. The increase of population of the area will cause economic dislocations among its residents, particularly low and moderate income families.

In an effort to help these families who might be affected by the hardships of housing dislocations, this resolution requests that the Hawaii Housing Authority acquire land to build units for potential future displacees.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 73, H.D. 1, and recommends that it be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 820 Housing and Hawaiian Homes on H.B. No. 1900

The purpose of this bill is to amend Section 46-15, Hawaii Revised Statutes, to eliminate the provision that allows a county to designate and develop any lands contiguous to an existing urban district for experimental and demonstration housing projects.

While recognizing the great need for housing for low and moderate income households your Committee believes that the Land Use Law should not be circumvented. In this regard your Committee is aware of current steps being taken by the Legislature to strengthen the Land Use Law to require the development of State planning policies and criteria to guide the Land Use Commission's actions. The passage of H.B. 1900, H.D. 1 is in concert with these legislative concerns.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1900, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 821 Judiciary on S.C.R. No. 54

The purpose of this resolution is to request the Hawaii Bar Association to initiate a program of developing and sponsoring a prepaid legal services program in the State.

Your Committee finds that due process of law is an inherent right of all Americans. However, rising legal costs make legal services prohibitively expensive for the middle income citizens. This segment of society is not eligible for legal aid and cannot afford legal expenses. As a result, these citizens are denied the full benefit of their right under the law. A prepaid legal services program will alleviate this problem.

Your Committee on Judiciary is in accord with the intent and purpose of S.C.R. No. 54 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 822 Judiciary on H.B. No. 54

The purpose of this bill is to amend the State Constitution to expressly authorize the State of Hawaii to provide needed housing for its citizens.

The amendment emphasizes the power of the State to assist in housing for public use or purpose.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 54, H.D. 1, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 823 Judiciary on H.B. No. 259

The purpose of this bill is to modify the liability of livestock owners for trespass of their animals upon fenced or unfenced cultivated land as well as fenced uncultivated land. Also, the bill simplifies the determination of damages in all animal trespass cases.

The deletion of material concerning penalties "per head", with varying amounts depending on what kind of animal trespassed, is appropriate. The present law originated in a predominantly agricultural era and as such, has little justification today on a "per head" basis. Requiring the livestock owner to bear the full cost of damages or loss to the land owner, upon proof of such, is more in line with present conditions.

Your Committee has amended the bill to provide that not only the landowner, but any person in possession of the land who suffers loss or damage would be compensated. This would include lessees, tenants, purchasers under an agreement of sale or any other person in possession of the land.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 259, H.D. 1, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 259, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 824 Judiciary on H.B. No. 516

The purpose of this bill is to modernize the language of certain sections of Chapter 577, Hawaii Revised Statutes, to bring the laws into focus with present conditions.

The bill provides for some basic changes in relation to curfew hours, parents allowing their children out past curfew hours, prohibited places for children after 10 P.M., duties of minor children, and the control and duties of parents. Other changes made in the bill are in relation to the preceding substantive amendments and enlarge upon the role of guardians, escorts, and orphan children.

Your Committee amended the bill by changing the word "fifteen" to "sixteen" at lines 6 and 18 on page 4 to conform that page to the other parts of the bill. Also on page 4, an apparent unintentional omission of \$10 has been added to conform to present law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 516, H.D. 2, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 516, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 825 Judiciary on H.B. No. 927

The purpose of this bill is to amend Section 831, Hawaii Penal Code, Title 37, by expanding the statute with respect to theft in the first degree.

Anyone who is found in possession of carcasses or meat of the type listed while in or upon fenced or enclosed premises which he entered knowingly or remained unlawfully in or upon would be guilty of theft in the first degree.

The bill is designed to rectify the problems ranchers and other livestock holders have with individuals who enter their land and slaughter their cattle.

Your Committee has amended the bill by making corrections relating to unintentional misquotes and deletions of Section 708-831, Hawaii Revised Statutes, 1974 Supplement.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 927, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 927, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 826 Judiciary on H.B. No. 929

The purpose of this bill is to expand the meaning of criminal trespass in the first degree.

The bill will prohibit a person from knowingly entering or unlawfully remaining in or upon the premises which are fenced or enclosed in a manner designed to exclude intruders, and having in his possession at the time of such intrusion a firearm.

Your Committee has amended the bill for typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 929, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 827 (Majority) Ecology, Environment and Recreation on H.B. No. 826

The purpose of this bill is to enlarge Diamond Head State Monument to include all

the State lands within or adjacent to the monument with the exception of the area occupied by a structure.

Your Committee finds that Diamond Head Crater is a place of special majesty and grandeur as well as special historic interest. The 1969 Task Force Report made a clear recommendation that the crater be made a park.

At the public hearing on this bill, numerous groups and individuals testified in its favor, including the City and County of Honolulu, The Outdoor Circle, Save Diamond Head Association, and the Waikiki Improvement Association, Inc. The State of Hawaii Department of Defense agreed the Crater can and should be utilized jointly for recreational and National Guard purposes.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 826 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Ching.
Senators Hulten and Hara did not concur.

SCRep. 828 Economic Development on H.B. No. 83

The purpose of this bill is to appropriate the sum of \$147,000 for the 1975-77 biennium to improve the coordination and development of the state agriculture programs by creating the position of assistant to the governor for agriculture in the office of the governor.

Your Committee has amended the bill to include two persons from the public to be included in the composition of the agricultural coordinating committee.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 83, H.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as H.B. No. 83, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Hara, King,
Nishimura, Toyofuku and Yim.

SCRep. 829 Economic Development on H.B. No. 95

The purpose of this bill is to appropriate \$50,000 for research into the feasibility and development of means of utilizing sewage treatment plant effluent and capturing stream runoff, for agricultural purposes in West Loch, Oahu.

Your Committee has received written testimony from various government agencies expressing support of this bill and the necessity of retaining, conserving and recycling water normally lost to the sea.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 95, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Yim and Rohlfling.

SCRep. 830 Economic Development on H.B. No. 352

The purpose of this bill is to redefine agricultural parks to eliminate the requirement of a number of agricultural activities in the area.

In the analysis of this bill, the members of your Committee raised several questions regarding the concept and functioning of agricultural parks. It is felt by your Committee that some historical background regarding ag parks should be stated for the record for all members of the Senate in order to clarify the intent and purpose of the Statewide Ag Park System.

Historically, agriculture has played a prominent role in the State's economy with pineapple and sugar as the major crops in this leading industry. Over the past decade, however, your Committee notes that agriculture has been in the process of change and has been replaced by tourism as the major economic base in the State. Your Committee reports that the number of farms have declined sharply by more than 30% from 1960 to 1970. In addition, your Committee notes that the recent phasing out of several pineapple and sugar operations in our Islands is alarming when it is coupled with the fact that one

out of three farms has closed down in Hawaii, especially in light of the current world-wide food shortage and increasing energy and labor costs which are already being passed along to the consumer in Hawaii. The ramifications of these problems are sizeable, and therefore, your Committee recognizes the fact that the welfare of Hawaii's people will require the State to produce diversified foods for her own use. To this end, your Committee believes it is good policy for the State to make lands available and ready for the farmer.

Your Committee further believes that a revitalization of agriculture through the development of agricultural parks will result in the broadening of the State's income base and thereby relieve its dependence on a single major source of income.

In exploring the reasons behind this dramatic shift in agriculture, your Committee has recognized several endemic features of the Hawaiian agricultural system which are stumbling blocks in the way of the stated goal of self-sufficiency. We are an island state surrounded by the vast reaches of the Pacific Ocean; land is a scarce commodity in our State. The very visible problem of demand far exceeding supply is compounded by the fact that the majority of land is controlled by only a few major land owners. With the unprecedented growth in population and in the economy in the last two decades, there have been additional demands for housing which have led to the urbanization and encroachment upon agricultural lands. This has been a major factor in forcing the small, diversified farmer to relocate several times in the past twenty years. For example, on Oahu where growth has been the most concentrated, there is presently no area where the small diversified farmer can have any degree of permanence.

In these times of intense growth, the large land owner is under pressure to withhold arable land from farm production in anticipation of future development for housing purposes. Thus, in our State where land is a scarcity, your Committee is confronted with the dichotomy of the goal of self-sufficiency in agriculture on one hand, and the pressure on land owners to develop their lands which escalate property values out of the reach of the farmers on the other. For these reasons, your Committee firmly believes that an agricultural park is a viable alternative to these challenges.

Your Committee feels that agricultural parks which are essentially low cost, long-term leased lands set aside only for agricultural purposes should be situated in an area where the maximum economic benefit can be obtained. Your Committee sees the urgent need for the development and implementation of agricultural parks due to the rapid pace of urban growth and the resultant land speculation which have forced both noxious industries and agriculture to relocate time and time again. These factors have added to the cost of operations of agricultural industries by:

- a. Creating high land rents because of speculation which places urban values on all agricultural lands.
- b. Causing high real property taxes since land is taxed on the highest and best use.
- c. Creating high operational costs due to the inability of the farmers to obtain long-term leases: land owners are not willing to commit their land to agriculture for an extended period of time. This inability to obtain long-term leases results in a lack of incentive to make the large capital improvements which are necessary to maximize efficiency. Therefore, the end result is an inefficient and run-down operation.

Your Committee notes that noxious industries face a similar problem which they have solved by the development of industrial parks. The Campbell Industrial Park is an excellent example of how proper planning coupled with long term low cost land can have a beneficial effect on the environment, the public, the industry, and the consumer. The Campbell Industrial Park has two major refineries, scrap iron yards, a steel mill, and cement plants.

In spite of these industries, the Park is so well-landscaped and well-planned that it does not pollute the environment; yet, it permits large capital investments which maximize efficiency.

Your Committee fervently hopes that the agricultural park concept will provide identical results for agriculture. With proper planning and selection of the best environment for the chosen agricultural commodity, the site for the agricultural park will remain agriculture permanently without being endangered by urban encroachment. Your Committee feels that the Department of Agriculture is best suited to be the lead agency in the areas of agricultural parks. The agricultural park concept will include buffer zones for aesthetic value as well as the practical aspect of animal waste management. Your Committee

feels that through the agricultural park system, new concepts can be explored in waste management and recycling. The State also has an opportunity to franchise the new concepts. The development and advancement of this new industry enhances the agricultural park concept, especially in these times of environmental and ecological concerns. Your Committee feels that long-term leases would encourage the heavy capital investments that are required for adequate and efficient operation of the agricultural industry. Thus, agricultural operations would be protected from urbanization, and the lowest possible cost insured to the consumer.

Your Committee notes that prior legislative action has been taken in the area concerning agricultural parks. In 1972, Act 110 and Act 202 authorized the Board of Land and Natural Resources to expend one million dollars to acquire land for agricultural purposes for agricultural parks. In February of 1973, a consultant was hired to determine the agricultural park site on Oahu. In December of 1973, the report was completed covering the conceptual design, cost analysis, and site selection of agricultural parks in the order of preference of Kunia, Kahuku, and Ewa. In 1974, the Legislature appropriated additional funds and added that the Kunia Agricultural Park must not be larger than 600 acres and that pineapple lands cannot be used.

Your Committee reports that there are currently three agricultural parks being developed throughout the State. The first is Pahoa Agricultural Park in Puna on the Big Island where 19 lots were recently leased to farmers. A second increment of eight lots totaling 116 acres will soon be available for leasing to farmers. Also, a second Big Island agricultural park at North Kohala is being developed. On Oahu, the third agricultural park is at Kunia where the estimated date of completion is scheduled for later 1978.

In a public hearing, your Committee heard testimony regarding the definition of agricultural parks. At present, agricultural parks must concentrate "in a common location a number of agricultural activities". A literal interpretation of this definition has been a source of difficulty in the development of the agricultural park at Pahoa on the Big Island. In this instance, the Pahoa lands are suitable for a rather narrow range of agricultural crops and it has been difficult to plan for the diversity of mix now required by law. Therefore, your Committee hopes that by elimination of the wording "a number", these difficulties will be eliminated.

The second change proposed by House Bill No. 352 would delete the word, "planned", from the definition of agricultural parks. Your Committee finds that due to urban encroachment, it may be appropriate to create agricultural parks in areas where important concentrations of agriculture already exist.

Your Committee concurs with testimony given by the Chairman of the Department of Agriculture which explains that the cost of off and on-site improvements is not intended to be amortized to the occupants of the Agricultural Park or to be calculated into the lease rent. Therefore, the cost of planning, engineering, and construction of the off-site facilities is to be excluded from the calculation of the rent to the occupants. Your Committee feels that the lease rent to the occupants shall be the raw land lease cost to the State plus the cost of Administration. Your Committee prefers to provide this kind of assistance to viable economic industries rather than by providing special programs, as in Kohala, for entities which have considerable financial difficulties. Thus, your Committee feels that the purpose of the agricultural park is to provide low-cost agricultural land to existing concerns that are presently being forced to relocate. The long-term leases and low costs will permit these operations to make the large capital expenditures necessary to maximize efficiency and thereby deliver an adequate supply of goods at the lowest possible cost to the consumer.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 352 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators King, Yim and Rohlfing.

SCRep. 831 Economic Development on H.B. No. 353

The purpose of this bill is to simplify applications for leases in relation to agricultural parks. It will permit persons already engaged in farming to apply for leases within agricultural parks.

Your Committee received testimony from the Department of Agriculture stating that presently Section 171-68(b) and 171-65 disqualify holders of land for farming and home-steading from applying for a lease within agricultural parks. The result is that persons already engaged in farming are prevented from "moving up" to a larger or more efficient

operation in an ag park. Persons desiring to expand their operations also are ineligible for ag park leases. Your Committee feels that this measure will permit persons presently in farming to apply for such leases.

At its public hearing, your Committee heard questions regarding the policy of priorities of treatment for displaced or new farmers as opposed to farmers who already own land. Your Committee notes that in Section 171-116, Hawaii Revised Statutes, displaced farmers and new farmers "shall be given preference in obtaining a lot" in ag parks. Therefore, although this bill would allow persons presently in farming to apply for an ag park lease, the Statute gives preference to new or dislocated farmers.

Your Committee has amended the bill for purposes of clarification to include the phrase "the individual or his spouse" in Section 2.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 353, H.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as H.B. No. 353, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators King, Kuroda and Yim.

SCRep. 832 Economic Development on H.B. No. 611

The purpose of this Bill is to facilitate the arrest procedures for Foresters and Forest Rangers enforcing the Division of Forestry rules and regulations and statutes.

Your Committee heard testimony from the Department of Land and Natural Resources stating that the present procedure is overly timeconsuming. The current procedure in arresting violaters requires the Forester and Forest Ranger to physically take the violator to the District Police Station where the violation occurred, and "book" the individual for the alleged violation. The summon or citation system, presently in use by the Divisions of Fish and Game, and State Parks, will expedite the arresting procedure, because the arresting officer need not physically take the alleged violator to the District Police Station. All that is required is to issue a summon or citation in the field. Violators then must appear at the District Court within the time specified in the summons or citation.

Your Committee has made an amendment to correct a number typed in error on Page 2, line 16, to read "184-5.1".

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 611, H.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 611, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Yim.

SCRep. 833 (Majority) Economic Development on H.B. No. 1399

The purpose of this bill is to give the Board of Land and Natural Resources the authority to grant perpetual easements to private parties. Upon termination or abandonment of the specific purpose for which the easement was granted, a reverter clause to the State is incorporated.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1399 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Yim and Rohlfing. Senator King did not concur.

SCRep. 834 Economic Development on H.B. No. 1413

The purpose of this Bill is to change the language in HRS 501-211 to eliminate any doubt as to the time to assess the fee before filing a decree of registration. Controversy has arisen as to whether the words "last assessment for taxation" mean (1) the last assessment at the time of filing of the petition, or (2) the last assessment at the time of the issuance of the decree.

Language is also inserted in section 501-212 limiting the amount of damages against the assurance fund to the amount insured. As it now stands, the law is silent as to the amount the State is liable under the assurance fund.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1413 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Yim and Rohlfig.

SCRep. 835 Economic Development on H.B. No. 1848

The purpose of this bill is to clarify language and to amend the Hawaii Pesticides Law to bring it in closer conformity with the Federal Insecticides, Fungicides and Rodent Act under the federal environmental program.

Your Committee finds that the present Hawaii pesticides law is in need of certain technical and definition changes to bring it in compliance with the federal pesticides act. Your Committee heard testimony stating that if such changes are not made, certain businesses distributing pesticides in Hawaii will be unable to furnish pesticides to many areas of Hawaii's diversified agricultural industries since they may be committing illegal acts under the federal law.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1848, H.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 Senators Hara and Yim.

SCRep. 836 Economic Development on H.B. No. 100

The purpose of this bill is to provide a mechanism by which the State can work with the visitor industry in coordinating and implementing policies to achieve desired goals and objectives by establishing an office of tourism coordination headed by a single director appointed by the Governor.

Your Committee notes that the visitor industry is a major component of the economic base of our State and makes a significant contribution to income and employment within our community. Over the past ten years, tourism has replaced agriculture as the State's number one industry. Thus, your Committee feels that we are entering a period when the need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and segments of the industry. Your Committee feels that this bill is aptly addressed to this issue.

Your Committee feels that the growth of the visitor industry must take into consideration not only the needs of the community, but the ability of the public sector to provide these necessary services. Your Committee strongly believes that there is a special need for the State government to take a more active role to require integration of both public and private sectors of the visitor industry and to set directions and standards to preserve our unique quality of life in Hawaii.

Your Committee is cognizant of the many problems related to the visitor industry which have been dealt with in the past on an "ad hoc" basis. Specifically, your Committee notes the recent overbooking problems in hotels in Waikiki which create detrimental publicity to the industry as well as alienate prospective visitors to Hawaii. Also, your Committee is alarmed at the recent increase in the number of tourists who are victims of crime in Waikiki. This is a problem which needs immediate attention. Furthermore, there is the problem of congestion of tour buses and cars in Waikiki, as well as the lack of overall planning which is manifested in the overburdened sewers and electric facilities of the area. The areas of foreign ownership and the question of the training and counseling of visitor industry employees are also subjects which could be explored. Your Committee strongly feels that a director is needed to coordinate and review the overall or "big picture" of the tourism industry to lend a new and enlightened perspective to the many challenges at hand. Thus, your Committee finds that it has more questions than answers; it fervently hopes that the new tourism coordinator will be able to come up with some new and viable alternatives and that it will provide the industry with a more comprehensive and coordinated basis for direction.

In the Senate Companion Bill, your Committee adopted several recommendations that it heard in testimony given at its public hearing. Your Committee assigned the office of the tourism coordination to be administratively attached to the Department of Planning and Economic Development. Your Committee feels that there are several advantages to be gained by assigning this function to the Department of Planning and Economic Development because it places long range policy development for tourism together with the agency that is responsible for over-all state planning. Your Committee feels that this

is a prudent move since this agency is most familiar with the Hawaii Visitor Bureau's operations and is cognizant of the numerous problems in the tourist industry. Your Committee is in accord with House Bill No. 100, H.D. 1 in this respect. However, your Committee has made amendments in other areas.

After hearing testimony and discussion, your Committee has changed the function of the visitor industry council and has changed the number of council members to eleven. The council will be composed of the Department of Planning and Economic Development Director, the Tourism Coordinator, and three members each from the public sector, the tourist industry, and organized labor. These members will be appointed by the Governor for terms of four years subject to confirmation by the Senate. Your Committee is in accord with the functions of the Council, as enumerated in the bill, but has amended the language for purposes of clarification.

Your Committee has further amended the bill by deleting Sections 3 and 4, and by including an appropriation of \$100,000.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 100, H.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 837 Economic Development on H.B. No. 278

The purpose of this bill is to facilitate the conversion of residential leasehold lands to fee ownership, and to clarify the rights and responsibilities of lessors.

Your Committee on Economic Development has fully analyzed and researched the complexities of legal and economic issues surrounding Act 307, Session Laws of Hawaii 1967 and agrees with the philosophy of your Committee on Housing and Hawaiian Homes in its Committee Report No. 753 on this bill.

In making the analysis and recommendations contained herein, your Committee would like to share some of its observations which are as follows:

1. There is a serious question as to whether or not the Hawaii housing authority is the proper agency to administer this program. Hopefully, studies will be undertaken soon regarding the complete reorganization of the executive branch of government and this matter should be considered of the highest priority.
2. In the event that the program is successful and lessees purchase the fee simple or reversionary interest in their property, it would generate substantial income to the various estates which would result in a windfall and additional compensation to the trustees. Since it is impossible to anticipate the magnitude of this problem, the matter should be deferred for consideration at a later date.
3. Since the estates could have a great deal of additional income as cited above, the estates should be encouraged to invest these monies in the State of Hawaii.
4. After considering all of the constitutional questions regarding public purpose, and impairment of contract, etc., your Committee was most encouraged by the discussions it had with various parties which indicated a sincere desire to attempt to carry out the purposes of this Act through a series of land exchanges. We trust that the estates and the Hawaii housing authority will conscientiously and diligently pursue this alternative since it provides for an immediate means for the diversification of land ownership.

To accomplish the foregoing, your Committee has further amended H.B. No. 278, H.D. 1, S.D. 1. As amended, the bill will make the following changes in existing law:

1. The definition of "development tract" is amended to exclude the phrase "occupied or to be occupied under lease". This means that a development tract need not contain all leasehold lots.
2. Chapter 516 is specifically amended to state that it is not interested to supersede or preclude any other remedy available to lessees or the State, including those available under the State Anti-Trust Law.
3. The Hawaii housing authority is authorized to condemn portions of a development tract and to acquire either the leased fee interest or the lessor's reversionary interest

in the residential leasehold lots. This adds a maximum degree of flexibility not afforded to the authority under existing law.

4. The requirements for acquisition of a portion of a development tract are eased. The authority is empowered to designate all or a portion of a development tract for acquisition if twenty-five or more lessees or fifty per cent or more of the lessees, whichever number is lesser, apply to the authority for conversion of their leasehold lots to fee simple. Thus, in no event will the applications of more than twenty-five lessees within a development tract be needed to empower the authority to designate all or a part of a tract for acquisition. Further, the authority need only acquire those lots within a development tract for which the lessees have applied for fee simple ownership. Under existing law, the authority must acquire the entire development tract if more than fifty per cent of the lessees desire fee simple ownership. Your Committee feels that this change to existing law is necessary to make such law more workable. Further, such change is entirely consistent with the public purpose of promoting fee simple ownership, lowering land lease rents, and breaking up monopolistic land ownership by providing for the simultaneous conversion of sizeable numbers of leasehold lots to individual fee simple ownership.

5. The requirements in applying for conversion to fee simple ownership are set forth. Your Committee has determined that, in order to protect the fiscal resources of the State, it is necessary to set forth the requirements that an applicant must meet in order to qualify for consideration by the authority. One of the requirements is the execution of a contract for purchase of the fee simple or reversionary interest in the land, together with a mortgage to secure the applicant's obligations thereunder. Such mortgage may be foreclosed upon in the event that, after the State has acquired the underlying land, the applicant breaches his purchase contract. Your Committee has determined that such a provision is necessary in order to minimize the possibility of the State becoming a landlord after having condemned the lessor's interest in all or part of a development tract.

6. The present law pertaining to mortgages and loans by the Hawaii housing authority to purchasers who wish to purchase the fee or reversionary interest in land but who are unable to qualify for financing at reasonable rates have been amended. Your Committee finds that assistance by the authority should be restricted to individuals who apply to the authority for conversion of their leasehold lots to fee simple, and that, in order to further protect the fiscal integrity of the State, such assistance should be limited to three-year agreements of sale.

7. The method for computing the compensation to be awarded to a lessor whose interest has been condemned is set forth more fully and revised substantially. Such compensation is to be based on the value of the land, exclusive of improvements, and on the amounts remaining to be paid to the lessor as reimbursement for improvements made on behalf of the lessee. However, in order to assure that the lessor is duly compensated but not unjustly enriched, your Committee has provided that the raw land value is in no event to be less than the present worth fair rental income due to the lessor, plus the value of his reversionary interest and any unpaid balances owing to the lessor by the lessee as actual reimbursement for offsite and onsite improvement costs paid by the lessor. Such fair rental value is determined by reference to the rental which was charged on June 24, 1967 or, if none, then in the year most immediately following 1967, adjusted for inflation by application of the wholesale price index. Your Committee finds that this formula is necessary since lessors have unfairly raised their lease rents since June 24, 1967 when Act 307 was first enacted, and that reference to the high lease rents presently in effect will give lessors a more than fair return. However, in the event that the fair rental value is invalid in any particular situation, fair rental value shall be determined by reference to the contracted-for rental. Finally, since such fair rental value is based on a fair return due to the lessor in the future, a further adjustment for present value is made by the application of a capitalization rate based on the highest rate of interest on insured passbook savings accounts.

8. The provisions of chapter 516 are amended to allow for conversion of condominiums to fee simple. However, ninety per cent or more of the unit owners must apply for such conversion, and the association of apartment owners or its nominee will be required to undertake the remaining units. Your Committee has determined that these requirements are necessary to minimize to condominium units and in order to further protect the fiscal resources of the State.

9. The provision of chapter 516 relating to the reversion of improvements to the lessee paid for by the lessee at the termination of the lease has been amended to require the lessor to pay for the value of such improvements in the event the lessee declines to remove such improvements. However, the lessor is authorized to sell such improvements

at a private sale with the consent of the lessee or at a public auction without the lessee's consent.

10. In the event of a dispute between a lessor or lessee, the burden of proof is placed on a lessor to show that the provisions of chapter 519 have not been circumvented.

11. A new provision is added to chapter 516 to preclude the possibility of a person being deemed to have acted in bad faith or to have committed a breach of trust while acting pursuant to chapter 516.

12. Added authority is given to the Board of Land and Natural Resources and the Hawaii housing authority to exchange land and to acquire land for exchanging in order to effectuate the public purposes of chapter 516. The director of finance is authorized to issue general obligation bonds for purposes of such acquisition.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 278, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the amended form attached hereto as H.B. No. 278, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Nishimura, Toyofuku and Yim.

SCRep. 838 Economic Development on H.B. No. 379

The purpose of this bill is to appropriate funds for a study of the feasibility and impact of manganese nodule mining in the State. The sum appropriated shall be expended by the Department of Planning and Economic Development, together with any matching funds obtained through federal grants.

Your Committee has amended the bill to include an appropriation of \$50,000 for the study.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 379, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the amended form attached hereto as H.B. No. 379, S.D. 2.

Signed by all members of the Committee except Senators Kuroda, Nishimura, Toyofuku, Yamasaki and Yim.

SCRep. 839 Economic Development on H.B. No. 282

The purpose of this bill is to require the Department of Land and Natural Resources to submit to the legislature a resolution for review of action on any public land exchange twenty days prior to the start of any regular or special session.

Section 171-50(c) presently provides that any exchange of public land for private land shall be subject to disapproval by the legislature by two-thirds vote of either the Senate or House or by majority vote of both in any regular or special session next following the date of exchange. Under the present system, exchanges are posted to the legislature each session. If the legislature does not specifically disapprove an exchange (by appropriate resolution), the exchange stands approved when the session ends. No action by the legislature means approval. Thus, it is necessary to introduce a resolution only when disapproval is sought.

This bill will in effect give notice by means of a resolution to the legislature that a land exchange has been undertaken by the Land Department. Your Committee feels that without the resolution, the land exchange matter may get lost in the "shuffle" during the session.

Your Committee has amended the bill to provide the Board with greater flexibility in entering into exchanges. Section 171-50(b) presently provides that in any exchange of lands between the State and a private party the public land exchanged shall be of equal value and of use comparable to that of the private land prior to the exchange. It further provides, however, that if the use of the private land prior to the exchange is any one of the following, (1) intensive agricultural or (2) pasture or (3) special livestock, and the State has no land within the land district of comparable specific use, the Board of Land and Natural Resources may exchange public land classified in any other of the three uses set forth above.

Your Committee deletes the foregoing restrictions, thus enabling private agriculture, pasture and special livestock lands to be exchanged for State lands outside these classifications. Your Committee feels that this will provide greater latitude in land exchanges, since it is not always possible to find lands of the same categories available for exchange.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 282, H.D. 1, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 282, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators King, Yim and Rohlfling.

SCRep. 840 Economic Development on H.B. No. 354

The purpose of this bill is to standardize the definitions of "farmer", "new farmer", and "bonafide farmer" to be acceptable to all agencies concerned.

At the present time, under Section 171-68 (2) a person eligible to apply for a farm as a "bonafide farmer" with the Department of Land and Natural Resources may not qualify for a farm loan under Chapter 155 with the Department of Agriculture. Your Committee feels that the definitions should be changed so that any farmer qualifying under Section 171-68 can also qualify under Chapter 155 and vice versa. Your Committee feels that the definition changes would avoid confusion and would make the definitions compatible under both chapters.

Your Committee heard testimony from the Department of Agriculture stating that the definition of a "bonafide farmer" under Chapter 171 would encompass the definition of a "qualified farmer" or a "new farmer" under Chapter 155. This does not mean that persons who are successful bidders for agricultural lands under Chapter 171 would be considered farmers.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 354 and recommends that it pass Second Reading and be placed on the Calendar for Third Reading.

Signed by all members of the Committee except Senator Yim.

SCRep. 841 Economic Development on H.B. No. 1849

The purpose of this bill is to clarify the authority and duties of the Department of Agriculture relating to noxious weed eradication and control and to correct existing deficiencies in the law.

Your Committee on Economic Development is in concurrence with the findings of the House Committee on Agriculture in agreeing that there is a need to provide the Department of Agriculture with greater flexibility in coping with situations that require immediate action.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1849, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, Yim and Rohlfling.

SCRep. 842 Legislative Management

Informing the Senate that S.C.R. No. 142, S.R. Nos. 399 to 406, Stand. Com. Rep. Nos. 843 to 899 and Gov. Msg. Nos. 280 to 317 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 843 Health on Gov. Msg. No. 65

Recommending that the Senate advise and consent to the nomination of GEORGE A. L. YUEN as Director of the Department of Health, for term to expire December 4, 1978.

Signed by all members of the Committee.

SCRep. 844 (Majority) Transportation on Gov. Msg. No. 61

Recommending that the Senate advise and consent to the nomination of E. ALVEY WRIGHT

as Director of the Department of Transportation, for term to expire December 4, 1978.

Signed by all members of the Committee. Senator Rohlfing did not concur.

SCRep. 845 Military and Civil Defense on Gov. Msg. No. 63

Recommending that the Senate advise and consent to the nomination of VALENTINE SIEFFERMANN as Adjutant General of the Department of Defense, term to expire December 4, 1978.

Signed by all members of the Committee.

SCRep. 846 (Joint) Ecology, Environment and Recreation and Health on S.C.R. No. 62

The purpose of this concurrent resolution is to request the department of health to study the possible effects of radiation emission from broadcast towers in this State and the advisability of their relocation or redesign and report its findings to the Governor and the President of the Senate no later than November 1, 1975.

Your Committees find that communication towers, which are indispensable for transmission of television and radio signals, have frequently been erected within the most populous areas of our State, notably Honolulu; and specialists in the electronic and broadcast field have indicated that these towers may be emitting harmful radiation and that an investigation is necessary with respect to possible harmful effects of this radiation emission.

At a public hearing on this concurrent resolution the department of transportation testified that in 1967 and 1968 the operators of the Container Terminal at Fort Armstrong experienced such harmful effects of radiation from a radio tower erected at the makai edge of the terminal. Emissions from the tower energized the container crane and resulted in burns on hands of several workers. Sparks were also generated and could have caused disastrous explosions with the flammable cargo that passes through the terminal.

The department of transportation further testified that they would be willing to assist in the study proposed by this concurrent resolution by furnishing information on their experience with the radio transmission tower at Fort Armstrong.

Your Committees, therefore, have amended the resolution to include the department of transportation in the study.

Your Committees on Ecology, Environment and Recreation and Health, to which were jointly referred S.C.R. No. 62, are in accord with the intent and purpose of this concurrent resolution as amended herein as S.C.R. No. 62, S.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 847 (Joint) Ecology, Environment and Recreation and Health on S.R. No. 243

The purpose of this resolution is to request the department of health to study the possible effects of radiation emission from broadcast towers in this State and the advisability of their relocation or redesign and report its findings to the Governor and the President of the Senate no later than November 1, 1975.

Your Committees find that communication towers, which are indispensable for transmission of television and radio signals, have frequently been erected within the most populous areas of our State, notably Honolulu; and specialists in the electronic and broadcast field have indicated that these towers may be emitting harmful radiation and that an investigation is necessary with respect to possible harmful effects of this radiation emission.

At a public hearing on this resolution the department of transportation testified that in 1967 and 1968 the operators of the Container Terminal at Fort Armstrong experienced such harmful effects of radiation from a radio tower erected at the makai edge of the terminal. Emissions from the tower energized the container crane and resulted in burns on hands of several workers. Sparks were also generated and could have caused disastrous explosions with the flammable cargo that passes through the terminal.

The department of transportation further testified that they would be willing to assist in the study proposed by this resolution by furnishing information on their experience with the radio transmission tower at Fort Armstrong.

Your Committees, therefore, have amended the resolution to include the department of transportation in the study. Your Committees have further amended the resolution to correct a misspelled word in the first BE IT RESOLVED paragraph.

Your Committees on Ecology, Environment and Recreation and Health, to which were jointly referred S.R. No. 243, are in accord with the intent and purpose of this resolution as amended herein as S.R. No. 243, S.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 848 Ecology, Environment and Recreation on S.C.R. No. 37

The purpose of this concurrent resolution is to request the Police Departments of all counties in the State to strictly enforce all anti-litter ordinances and regulations and to encourage judges to make the punishment fit the crime in cases involving litter by sentencing litterers to a given number of hours picking up litter.

Your Committee finds that often individuals tend to be careless with litter and are especially so if the State and counties treat such littering casually, whereas when anti-litter ordinances are strictly enforced people are made more aware of their actions and are more apt to make a conscious effort to stop littering, particularly when the enforcement is in such vivid terms as actually picking up litter.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 37 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 849 Ecology, Environment and Recreation on S.C.R. No. 59

The purpose of this concurrent resolution is to request the Department of Agriculture to gather and compile material containing facts, figures, and procedures for bio-control efforts on clidemia, including what would be required in terms of funding to continue or renew control efforts, and that in coordinating this material the Department of Agriculture work in cooperation with the Division of Forestry, the Department of Land and Natural Resources, the United States Forestry Service, and the University of Hawaii, and report its findings to the Legislature on or before January 1, 1976.

Your Committee finds that clidemia is a serious weed pest, particularly in forest areas. It was first noted in the Wahiawa forests in 1948. By 1968 it was found not only along the entire length of the Poamoho Trail, but throughout the Koolau Range from Pupukea to Palolo and from the edge of agricultural lands on the lee side to backyards of residences on the windward side of Oahu. It has also been found on Molokai. According to testimony presented on this concurrent resolution by the Environmental Center at the University of Hawaii, it has spread at an extremely rapid rate over the past twenty years.

The Environmental Center further testified that clidemia is a particular problem in that it is able to compete with and replace native plant species which could lead to the extinction of some rare plants and even animals; and that in the long term, much of the current forest cover in watershed areas might be replaced by clidemia, which in turn might lead to changes in the hydrology of these areas.

The Department of Agriculture, the Department of Land and Natural Resources, and the Hawaii Chapter of the Sierra Club also testified as to the seriousness of this plant pest and recommended the adoption of this concurrent resolution.

Your Committee has made a minor language change amending the concurrent resolution as recommended by the Environmental Center which testified that the phrase "in a wide range of habitats" would be more inclusive than "even in rocks and crevices".

The Environmental Center further testified that competition among species is often reduced through the clearing of vegetation by fire; and that it is inaccurate to indicate that clidemia would provide material for a more dangerous forest fire. Your Committee has, therefore, amended paragraphs 2 and 3 of the concurrent resolution to read as follows:

"WHEREAS, clidemia is an aggressive and deep-rooted plant, with the ability to grow in a wide range of habitats, and to replace native flora by competing unfairly for nourishment and sunlight; and

WHEREAS, after a forest fire, the first plants to grow back are those which have

a high reproductive potential and a tolerance to extreme fluctuations in environmental conditions; and"

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 59 as amended herein in the form of S.C.R. No. 59, S.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 850 Ecology, Environment and Recreation on S.C.R. No. 83

The purpose of this concurrent resolution is to request state, county and federal agencies and private property owners to cooperate with The Friends of the William Ellis Trail in its efforts to make the trail in its entirety accessible to the public.

Your Committee finds that the William Ellis Trail is representative of the first major exploration and in-depth survey undertaken on the Island of Hawaii; that it links many important sites significant to the history of the entire State; that it is associated with cultural, historical and natural features which deserve greater recognition and protection; and that efforts of The Friends of the William Ellis Trail should be supported and encouraged by the State.

Your Committee further finds, however, that the trail now referred to as the William Ellis Trail was in existence and in use by early Hawaiians long before the time of William Ellis, and that therefore it would be appropriate to give the trail a Hawaiian name. The Department of Land and Natural Resources in testifying on this concurrent resolution recommended that it seems reasonable to name this trail an appropriate Hawaiian name, and suggested either the Makahiki Trail or Ala Kahakai. Bob Kraus, speaking for The Friends of the William Ellis Trail, said that he had spoken with Mrs. Mary Pukui and Dr. Kenneth Emory, and that they had indicated that either name would be fine. Your Committee has studied these recommendations and has amended the concurrent resolution to give the trail the name "Ke Ala Kahakai" because of its ancient historic significance. Those who want to can still call it The William Ellis Trail.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 83 as amended herein as S.C.R. No. 83, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 851 Ecology, Environment and Recreation on S.R. No. 21

The purpose of this Resolution is to direct the Hawaii Foundation for History and the Humanities to consider a program of entering into contracts with owners of historical sites situated on private property, such contracts to specify that the State of Hawaii shall have the right to preserve and protect such historical sites and to include in its next annual report specific findings and recommendations as to such program.

Your Committee finds that section 6-16, Hawaii Revised Statutes, authorizes the Hawaii Foundation for History and the Humanities, in cooperation with and in assistance to the Department of Land and Natural Resources and other state agencies, to receive sites, buildings, and objects significant in Hawaii's history and culture. The statute further directs the Foundation to submit an annual report to the Governor of Hawaii and the Legislature including contracts entered into, and progress and accomplishments made during the year.

The Hawaii Foundation for History and the Humanities testified at the public hearing on this Resolution that they agree completely with your Committee's concern for preservation of both public and privately owned sites, and that they would be willing to carry out the request to consider a program of contracting with owners of private sites and to report on their efforts in their next annual report. The Foundation further stated that any such program and recommendations should also include costs of maintaining such sites, and if such a program is to be carried out the State should anticipate the need for funding.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 21 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 852 Ecology, Environment and Recreation on S.R. No. 22

The purpose of this resolution is to direct the State Foundation on Culture and the Arts to include in its annual report specific findings as to the current availability of private and governmental grants for the promotion and furtherance of culture and the arts and the recommended legislative and administrative action to obtain such grants.

Your Committee finds that it is in the public interest to strive for preservation, restoration and furtherance of our cultural heritage and the appreciation of the arts, but the availability of financial resources and increasing costs threaten to limit these efforts.

Therefore, your Committee is in accord with this resolution which provides that as part of its annual report the State Foundation on Culture and the Arts should include specific findings as to the availability of such grants, and recommendations for obtaining them.

Your Committee further finds that preservation, restoration and appreciation of history and the humanities is equally as valuable as culture and the arts, and has therefore amended the resolution to include the Hawaii Foundation for History and the Humanities.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 22, as amended herein as S.R. No. 22, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 853 Ecology, Environment and Recreation on S.R. No. 64

The purpose of this Resolution is to request the Senate Committee on Ecology, Environment and Recreation, with the assistance of the State Department of Taxation, to study the Golf Course Dedication Law.

Under present real property tax law the owner of lands used for a golf course is provided the opportunity of favorable tax treatment if that owner dedicates the golf course for a ten year period. Your Committee finds that this tax incentive is provided in part because of the recognition that it is desirable to have a golf course as open space. Your Committee finds that it is incumbent upon the State to insure that such golf courses are allowing reasonable accessibility to the public.

Your Committee further finds that it would be valuable to look into the problem of whether golf courses should be permitted on land zoned Conservation and has amended the resolution to include this matter. Your Committee has further amended the resolution to correct a misspelled word in the second paragraph.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 64, as amended herein, in the form of S.R. No. 64, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 854 Ecology, Environment and Recreation on S.R. No. 142

The purpose of this resolution is to request the Police Departments of all counties in the State to strictly enforce all anti-litter ordinances and regulations and to encourage judges to make the punishment fit the crime in cases involving litter by sentencing litterers to a given number of hours picking up litter.

Your Committee finds that often individuals tend to be careless with litter and are especially so if the State and counties treat such littering casually, whereas when anti-litter ordinances are strictly enforced people are made more aware of their actions and are more apt to make a conscious effort to stop littering, particularly when the enforcement is in such vivid terms as actually picking up litter.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 142 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 855 Ecology, Environment and Recreation on S.R. No. 206

The purpose of this resolution is to request the Department of Transportation to study

the advisability and feasibility of regulating the operation of boats which may cause interference with swimming and to report its findings to the Legislature not later than twenty days before the convening of the Regular Session of 1976.

Your Committee finds that those who enjoy boating sometimes operate their boats too close to the shore and interfere with those who are swimming. Your Committee therefore feels that it is important to study this problem in order to see that a balance is struck between preserving the enjoyment of boating and the enjoyment of swimming and avoiding unreasonable interference with either.

Your Committee finds, however, that it is not only swimmers who are sometimes disturbed and inconvenienced by boaters, but sometimes surfers and fisherman also. Therefore your Committee has amended the resolution to add the words surfer and fishermen or surfing and fishing wherever the words swimmer or swimming are used.

Your Committee has further amended the resolution to include the Department of Land and Natural Resources in the study. At the public hearing on this resolution the Department of Land and Natural Resources testified that it should be a part of any such boating study because of its responsibility for State Parks, Natural Area Reserves (which include underwater areas), and general interests in near-shore fishing, snorkeling, scuba diving, and surfing.

Your Committee has further amended the resolution to include in the study an evaluation of who is to mark appropriate swimming, surfing, fishing, and boating areas; who is to state where the markers should be placed and to see that they remain in place; and who is to enforce the regulations referred to in this resolution as there is often confusion concerning jurisdiction of these problems.

Your Committee has further amended the resolution to correct a misspelled word in the first paragraph.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.R. No. 206 as amended hereto in the form of S.R. No. 206, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 856 Ecology, Environment and Recreation on S.R. No. 240

The purpose of this resolution is to request the Department of Agriculture to gather and compile material containing facts, figures, and procedures for bio-control efforts on clidemia, including what would be required in terms of funding to continue or renew control efforts, and that in coordinating this material the Department of Agriculture work in cooperation with the Division of Forestry, the Department of Land and Natural Resources, the United States Forestry Service, and the University of Hawaii, and report its findings to the Legislature on or before January 1, 1976.

Your Committee finds that clidemia is a serious weed pest, particularly in forest areas. It was first noted in the Wahiawa forests in 1948. By 1968 it was found not only along the entire length of the Poamoho Trail, but throughout the Koolau Range from Pupukea to Palolo and from the edge of agricultural lands on the lee side to backyards of residences on the windward side of Oahu. It has also been found on Molokai. According to testimony presented on this resolution by the Environmental Center at the University of Hawaii, it has spread at an extremely rapid rate over the past twenty years.

The Environmental Center further testified that clidemia is a particular problem in that it is able to compete with and replace native plant species which could lead to the extinction of some rare plants and even animals; and that in the long term, much of the current forest cover in watershed areas might be replaced by clidemia, which in turn might lead to changes in the hydrology of these areas.

The Department of Agriculture, the Department of Land and Natural Resources, and the Hawaii Chapter of the Sierra Club also testified as to the seriousness of this plant pest and recommended the adoption of this resolution.

Your Committee has made a minor language change amending the resolution as recommended by the Environmental Center which testified that the phrase "in a wide range of habitats" would be more inclusive than "even in rocks and crevices".

The Environmental Center further testified that competition among species is often reduced through the clearing of vegetation by fire; and that it is inaccurate to indicate

that clidemia would provide material for a more dangerous forest fire. Your Committee has, therefore, amended paragraphs 2 and 3 of the resolution to read as follows:

"WHEREAS, clidemia is an aggressive and deep-rooted plant, with the ability to grow in a wide range of habitats, and to replace native flora by competing unfairly for nourishment and sunlight; and

WHEREAS, after a forest fire, the first plants to grow back are those which have a high reproductive potential and a tolerance to extreme fluctuations in environmental conditions; and"

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 240 as amended herein in the form of S.R. No. 240, S.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 857 Ecology, Environment and Recreation on S.R. No. 290

The purpose of this resolution is to request the Department of Land and Natural Resources to study the feasibility of developing a major regional park in West Loch, and to determine the best alternative sites, park design, and needed facilities, with particular attention to the area bordered by Makalena Golf Course, the shoreline, and existing sewage ponds and sanitary landfill areas, and to report its recommendations and funding needs for recommended facilities to the Legislature not less than twenty days prior to the first day of the Regular Session of 1976.

The Department of Planning and Economic Development is requested to assist the Department of Land and Natural Resources in this study, particularly in regard to data collection and analysis of population and user needs available from recent recreation and open space studies. All agencies of the state, federal and county governments are requested to assist in the study and to hold development plans in abeyance until the regional park feasibility study is completed.

Your Committee finds that there is a need for open space in the State for esthetic, cultural and recreational purposes, and that it is incumbent upon the Legislature and upon the State to develop parks wherever feasible. A study of the feasibility of a West Loch Regional Park at Waipahu, Oahu, would be in accord with this finding on the part of your Committee.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 290 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 858 Judiciary on H.B. No. 336

The purpose of this bill is to increase the maximum liability of hotels for the loss or theft of property placed in their custody by hotel guests.

Liability for items placed in a hotel's safe is increased from \$250 to \$500 provided that the hotel gives the guest a receipt which states in large noticeable type that the hotel will not be liable for loss exceeding \$500. The liability for the loss of personal property intrusted to the hotel or lost through the hotel's negligence is increased from \$50 to \$500. Further, the maximum amount of liability may be in excess of \$500 if there is a special agreement in writing made with the innkeeper.

Your Committee amended the bill to clarify the point that if the innkeeper accepted liability for a maximum loss of \$500, a guest may nevertheless contract with the keeper for additional protection by preparing a special agreement in writing with the keeper or his duly authorized representative.

Your Committee is in accord with the intent and purpose of H.B. No. 336, H.D. 1, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 336, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 859 Judiciary on H.B. No. 1876

The purpose of this bill is to provide a contingency plan to be instituted by the

insurance commissioner upon the unavailability of medical malpractice insurance in the State.

The medical malpractice insurance market has been a cause for increasing concern over the past several years both locally and nationally. This type of insurance protects a licensed physician or hospital against patients' claims for losses due to injury, death, expenses, etc., resulting from the physician's or hospital's negligence or malpractice in rendering professional services. Since claim costs have increased rapidly due to both increasing frequency of claims and cost per claim, premium rates have spiralled. In some cases, insurers have found it more desirable to withdraw from a particular area, rather than continue to attempt to maintain a reasonable balance between rates and losses. In Hawaii, the major insurer writing this coverage, Argonaut Insurance Company, has indicated it is reviewing its Hawaii experience very carefully and may decide not to accept new applicants or even renew existing policies after December, 1975. Since it is imperative that physicians and hospitals be protected by some kind of insurance, the insurance commissioner should be granted the authority to establish a medical malpractice insurance plan if the need arises.

This administration bill amends the Hawaii Revised Statutes by adding a new chapter to provide for a joint underwriting plan which the insurance commissioner can activate if malpractice insurance is not reasonably and readily available from commercial insurers. Membership in the plan is mandatory for all insurers licensed to write casualty insurance in this State. The plan will be governed by a Board of Directors, chaired by the Commissioner, and including five directors elected by the member insurers and five appointed by the commissioner (three representatives of the medical profession and two public members). Physicians and hospitals desiring insurance coverage will apply to the plan, and "service" insurers will be selected to write the policies and adjust claims, in much the same fashion as the plan provided in the Hawaii No-Fault Law.

The Plan is intended to be self-supporting after it becomes operational. However, in the event of a deficit, there is provision for assessing policyholders and/or rate increases and for assessing member insurers for temporary financial relief while the policyholder/rate increase funds are being accumulated. Each member insurer's assessment will be determined by its ratio of Hawaii premium volume of workmen's compensation and liability (other than motor vehicle) insurance to the total Hawaii volume for these coverages. Any profits earned will be similarly shared. The Plan will be required to file annual statements or reports of its transactions and will be subject to annual examination by the Commissioner.

Protection of Hawaii's physicians, hospitals and consumers requires that a viable insurance mechanism be "on call" in the event that coverage cannot be obtained otherwise.

Your Committee amended the bill by changing the word "executive" to "exclusive" on page two, line 12, and by correcting typographical errors, and errors in format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1876, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1876, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 860 Human Resources on H.B. No. 158

The purpose of this bill is to amend the Workmen's Compensation Law by shortening the disability period after which compensation for the first two days of an injured worker's temporary total disability period becomes payable.

Section 386-31(b) presently makes weekly income benefits amounting to 66-2/3% of an injured worker's average weekly wages payable to him during the period he is temporarily totally disabled. The subsection, however, provides that no benefits are payable during the first two days of disability, unless the disability period exceeds seven days. Thus, if an injured worker is disabled for longer than seven days, he receives benefits for the first two days. If his temporary total disability does not extend beyond seven days, he is not entitled to benefits for the first two days.

This bill proposes to shorten the foregoing "benefit recapture" period from seven to five days. It will make temporary total disability compensation benefits payable to an injured worker from the first day of temporary total disability if his disability period exceeds five days.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 158, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 861 Human Resources on H.B. No. 814

The purpose of this bill is to establish a maximum salary level for the manager and deputy manager of the stadium. Under existing statute, no ceiling is set for the salary of the stadium manager which is set by the Stadium Authority, an executive agency within the department of budget and finance. This bill would establish such a ceiling at the department head level which is the current salary of the stadium manager.

Existing law further provides that although the deputy manager would be exempt from civil service, he would nevertheless remain subject to the position classification plan. Your committee feels that this position should relate to the manager's position, and that it should not be part of the position classification plan. Such inclusion creates a wide gap between the salary levels of the manager and his deputy, and a very small gap between the deputy manager and his immediate subordinates, who have already been classified near the top of the "SR" pay range. This bill provides that the salary of the deputy manager not exceed ninety per cent of the manager's salary.

Existing law further provides that certain employees of the stadium authority are exempt from the provisions of Chapter 76 and 77, while others are not. It was intended, in granting the exemption, to render the authority the flexibility to formulate an effective working staff in its formative phases of operation. So that all employees of the stadium authority are treated equally, your committee supports the provision that all employees of the authority be exempt from civil service at this time.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 814, H.D. 1 and recommends its passage on Second Reading, and its referral to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 862 Economic Development on H.B. No. 677

The purpose of this bill is to create a structure for policy plan formulation which will order the action of all State and county agencies contributing to the physical development of the State under the general policies and directions prescribed by the legislature. The Department of Planning and Economic Development shall coordinate with the various State agencies the preparation of a State General Plan in conformity with the State policy plan.

Your Committee believes that a State policy plan and a State general plan are sorely needed to formulate and adopt comprehensive, long-range and unified policies to guide the future of our Islands.

After public hearings, research and consultation, your Committee has made several amendments to the bill, some of which are to clarify definitions and to conform the language of the bill.

Your Committee has taken the recommendation of the Department of Planning and Economic Development and has deleted Section (I2) on page six since this function is not one of the powers and duties of the Director of the Department of Planning and Economic Development. For clarification of intent, your Committee has also amended Section 4 to include in the policy council functions, the powers of amendment and review, as well as the formulation of the State policy plan.

Your Committee has deleted subsection (d) on Page 10 since this paragraph is in conflict with H.B. No. 1870, H.D. 1, S.D. 3, which was approved by the Senate. Your Committee also amended the language regarding county general plans in Section 23 to conform with the language of H.B. No. 1870, H.D. 1, S.D. 3.

As the Department of Economic Development demonstrated in a public hearing, there was one serious question posed by the bill in the earlier drafts. Since this bill adds a different definition of the State General Plan than is already provided, the Committee has included the provision regarding the applicability of the definitions for purposes of clarification.

Your Committee has deleted the appropriation in this bill since the funds have been provided for in the previous budget requests to the Ways and Means Committee.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 677, H.D. 1, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as H.B. No. 677, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Kuroda and Nishimura.

SCRep. 863 Judiciary on H.B. No. 430

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, by establishing that any payment of public assistance monies made to or for the benefit of children shall constitute a debt owed the Department of Social Services and Housing by the non-supporting parent.

The bill will provide the state with a mechanism to protect the rights of dependent children to be supported by their legally responsible parents. The bill also provides a statutory basis for compliance with federal law which requires states to have laws for assignment of support rights to the state as a condition of eligibility for federal funds in the AFDC program and treatment of welfare support provided as a debt owed to the state.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 430, H.D. 1, S.D. 1, and recommends that it be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 864 Judiciary on H.B. No. 850

The purpose of this bill is to amend Chapter 294, Hawaii Revised Statutes, the No-Fault Automobile Insurance Law.

Upon consideration of the bill, your Committee has amended the bill by deleting several of the proposed changes and making other changes. The bill, as amended, makes the following changes to Chapter 294:

(1) Section 294-2 Definitions.

Motor Vehicle

The phrase "of a type" is inserted in the definition of motor vehicle to be consistent with endorsements and avoid gaps in out-of-state coverage. The present definition of motor vehicle means any motor vehicle required to be registered under Chapter 286; i.e., the motor vehicle must be registered in this State. Section 294-3 (b), pertaining to out-of-state coverage, refers to "accidental harm arising out of the operation, maintenance, or use of a motor vehicle." This could be construed to mean that in order to receive no-fault benefits while driving out-of-state, the motor vehicle involved must be registered in this State. Therefore, if the insured were driving out-of-state and not operating a vehicle registered in this State at the time of the accident, the section could be construed to mean that he does not qualify for no-fault benefits. To eliminate this possibility and provide the insured with out-of-state coverage, the definition of motor vehicle should not be limited to only those vehicles registered in this State. Clearly, no-fault coverage should be afforded an insured who drives a motor vehicle other than his own outside of Hawaii.

(2) Section 294-3 Right to No-Fault Benefits.

Maximum Limit of No-Fault Benefits

Subsection (c) defines the total no-fault benefits payable per person or to his survivor. As presently written, the provisions can be interpreted to mean that separate \$15,000 limits apply individually to the injured person and to his survivor, such that the maximum limit of no-fault benefits might be interpreted to be \$30,000. The indicated amendment clarifies that the \$15,000 limit applies to each person, inclusive of his survivors in the event of his death.

(3) Section 294-4 Obligation to Pay No-Fault Benefits.

Pedestrians

Subsections (1)(A) and (B) provide that a pedestrian must be struck by a vehicle to be eligible for no-fault benefits. The amendment to these subsections expands the term "pedestrian" to include a bicyclist. This is primarily a technical change for clarity, since the practice to date has been to consider a bicyclist to be a pedestrian for purposes of applying the no-fault law and benefits. The law presently requires that an injured pedestrian be "struck by" a motor vehicle in order to obtain no-fault benefits. There is nothing in the law which covers injury to a pedestrian in an accident which might be caused by a motor vehicle, but in which there is no physical contact between the pedestrian and the vehicle. The situation in which the injured pedestrian strikes the vehicle is also not covered. In the latter two cases, these pedestrians might be denied no-fault benefits. The amendments to these subsections, therefore, expand the present law by providing benefits to injured pedestrians through the mere involvement (operation, maintenance or use) of a motor vehicle.

(4) Section 294-6 Abolition of Tort Liability.

Subsections (a) (1), (2) and (3) refer to a person suffering accidental harm or death. This is amended to pertain to such person sustaining accidental harm or death. This is primarily a technical change for clarity. The fear is that if anyone injured in an automobile accident can make claim, everyone else involved in the same accident can also make claim, even if they were not injured or failed to meet the tort qualifications. This was clearly not intended and can be avoided by the addition of the indicated language.

Maximum No-Fault Benefits

Subsection (a) (3) provides that tort action is allowed if injury occurs to a person in a motor vehicle accident and as a result of such injury the maximum no-fault benefits are exhausted. The question has arisen as to what is meant by "maximum no-fault benefits". One interpretation could be the \$15,000 maximum limit of no-fault benefits provided for in Section 294-3(c). Another interpretation could be the \$800 per month monthly earnings loss maximum provided for in Section 294-2(10)(c). The addition of the phrase "aggregate limit of" would clarify that the threshold that must be met before tort action is allowed is the \$15,000 maximum limit of no-fault benefits (Section 294-3(c), or the \$15,000 aggregate limit of no-fault benefits (Section 294-2(10)).

(5) Section 294-8 Conditions of Operation and Registration.

Subsection (c) was added to provide that the no-fault law does not apply to vehicles owned by or registered in the name of any agency of the federal government, in order to clarify the present situation in which federal agencies have taken inconsistent positions with respect to the application of the no-fault law.

(6) Section 294-9 Obligations Upon Termination of Insurance."Take All Comers" Provision

Subsections (b) and (c) provide that an application for a no-fault policy may not be rejected nor can a no-fault policy, once issued, be canceled or refused renewal except for reasons specified by law. Since a no-fault policy by definition means an insurance policy which meets the requirements of Section 294-10, Required Policy Coverage, but does not specifically include required optional additional insurance as provided for in Section 294-11, it appears that the law does not prevent an insurer from rejecting an application for required optional additional coverage nor canceling or refusing to renew such coverage.

The amendment to subsections (b) and (c) increases consumers' rights to obtain and maintain insurance coverage pertaining to not only basic coverages outlined in Section 294-10, but also to required optional additional insurance meeting provisions of Section 294-11. Any application for a policy providing these coverages may not be rejected nor canceled by an insurer, except for reasons specified by law.

Reporting of Cancellations

The changes to subsection (c) regarding insurers' cancellation requirements are primarily for administrative facilitation. Subsection (c) presently provides that in any case of cancellation or refusal to renew, a thirty-day written notice by registered or certified mail, deliverable to addressee only, shall be given to the insured, the commissioner, and the County Director of Finance of the appropriate county of registration.

A large number of cancellation notices sent out are not effected, as insureds frequently renew prior to the expiration of the thirty days. This being the case, the requirement that copies of the thirty day notices be sent to the commissioner and county directors of finance results in an inordinate amount of mailing and clerical handling without constructive benefit. The commissioner or county directors of finance are only concerned with cancellations which are actually effected and when insurance coverage on a motor vehicle has ceased.

The provisions of this section are therefore amended to require the thirty-day notice to be sent to the insured by registered or certified mail and that notices not be sent to the county directors of finance unless cancellation is actually effected. The copy to the commissioner is considered unnecessary since the required statistical and/or specific information is subsequently provided to the commissioner through insurers' quarterly reports. Your Committee has amended the bill to require that a copy be sent to the chief of police of the appropriate county.

(7) Section 294-10 Required Policy Coverage.

Property Damage Liability

Subsection (a)(2) presently provides for liability coverage of not less than \$10,000 for all damages arising out of injury to or destruction of property. It has been pointed out that property damage liability coverage provided under policies in existence prior to the no-fault law specifically exclude property in the care, custody and control of the insured. For example, property damage liability coverage should not apply to damage to property which an insured is transporting, such as in the case of a trucking firm, or in his charge as in the case of a borrowed vehicle. The exceptions indicated were standard in all automobile policies in effect prior to the no-fault law, since appropriate coverages are available through other sources.

The amendment to subsections (a) and (a)(2) clarifies that the intent of Section 294-10 was not to expand bodily injury and property damage liability coverage beyond those provided under policies in existence prior to the no-fault law.

Medical-Rehabilitative Limit

Subsection (b) presently provides that the commissioner is to accumulate data for all motor vehicle accidents beginning January 1, 1973. The bill extends the date for starting to acquire data to September 1, 1974, in order to allow time to acquire more reliable experience data.

Your Committee has amended the bill by deleting the proposed change to the present law requiring the commissioner to consider claims with a dollar value from the maximum to \$.00 in determining the 90 per cent level of medical-rehabilitative claims. Your Committee was informed that the present law which requires the commissioner to consider claims from the maximum to zero was based on careful consideration of all available data and studies. Your Committee believes that changing the formula at this time is not justified since there is no data available to show that the formula will not provide an accurate and realistic threshold.

(8) Section 294-13 Motor Vehicle Insurance Rates.

Subsection (b)(6)(D) presently provides that the initial rates are to be reviewed prior to July 1, 1975. For purposes of conformity with other sections of the bill, this date was changed to September 1, 1975 to coincide with the end of the first year of the operation of the law.

Your Committee has amended subsection (j) to conform this section with subsection (i). The subsection presently provides for an open rating period of three years starting September 1, 1974. In view of the fact that subsection (4) prohibits increase of rates except under certain conditions until September 1, 1975, your Committee has amended the bill to provide that the open rating period shall extend from September 1, 1975 to August 31, 1978.

(9) Section 294-22 Joint Underwriting Plan Risks, Eligibility.

Subsection (b)(1) provides that eligible applicants shall secure a no-fault and tort liability policy through the Joint Underwriting Plan.

The JUP was designed to be a haven for the applicant who could not obtain insurance in the voluntary market at a reasonable premium and not a mandatory "dumping ground"

for all JUP eligible risks. This subsection is, therefore, amended to clearly provide that eligible applicants have the option of securing a no-fault and tort liability policy through the Plan; i.e., it clarifies that coverage under the Joint Underwriting Plan is at the consumer's option.

Public Assistance Recipients

Subsection (b)(2)(A) provides that licensed drivers receiving public assistance benefits are eligible for coverage in the JUP at no cost. A literal reading of this would mean that a public assistance recipient need only be a licensed driver in order to be eligible for free insurance. This literal interpretation could open the door to widespread abuse in that licensed drivers receiving public assistance could insure the vehicles of friends and relatives at no cost.

The amendment to this provision precludes public assistance recipients from obtaining free insurance on vehicles not registered in their name.

(10) Section 294-24 Joint Underwriting Plan Rates.

Motorcycle Deductible

Subsection (b)(1) provides for a \$250 deductible for a motorcycle no-fault coverage under the JUP. Section 294-11(a)(5)(B) does not provide for such a deductible for motorcycles insured in the voluntary market. To provide consistency, the \$250 deductible for motorcycle no-fault coverage under the JUP has been deleted.

The present provisions under JUP do not afford \$100 or \$300 deductible options for motorcycle no-fault coverage; these optional deductible coverages are offered motorcycles insured in the voluntary market. The amendment provides for \$100 and \$300 deductibles in addition to the \$500 and \$1,000 deductibles presently authorized to be offered motorcycles receiving no-fault coverage under the JUP.

(11) Section 294-35 Allocation of Burdens Until System Established.

The present law requires that the commissioner shall, within one year after the effective date of this Chapter, establish a system of proportionate reimbursement as authorized by the provisions on equitable allocation of burdens, Section 294-34(c).

It is felt that there will be insufficient experience data available for the commissioner to establish a system of proportionate reimbursement within the required time period. It is therefore recommended that the commissioner be allowed a two-year period after the effective date of this chapter in which to establish a proportionate rate of reimbursement system.

The commissioner is presently receiving motorcycle and truck accident reports from insurers; however, these reports only reflect initial handling of claims and remain pending. Insurers are required to provide updated reports whenever there is significant change in the total economic loss sustained, but not less frequently than each six months, until the claim is closed. All of the reports received by the commissioner continue to remain open. It is felt that the commissioner will not obtain adequate data from closed files to accurately establish a system of proportionate reimbursement for at least another year. At that time, there should be an adequate number of closed files to obtain necessary experience data.

In subsection (1), a self-insurer has been included under the proportionate reimbursement provisions. This is consistent with the provisions of subsection (2).

An additional provision has been included in subsections (1) and (2) providing that in conjunction with Section 294-7, Rights of Subrogation, an insurer or self-insurer shall not recover more than 100 per cent of the no-fault benefits which it pays. This additional provision is required to preclude unjust enrichment to a no-fault insurer or self-insurer. The amendment further provides that the subrogation payment is to be in the same proportion to the insurers as their payments under this subsection.

(12) Section 294-39 General Penalty Provision.

The enforcement provisions in subsection (a) have been changed by eliminating the maximum \$1,000 civil penalty and providing the county police departments with authority to issue citations for violations of applicable provisions of this chapter, within the framework set by the Violations Bureau of the District Court of the First Circuit.

Government officials experienced with the enforcement of other legislation indicate that civil remedies are too cumbersome for widespread effective enforcement on a large scale. The civil penalty provided for in this section has also been found to be cumbersome and administratively impractical to carry out. In addition, concern has been expressed in regard to a lack of a basis or schedule of penalty amounts and the absence of judicial discretion or guidelines in determining an equitable penalty.

It should be noted that the first four civil complaints filed against uninsured motorists resulted in a penalty of \$1 against each of the four defendants. There is general consensus among the Honolulu Police Department, the District Court, and the commissioner that a solution lies in amending the penalty provision by providing for the issuance of traffic citations in lieu of filing civil suits. The citations, in a form approved by the District Court, would be issued to a violator by a police officer.

There is presently a mechanism available within the Violations Bureau of the District Court of the First Circuit to cope with a violation of the traffic code. The enforcement provisions of the No-Fault Law can easily be made apart of this mechanism by the indicated amendment.

(13) Drivers Education Fund Underwriters' Fee.

The Drivers Education Fund Underwriters' Fee is amended by deleting it from Section 286-140 and placing it in Chapter 294. This is primarily to provide for equitable distribution and control of this fund.

Section 286-140 provides that "There is assessed and levied upon each insurer and self-insurer a drivers education fund underwriters' fee of \$1 per year on each motor vehicle insured by each insurer or self-insurer." The section also specifically describes the procedures and timing for computation and payment of this fee. These procedures are literally not workable and administrative control is difficult. To correct this situation, the commissioner should be allowed discretion in defining the basis for computation and timing of payment consistent with the intent of the law and sound administrative practices.

The law presently requires that the drivers education fund fee is due and payable in full on a monthly basis, within thirty days of commencement of coverage under a no-fault insurance policy. This is amended to require that the fee be due and payable on an annual basis by means and at a time to be determined by the commissioner. This is primarily a change for administrative facilitation and also more closely corresponds with reporting requirements established by the Motor Vehicle Insurance Division.

The drivers education fund provisions are also amended by providing that the drivers education programs administered by the Department of Education (Chapter 299) as well as the District Court (Section 286-128(m)) would benefit from the funds generated by this section. The law presently directs the entire drivers education fund solely to the drivers' education program administered by the District Court. It is felt that the programs administered by both the Department of Education and the District Court should equitably share this fund. Accordingly, based on the estimated personnel and operating costs necessary to maintain the services presently provided by the courts' remedial driver program, your Committee has amended the bill as follows:

(1) To allocate 70 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 30 per cent to the superintendent of the department of education for the fiscal year 1975-76.

(2) To allocate 60 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 40 per cent to the superintendent of the department of education for the fiscal year 1976-77.

(3) To allocate 50 per cent of the special driver education fund account to the commissioner of motor vehicle insurance and 50 per cent to the superintendent of the department of education for the fiscal year 1977-78.

Based on the State Highway Safety Coordinator's traffic data, there were 484,521 registered motor vehicles in Hawaii in 1973; thus, approximately \$500,000 is projected to be generated by the drivers education fund underwriters' fee. It is felt that by equitably proportioning this fund between the drivers education programs administered by both the Department of Education and the District Court, more students of age throughout the State might have the opportunity to enroll in driver education classes. By training more youngsters in the program driving techniques at an early age, the District Court may possibly experience a reduction in the number of people having to appear or participate

in their driver education program. Additionally, the learning of safe and proper driving techniques by more individuals may result in a reduction in accidents, which should correspondingly assist in stabilizing or decreasing rates.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 850, H.D. 1, S.D. 1, as amended herein, and recommends that it be referred to your Committee on Ways and Means in the form attached hereto as H.B. No. 850, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 865 Judiciary on H.B. No. 990

The purpose of this bill is to establish a substance abuse program within the department of health which shall be responsible for the development, coordination and implementation of a statewide system for substance abuse programs. Such programs would consider among other things, drug, alcohol, and organic solvents, misuse and the prevention and treatment therefor.

Presently, the responsibility and the personnel dealing with substance abuse are split between the office of the governor and the department of health. This bill amends Chapter 321, Hawaii Revised Statutes, by adding a new section which creates a substance abuse program within the department of health. Under this bill, the department of health is to develop and coordinate all substance abuse programs. Your Committee finds that a substance abuse program instead of a division within the department of health would allow for needed flexibility in establishing the program and to permit conformation with any future reorganization of the department.

Instead of creating a new advisory committee on substance abuse, the bill has been amended to provide that the state advisory commission on drug abuse and controlled substances shall advise the director of health on substance abuse matters. A new section 3 has been added to the bill to amend section 329-4, Hawaii Revised Statutes, setting forth the duties of the state advisory commission on drug abuse and controlled substances by adding the duty to advise the director of health on substance abuse matters.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 990, H.D. 1, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 866 Judiciary on H.B. No. 1874

The purpose of this bill is to assist consumers who are faced with "double-pay" situations in dealings with licensed contractors for home improvements.

Presently some homeowners who have hired and paid a contractor, are faced with a mechanic's or materialmen's lien against their property because of the contractors failure to pay subcontractors, employees or suppliers. Under existing law they can apply for reimbursement from the Contractors Recovery Fund, but only after an exhaustive, time-consuming and often costly legal procedure. This bill would ease the access to the Contractors Recovery Fund for homeowners caught in this situation and make it simpler for the Contractors Recovery Fund to then proceed against the defaulting contractor.

This bill also replaces references to "licensee" with "licensed contractor" in the provisions of the fund to limit recovery to acts of the contractor rather than each employee who may also be licensed. Some contractors have a number of their employees licensed and it would be wrong to multiply his liability by the number of his employees who are licensed. The fund was established to protect consumers from the wrongful acts of contractors regardless of how many of their employees are also licensed.

It is the intent of the Legislature that homeowners who have paid a licensed contractor, but because of the default of the contractor, have a lien foreclosed on their property, to proceed directly to the Contractors Recovery Fund with a valid judgment against the defaulting contractor following the foreclosure. At that point the Recovery Fund shall be subrogated to all rights of the homeowner and can proceed against the defaulting contractor for recovery of the claims as per Section 444-32.

Most homeowners become involved in "double-pay" situations because they have little or no knowledge of lien rights or the consumers option to demand bonding on the project. The bill requires contractors to disclose and inform the consumers of lien rights and bonding option. If the consumer knows ahead of time what his options and responsibilities are it may reduce the number of liens and subsequent claims against

the fund.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1874, H.D. 1, S.D. 1, and recommends that it be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 867 Judiciary on H.B. No. 141

The purpose of this bill is to clarify the procedure to be followed in applications for attachment of mechanic's and materialman's liens.

In 1974, the Seventh Legislature passed Act 113 which provided for a hearing prior to the attachment of a mechanic's or materialman's lien to determine if there is a probable cause for the lien. The language of the statute is unclear as to whether the person against whom the lien is being asserted can submit evidence asserting a defense to the claim upon which the lien is based. This bill amends Section 507-43(A), Hawaii Revised Statutes, by making it clear that such evidence can be submitted at the probable cause hearing.

Additionally, the bill provides that a lien will attach only for the amount that the court determines is the reasonable probable outcome of any dispute.

The bill also amends Section 507-49, Hawaii Revised Statutes, dealing with unreasonable extensions of credit by furnishers of materials by deleting the requirement that credit applications from contractors to suppliers be up-dated every three months. It is unduly burdensome on contractors and suppliers to up-date this information every three months and that other indicators such as past business between the supplier and contractor are more reliable indicators of the financial stability of the contractor.

Your Committee has amended the bill in the following respects:

(1) Page 6, line 15, inserted the sentence, "The owner or his assigns on whose property the lien has attached may file a third-party action against a licensed contractor whom he has paid for improvements as provided for in section 444-28(g), Hawaii Revised Statutes, as amended."

(2) Page 6, line 20, deleted the word "and" before "indemnitors" and added the phrase "and the contractors license board."

These amendments will make it possible for the judge presiding in a case involving foreclosure of a lien to hear evidence that a homeowner has paid his contractor. The judge could then award the homeowner a valid final judgment against the contractor and begin recovery fund proceedings.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 141, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 141, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 868 (Majority) Judiciary on H.B. No. 518

The purpose of this bill is to exclude from discovery the following: Peer review proceedings and records of optometrists.

Under existing law, only the medical and dental professions are excluded from discovery. This bill would include the optometrical profession to this group to provide for equity and uniformity in the statute. Your Committee feels that a profession dealing in the same type of doctor-patient relationship should not be discriminated against.

This privilege against discovery is limited only to peer review committees at hospitals and of the societies of the profession. The underlying policy for excluding peer review from discovery is that the intent of reviews is to improve the quality of care and therefore should not be subject to inquiry.

The bill also removes from civil liability the communicating of conclusions from peer review committees of professional medical societies to similar committees or to an authority which licenses such professions, or to a government agency charged with the responsibility of administering a program of medical assistance in which services are provided

by private practitioners.

Your Committee concurs with the findings of your Committee on Health as stated in Standing Committee Report No. 720.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 518, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee. Senator Kawasaki did not concur.

SCRep. 869 Judiciary on H.B. No. 611

The purpose of this bill is to facilitate the arrest procedures for foresters and forest rangers enforcing the rules and regulations and statutes of the Division of Forestry.

Your Committee on Judiciary concurs with the findings and recommendations of your Committee on Economic Development in Standing Committee Report No. 832.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 611, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 870 (Majority) Judiciary on H.B. No. 619

The purpose of this bill is stated in the title.

Your Committee finds that it should be at the discretion of the physician who is treating a minor for venereal disease as to whether the spouse, parent, custodian or guardian of such minor should be informed of the treatment.

The treating physician is in the best position to determine whether or not the best interest and welfare of the child require that the appropriate party be informed or not because of special sensitive circumstances.

Your Committee has accordingly amended Section 2 by giving the physician full latitude with respect to any notification requirement and removing any condition precedent before notification can take place.

Your Committee has also made other technical language changes for purposes of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 619, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 619, H.D. 1, S.D. 2.

Signed by all members of the Committee. Senator Hara did not concur.

SCRep. 871 Judiciary on H.B. No. 1756

The purpose of this bill is to provide for an accounting of tenant security deposits when a landlord transfers his interest in rental units to another landlord.

This bill amends section 521-44, Hawaii Revised Statutes, by adding a new provision to subsection (f), which requires a landlord to provide an accounting of the security deposits received for each dwelling to his successor before or at the time of transfer. The successor landlord must then give written notice to each tenant of the amount of the security deposit within twenty days of the transfer. In the event that the original or successor landlord fails to give the required notice, it shall be presumed that the tenant has paid an equivalent of one month's rent.

Your Committee amended the bill by deleting the words, "of the failure of the landlord or" at page 1, lines 12 and 13 and by inserting the word, "fails", between the words, "successor" and "to", at page 1, line 13.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1756, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1756, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 872 Judiciary on H.B. No. 1848

The purpose of this bill is to clarify language and to amend the Hawaii Pesticides Law to bring it in closer conformity with the Federal Insecticides, Fungicides and Rodent Act under the federal environmental program.

Your Committee on Judiciary concurs with the findings and recommendations of your Committee on Economic Development in Standing Committee Report No. 835.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1848, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 873 Judiciary on H.B. No. 1875

The purpose of this bill is to amend the Hawaii Revised Statutes relating to the Horizontal Property Regimes Act. Chapter 514 is amended in the following manner: (1) Initial management contracts for condominiums are limited to one year if the first managing agent of the association is the developer or an affiliate of the developer. (2) Purchasers of units under agreements of sale are given the same voting rights in association matters as owners, provided that the seller may retain voting rights on matters that substantially affect his security interest in the unit. (3) Developers are required to pay a pro rata share of the maintenance costs of the condominium association based on the number of unsold units. (4) The first meeting of the condominium association shall be held not later than 180 days after the issuance of the certificate of occupancy for the condominium by the appropriate county agency. In addition, the chapter has been amended to require all members of the board of directors to be owners, co-owners, spouses of owners, or officers of any corporate owner of a unit. (5) Developers of condominiums are required to notify all association members and members of the board of directors that the one-year warranty period of structural and appliance defects will expire in ninety days. (6) Directors of condominium association boards are prohibited from voting on any issue in which he has a conflict of interest. (7) Sec. 514-21 is amended to require all books of receipts and expenditures of condominium associations to be available for examination at the place of address of the project or elsewhere within the State.

Your Committee has further amended this bill by making the recordkeeping provision of Section 514-21 subject to the penalty, investigation and injunction provisions of Sections 514-46, 514-48, and 514-50, respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1875, H.D. 1, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 1875, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 874 Judiciary on H.B. No. 127

The purpose of this bill is to provide a law wherein persons who lobby are required to register, to file timely disclosure reports, and to otherwise account for contributions to them and their expenditures in the course of seeking to influence the outcome of legislative or administrative action. The intent of the bill is to make persons who lobby accountable for their actions to insure against the exercise of undue or improper influence.

Your Committee finds that persons who lobby, among other things, perform a valuable service to the public by giving the lawmaking, executive and rule-making bodies an insight to various community, social and economic needs as well as by providing facts to such bodies. Accordingly, it is not the intent of your Committee to restrict persons who lobby in the performance of their function, but rather to provide a mechanism by which the public including the members of the legislature and administrative agencies can identify persons who seek to influence the content, introduction, passage or defeat of legislative or administrative matters as defined in the bill. It is the further intent of your Committee to not only identify persons who lobby but also to determine the amounts that they expend with the primary objective of learning the identity of persons who made substantial expenditures to influence legislative and administrative actions.

Your Committee decided against making this bill applicable to persons who lobby in the City and County of Honolulu, and the counties of Kauai, Maui and Hawaii. However, to the extent that any of the counties do not have a law relating to the registration of persons who lobby, your Committee strongly urges those counties to enact such legislation.

After receiving a substantial amount of testimony and after free and full discussion, your Committee amended the bill in the following manner:

1. A purpose clause was inserted and designated as section 1.
 2. Sec. -1(1) The definition of "administrative action" was modified and now means the proposal, drafting, consideration, amendment, enactment or defeat by a body or official in the state government that is not part of the legislative or executive branch of any rule or regulation or other action governed by Hawaii Revised Statutes Section 91-3. Your Committee amended the section to preclude a person who merely represents another in an application for a license or a contested matter before a state agency from registering as a person who lobbies and disclosing his expenditures.
 3. Definitions of "administrative agency", "commission", "statement period", "lobbying" and "registrant" are inserted and designated as Sec. -1(2), Sec. -1(3), Sec. -1(6), Sec. -1(8) and Sec. -1(11), respectively.
 4. Sec. -1(2). The definition of "contribution" was modified and now means a gift, subscription, forgiveness of a loan or a payment or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution, except to the extent consideration of equal or greater value is received.
 5. Sec. -1(3). The definition of "expenditure" was modified by deleting the words "loan, advance deposit".
 6. Sec. -1(4). The definition of "legislative action" was modified and now means the drafting, introduction, consideration, modification, enactment or defeat of any bill, resolution, amendment, report, nomination or any other matter pending or proposed in the legislature. It also includes the action of the Governor in approving or vetoing any bill.
 7. Sec. -1(5). The definition of "lobbyist" was deleted; however, the basic concept of a lobbyist is contained in the definition of "lobbying" in H.B. No. 127, H.D. 1, S.D. 1.
 8. Sec. -2(a). Your Committee concluded that a person who is engaged in lobbying activities should register only if there is some monetary consideration flowing from such activity. The rationale is that the public as well as the lawmaking, executive and rulemaking bodies are primarily interested in those persons who lobby for a profession and those persons who expend considerable sums of money to influence the outcome of legislative or administrative action. Accordingly, your Committee amended the section to require registration of persons who lobby under the following circumstances:
 - (1) When he expends \$100 or more in any calendar quarter for lobbying; or
 - (2) When he receives compensation or reimbursement for lobbying; or
 - (3) When he engages in lobbying activities as part of his regular employment whether or not he is directly compensated for such activities. The intent of your Committee is also to require a person who actually directs lobbying activities to register whether or not he has direct contact with the legislature or an administrative agency.
- Section -2(a) was further amended by requiring a registrant to amend his registration form no later than ten days after any change in compensation and by deleting the requirement of amending the registration form upon the cancellation of a registrant's employment.
9. Sec. -2(c). Your Committee also amended Sec. -2(c) by deleting from, adding to and modifying the exceptions to registration set out in Section -2 of H.B. 127, H.D. 1, S.D. 1. The amendments are as follows:
 - (a) Deleting the exemption for the person who merely expresses his opinion as a citizen. Generally, such a person would not be required to register under H.B. No. 127, H.D. 1, S.D. 1, since he will not come within the meaning of Sec. -2(a)(1), Sec. -2(a)(2) or Sec. -2(a)(3).
 - (b) Modifying Sec. -2(c)(4) by requiring newspapers, etc. to register unless they are urging the passage or defeat of legislative or administrative action while publishing in the ordinary course of business news items, editorials or other comments or paid advertisements.

Your Committee finds that a newspaper like anyone else should register unless the

"lobbying" is done while publishing in the ordinary course of business news items, etc.

(c) Adding an exemption for persons representing a bona fide church solely for the purpose of protecting the right to practice the doctrines of the church.

(d) Adding an exemption for a person who possesses special skills and knowledge and who makes an occasional appearance before the legislature or an administrative agency upon request of such bodies. Your Committee finds that such persons can give invaluable assistance to legislative, executive, and rule making bodies.

With respect to Sec. -2(c)(2), your Committee does not consider a person hired solely on a contract basis by the City and County of Honolulu and the counties of Kauai, Maui and Hawaii for the purposes of lobbying during the legislative session as a county official or employee acting in his official capacity.

10. Sec. -3. Sec. -3 was deleted in its entirety since that provision is basically covered in Sec. -8 of H.B. No. 127, H.D. 1, S.D. 1, although no registration fee has been provided for.

11. Sec. -4. Sec. -4 was amended in the following respects:

(a) By setting March 1 and June 30 rather than June 30 and December 31 as the filing dates for the statement that a registrant must file with the Ethics Commission.

(b) By requiring (1) the name and address of each person with respect to whom expenditures for the purpose of lobbying in the aggregate of \$50 or more was made by the registrant during the statement period and the amount or value of such expenditures; and (2) the total sum or value of all expenditures for the purpose of lobbying made by the registrant during the statement period.

(c) By no longer requiring information related to the names of publications in which articles or editorials were printed.

(d) Modifying Sec. -4(a)(1), Sec. -4(a)(2) and Sec. -4(a)(4), the substance of which are now contained in Sec. -4(1) and Sec. -4(2) and Sec. -4(5), respectively of H.B. No. 127, H.D. 1, S.D. 1.

12. Sec. -6. Sec. -6 was deleted and a new Sec. -6 which sets out what activities are prohibited by a registrant has been inserted.

13. Sec. -7. Sec. -7 was deleted in its entirety.

14. Sec. -8. Sec. -8 was modified so that a person is guilty of a misdemeanor and subject to a fine of \$10,000 for each violation in case of a person other than an individual, rather than a petty misdemeanor. Further, your Committee makes it clear that a person is guilty of a crime only upon a wilful violation rather than a simple violation of the bill. It is the opinion of your Committee that only by imposing meaningful penalties can the intent of this bill be implemented.

15. Sec. -9. Sec. -9 was amended so that the administering body is the State Ethics Commission rather than the Attorney General's Office. Your Committee is of the opinion that an independent agency such as the State Ethics Commission would be a more appropriate administering body than an agency within the executive.

16. Sec. 2. Section 2 was amended to have different effective dates for various sections in the bill rather than an effective date of July 1, 1975.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 127, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 127, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 875 Judiciary on H.B. No. 327

The purpose of this bill is to clarify the present language and format, correct deficiencies and expedite operating procedures, particularly those relating to campaign contributions and expenditures.

Your Committee has reviewed the changes to the existing law proposed by H.B. No. 327, H.D. 1 with the goal of clarifying and resolving the present uncertainties without undermining or unduly complicating the basic intent of the original enactment. A detailed examination of the bill with the assistance of Mr. Robert Klein, Executive Director of the Campaign Spending Commission and members of the Campaign Spending Commission has established that several areas of the law will benefit from the changes your Committee hereby requests.

Also, your Committee wishes to emphasize its concern that the public be made fully aware of the disclosures reported by persons subject to this Act. In this regard, your Committee hereby requests the two major Oahu daily newspapers to voluntarily publish a listing of the total contributions, including the names and addresses of donors who contribute in excess of \$100, and expenditures for each candidate, committee or party for each election.

It is the opinion of your Committee that the changes inserted in S.D. 1 of H.B. No. 327, H.D. 1 will carry out the intent and purpose stated. Because of the length of the bill, the major changes will be noted in each of the sections whenever they appear. Sections in which there are no changes or minor housekeeping changes will be noted only where the intent of the provision needs explanation or clarification. The amendments are as follows:

1. Section 11-191(1) NEW SECTION Definitions.

Your Committee supports the definition of the word "advertisement" as proposed by House Bill 327, H.D. 1 which makes a candidate's obviously political advertisements chargeable campaign expenditures during the election period. The changes recommended by your Committee would exclude from the definition bumper stickers, badges and other sundry items. Although the cost of these items constitutes a chargeable campaign expenditure, the disclaimer provisions of section 11210 will no longer apply. Also, your Committee has enlarged the definition to cover advertisements which involve likely ballot issues.

2. Section 11-191(3)(B) Definitions.

Your Committee has amended this section to conform to the original intent of the law which requires a person who initiates campaign activity by receiving contributions in excess of \$100 or making any expenditures to file his organizational report under Section 11-197. This requirement obtains during the election period as well as during interim years.

3. Section 11-191(5) Definitions.

Your Committee has deleted all references to the term "house bulletin" as defined on p. 7 of H.B. 327, H.D. 1 and implemented in Section 11-206.1, p. 32. Instead, it is recommended that the definition of the word "committee" on p. 4, H.B. 327, H.D. 1 be amended to exclude all persons publishing an endorsement issue. This amendment allows an expanded group of people to publish an intra-organization communication endorsing candidates without having to register as a committee under the campaign spending law.

4. Section 11-191(6) Definitions.

This section is amended to exclude from the definition of "contribution" a candidate's expenditure of his own funds. Your Committee believes that the fact that the candidate has contributed money to his campaign should not be allowed to become a political issue during a campaign. The proposed amendment accomplishes this goal.

Adoption of this amendment obviates the need to retain Section 11-201 of the present law. In this regard, your Committee agrees with the House draft which repeals this section.

5. Section 11-192 Campaign spending commission.

The House version (ln. 16, p. 8) makes it clear that only "card-carrying" members of a political party may be selected as commission members. Your Committee has deleted this provision because it believes that the parties should determine the qualifications of potential members.

6. Section 11-194 Duties of the chief election officer; commission.

Your Committee recommends an amendment to this section which will place all duties, except prosecution, in connection with the campaign spending law under the Commission. The House version preserves the separation of certain duties between the Chief Election Officer and the Commission. For instance, presently the Chief Election Officer must develop and adopt reporting forms, publish a candidate's manual, etc. while the Commission must ascertain the completeness of the filings, adopt rules and regulations and hold public hearings. The Senate version accepts the Commission's recommendation to consolidate all Commission related activity within the Commission. Also, your Committee has excised as redundant a provision which assigns the staff of the campaign spending commission to the lieutenant governor's office for administration purposes.

7. Section 11-195 Filing of reports, generally.

Your Committee recognizes that the disclosure of campaign information must be accessible to a candidate's constituency as soon as is reasonably possible before an election. Thus, the proposal set out in H.B. 327, H.D. 1 should be expanded to require the timely filing of reports both with the Commission and, in the case of neighbor island counties, with the county clerk's office. Your Committee further amends this section to place the burden of retaining the reports on the recipients of the reports rather than on the candidates.

8. Section 11-197 Registration.

Your Committee's amendment clarifies subsection (5) of Section 11-197 in order to moot any issue concerning the application of this section to contributions made prior to January 1, 1974.

9. Section 11-197.1 NEW SECTION Designated central committee.

Your Committee has deleted this section because it unduly complicates the already pervasive reporting requirements of the present law.

10. Section 11-199 Campaign contributions, generally.

House Bill 327, H.D. 1 limits petty cash funds to \$250 and restricts cash contributions to the same amount. Your Committee recommends excising both provisions, because they unnecessarily restrict legitimate political practices without any measurable benefit to the public. Next, your Committee has deleted subsection (d) which reiterates the intent of the present law to treat as non-anonymous contributions in the amount of \$10 or less. Also, your Committee recognizes the potential loophole created by a failure to regulate "earmarked funds". In this regard, your Committee agrees with the House draft which makes the needed amendment.

11. Section 11-200 Campaign contributions, restrictions against transfer.

H.B. 327, H.D. 1 allows candidates, committees, or campaign treasurers to buy two tickets per fund raiser with contributed funds. This Section is deleted by your Committee, since Section 11-205 which restricts the uses of the campaign

treasury is being repealed. Under the present law such purchase is considered an illegal transfer.

Your Committee has repealed subsection (b) which prevents a candidate, committee or party from receiving contributions from unregistered committees. Determining whether a committee has registered before accepting its contribution places an undue burden on a candidate, party or another committee.

12. Section 11-202 Anonymous contributions; unlawful.

Your Committee has amended this section to stress its view that the receipt of anonymous contributions through such methods as passing the calabash at a coffee hour or similar gathering is an accepted political practice which should not be interfered with. In this regard, your Committee has proposed wording which allows a candidate, party, or committee to receive up to \$250 anonymously as long as he reports the collection along with a description of the means method, place and date of receipt.

13. Section 11-203 Testimonial affairs; social affairs; coffee hours.

Your Committee intends to clarify this section to promote the principles embodied in the present law regarding "testimonial affairs". First, your Committee's intent is to continue to limit the number of "testimonial affairs" to one event per election where the cost for attending exceeds \$15. Secondly, your Committee has amended this section to equalize the access to cost exemptions for fund raisers which cost less than \$15 to attend by adding subsection (D) which parallels the Commission's rules and regulations. This subsection gives the candidate the option to charge any price for tickets to one cost-exempt fund raiser per election.

Because of this amendment, your Committee believes that any reference to "social hours" has been obviated. Thus, this subsection has been deleted.

Your Committee subscribes to the definition of "coffee hours" in H.B. 327, H.D. 1; however, the \$25 exemption for costs attributable to a coffee hour has been raised to a more reasonable \$100 figure.

14. Section 11-204 Campaign expenditure: authority required.

Your Committee amends this section to add a provision which creates a presumption that a committee working in support of a candidate or in opposition to his opponent is a committee directly associated with the candidate for purposes of determining the spending limit. The candidate's disavowal of the committee's activity will rebut the presumption.

15. Section 11-206 Campaign expenditures: limits as to amounts.

Your Committee has made minor changes to H.B. 327, H.D. 1 as follows. A limit of 12.5 cents has been established for offices not listed in subsection (1) or (2).

Your Committee has deleted as unnecessary the House proposal to combine the existing cost per voter factors for the offices of governor and lieutenant governor after the primary election. Also, your Committee has discovered no compelling reason for limiting committees supporting or opposing ballot issues to expenditures of 25 cents per voter. Regarding the addition of new subsection (d), your Committee has deleted this proposal because it is presently covered by Commission's rulings. Your Committee accepts the House recommendation which ties the present rate of spending to the Consumer Price Index. However, the base year is amended from 1974 to 1973. Finally, your Committee is in agreement with new subsection (e) which requires a candidate to attribute the expense of goods or services to periods of actual use. Thus, items purchased for a campaign may be reported when the

expenditure is incurred and allocated to the period of actual use.

16. Section 11-206.1 House bulletins.

Your Committee has deleted this section for the reasons stated in paragraph 2, supra.

17. Section 11-209(b) Disposition of funds.

Your Committee has amended this subsection to reflect the original language. The effect of the version presented in H.B. 327, H.D. 1 is to limit the options for disposition of funds available to a candidate who decides to withdraw from a race or a candidate who has a surplus in his account after an election.

18. Section 11-210 Advertising.

Your Committee has amended this section to require all circulated or published material to specify whether the candidate's approval has been obtained. If his approval has not been obtained, the advertisement or printed material must so state. This requirement does not hold when the ad or printed material is paid for by the candidate or his directly associated committee. This system should allow a proper attribution of expenses to candidates who accept the benefits of publicity paid for by committees within their control.

19. Section 11-211 Complaints, investigation, notice.

Your Committee has made major revisions in this area in order to provide effective investigation and enforcement of alleged violations of this subpart while at the same time stressing due process safeguards and fairness to all parties.

Under the House version, the Commission acts as an agency of the State charged with regulating persons subject to the Campaign Spending Law. In this regard, the Commission accepts complaints (or initiates them), investigates them for probable cause and initiates "appropriate proceedings" to determine whether a violation has occurred. In this case, prosecution may be requested. Where the Commission finds the alleged violation to have been unintentionally committed it may, confidentially, order certain civil remedies including payment of up to \$1000.

The Senate version differs in that the Commission is treated as a "grand jury" whose function it is to determine "probable cause" for believing that a violation has occurred. If there is probable cause to believe a violation has occurred, the Chief Election Officer and the clerk of the appropriate house of the state legislature or the county body must be notified. In addition, prosecution may be requested. Other cases involving minor violations of an unintentional nature may be dealt with by the Commission on a confidential basis with civil remedies applying. No fine provision is included.

20. Section 11-212 Penalties; relief.

Your Committee has amended this section in order to conform it to the existing law. The penalties embodied herein already serve as an adequate deterrent.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 327, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. 327, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 876 Judiciary on H.B. No. 1764

The purpose of this bill is to exclude from the definition of "dealer" any person, licensed as a real estate broker or salesman, effecting a transaction in a security exempted by Section 485-6(14) of the Uniform Securities Act.

Under existing law, any offer or sale by or through a real estate broker or real estate salesman licensed under the laws of the State of an apartment in a condominium project is a transaction exempt from Sections 485-8 and 485-25(a)(7) of the Uniform Securities Act. The law is ambiguous as to the exemption as a dealer. This bill clarifies this ambiguity by exempting a licensed real estate broker or salesman from the definition of "dealer" in a transaction exempted by Section 485-6(14). This allows for uniformity and clarity throughout the section.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1764, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 877 (Majority) Judiciary on H.B. No. 1852

The purpose of this bill is to expand Section 731-3.2 of the Hawaii Revised Statutes concerning expungement of arrest records.

The act's purpose is to protect the individual from extrajudicial penalties when a person has been arrested for a crime but has not been charged or convicted. The bill is intended to allow a person's records to be expunged, where he or she has been arrested for and charged with a crime and subsequently has been acquitted or charges have been dismissed.

The bill would provide that in addition to the attorney general, his authorized representative within the department would also have the power to issue expungement orders.

The bill would also define the term "arrest record" to include the date of legal proceedings beginning with arrest and ending in a final disposition of non-conviction. It would include any documents, magnetic tapes, or computer memory bank records produced under authority of law.

Your Committee has accepted the recommendation of the State Prosecuting Attorneys' Committee and amended the bill to preclude expungement in cases where a person has not been convicted because of a bail forfeiture or because he has absented himself from the jurisdiction.

Your Committee is in agreement with the House Committee on Judiciary as stated in their Standing Committee Report No. 578.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1852, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1852, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senator Kawasaki did not concur.

SCRep. 878 Judiciary on H.B. No. 126

The purpose of this bill is to declare and provide for implementation of a statewide policy that the formation and conduct of public policy - the discussions, deliberations, decisions, and actions of governmental agencies be conducted as openly as possible.

The bill provides that meetings of public bodies are to be open to the public with prior public notification therefor, except in exceptional circumstances. The bill also provides standards for the contents of and availability of minutes, provides for voidability of actions taken at meetings failing to meet the requirements of the bill, and for enforcement and penalties.

Upon consideration of the bill, your Committee has amended the bill by deleting several provisions and making other changes. The bill, as amended, provides as follows:

- (1) The definition of "board" was amended.

(2) The definition of "chance meeting" was inserted to differentiate informal meetings from meetings covered by the bill.

(3) The definition of "meeting" was amended to conform with the recommendations of the National Legislative Conference Committee on Legislative Ethics and Campaign Financing, 1973-74, contained in "Guidelines for State Legislation on Government Ethics and Campaign Financing", that a meeting be defined as the convening of a body for which a quorum is required to make a decision or deliberate toward a decision.

(4) Persons wilfully disrupting meetings are subject to removal.

(5) The provisions relating to executive meetings was amended to allow an executive meeting to be held regarding acquisition of public property, investigation of criminal misconduct, and consideration of sensitive matters related to public safety or security, in addition to the exceptions listed.

The bill provides, however, that chance meetings or electronic communications are not to be used to circumvent the spirit or requirements of the bill.

(6) The judicial branch is specifically excluded from the operation of the bill in deference to the doctrine of "separation of powers."

(7) Quasi-judicial boards in exercise of adjudicatory functions are also specifically exempted because closed deliberation is traditional in quasi-judicial proceedings. Your Committee sees no objection to maintaining this practice, as availability of procedural safeguards, transcripts, written decisions, and the appellate process, all work to permit adequate public scrutiny as well as insure fairness and the required observance of constitutional rights.

Your Committee has provided a non-exclusive list of State quasi-judicial agencies. The list was made non-exclusive so as not to exclude other appropriate agencies.

The Attorney General is requested to conduct a review of each board exercising quasi-judicial functions and report to this Committee with specific recommendations as to whether any other agencies should be included on the list.

(8) The notice requirements were amended to provide for 72 hour notice and to provide for mailing notice to persons requesting notification.

(9) Emergency meetings are permitted if a board finds imminent peril to public health, safety or welfare exists. Written findings are required, and two-thirds of all board members must agree that the findings are correct. In addition, filing and notification requirements are set out.

(10) The provisions relating to minutes of meetings were amended by providing that minutes are to be available within 30 days after a meeting. Recording of meetings is authorized except when closed.

(11) As applicable to the legislature, enforcement, penalties and sanctions and conduct of its proceedings are reserved by constitutional mandate to the respective houses.

In this connection, Article III, Section 13 of the Constitution of the State of Hawaii, states in pertinent parts:

"Section 13. Each house...shall have, for misconduct, disorderly behavior or neglect of duty of any member, power to punish such member...Each house shall...determine the rules of its proceedings..."

The rules of the respective houses currently provide for public meetings and for public notice. Executive sessions are provided for in exceptional circumstances.

(12) The concept of voidability was adopted with respect to actions attended by violations of the provisions of this bill. A 90-day statute of limitations was adopted. Violations cannot be made to render administrative action invalid without durational limitations. Otherwise, administrative actions would be robbed of all sense of finality.

(13) The penalty provision was amended to provide punishment for any wilful violation. In addition, summary removal from the board is provided for.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 126, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form

attached hereto as H.B. No. 126, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 879 Ways and Means on H.B. No. 91

The purpose of the bill is to amend the present historic preservation provisions of chapter 6, Hawaii Revised Statutes, by expanding and clarifying the provision relating to a comprehensive historic preservation program, providing for the establishment of a Hawaii Advisory Council on Historic Preservation; and reorganizing, renumbering, and restating provisions relating to the Hawaii Foundation for History and the Humanities and to monuments and memorials.

The bill charges the department of land and natural resources with the establishment and implementation of a comprehensive historic preservation program, grants the department powers to carry out its responsibilities and provides for a historic preservation officer to be appointed by the governor who is responsible for the overall development of a comprehensive historic preservation program and who shall receive federal funds for historic preservation in accordance with federal acts related to historic preservation. The bill further requires all state projects and programs relating to historic preservation to come under the department of land and natural resources.

The bill also provides that prior to nomination to the State Register of Historic Places, the owners of structures should be given adequate notification and an opportunity to respond.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 91, H.D. 2, 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 Senator Yamasaki.

SCRep. 880 Ways and Means on H.B. No. 374

The purpose of this bill is to increase the monthly dental plan contribution from \$2.04 to \$2.57, and to clarify the language of prior amendments to section 87-4, Hawaii Revised Statutes. The sum of \$432,222 is appropriated by this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 374, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 881 Ways and Means on H.B. No. 481

The purpose of this Bill is to increase the annual sum granted to carry on the operations and defray the expenses of the Hawaii Wing, Civil Air Patrol, from \$56,000 to \$75,000, provided that not less than \$3,000 shall be allocated to each Civil Air Patrol unit outside the City and County of Honolulu.

Your Committee is informed that the Bill will encourage and promote the Civil Air Patrol programs especially on the islands outside of the City and County of Honolulu.

Your Committee has amended the bill to otherwise reflect existing statutory language.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 481, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 481, S.D. 1.

Signed by all members of the Committee.

SCRep. 882 Ways and Means on H.B. No. 549

The purpose of this bill is to provide that private property taken in excess of the requirement for the purpose taken may be sold at public auction if it is of a size or configuration suitable for use as a separate property in conformity with applicable zoning regulations. The bill also provides a method of disposal where the excess land does not meet the zoning requirements.

The present law restricts the sale of excess property resulting from condemnation,

regardless of the lot size, configuration or topography, to the owner or owners of abutting land. Because of this restriction, conceivably, the sale price obtainable for such excess property may be far less than what could be obtainable if disposal were to be by sale at public auction for standard size parcels.

The present law also does not provide a method for disposal of excess land which does not meet zoning requirements in the event excess land is to be sold to abutting owners and more than one abutter is interested in purchasing the land. The bill provides a method of land disposal in such circumstances.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 549, S.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator King.

SCRep. 883 Ways and Means on H.B. No. 822

The purpose of this bill is to increase the fee for serving any criminal summons, warrant, attachment or other criminal process and provides for mileage fees.

The increase would be from \$6 to \$10. This increase is necessitated because deputy sheriffs, although representing the State, are not State or County employees and make their living from these fees. Such an increase would not provide them with any windfall gain but merely a better level of compensation to keep up with the cost of living.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 822, H.D. 1, S.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 884 (Majority) Ways and Means on H.B. No. 857

The purpose of this bill is to provide additional revenue to the Highway Special Fund to finance the present and proposed programs of the State Highway System.

The bill was amended by the Senate Committee on Transportation to reflect a 1-1/2 cent per gallon increase in the tax on liquid fuel for highway use.

Your Committee on Ways and Means has amended the bill in two ways:

1) Sections 1 and 2 have been amended to provide for an overall increase of 3-1/2 cents per gallon in liquid fuel for highway use as a temporary solution to the Highway Special Fund Problem; and

2) Section 3 has been amended to make the tax increase effective May 1, 1975 rather than July 1, 1975. The earlier effective date will provide a full twelve months revenue to the fund at the new tax rate during fiscal year 1976, since there is a one month lag in tax collections. It will also provide one month's increased revenue to the fund in the current fiscal year and thereby reduce the anticipated deficit.

The Department of Transportation estimates that the Highway Special Fund will incur a deficit of about \$2 million in fiscal year 1975 despite tautly administered austerity in highway programs. Your Committee has concluded that this is a realistic estimate given the current levels of revenues and expenditures.

In evaluating the proposed tax increase, your Committee has considered both the impact that a deficit in the Highway Special Fund will have on the total indebtedness of the State and the increasing costs of highway programs and operations.

The constitution provides that general obligation bonds authorized for highway improvements with debt service to be repaid from the Highway Special Fund are excludable in calculating the total state indebtedness so long as the fund is self-sustaining in the preceding fiscal year. (There are currently about \$90 million in highway bonds authorized and issued, \$89 million authorized but unissued, and an additional \$67 million requested to be authorized for the 1975-77 biennium.) It is the opinion of the Attorney General that if the Legislature in this session passes a revenue measure and finds that the increase is sufficient to cover the debt service on issued bonds and to reimburse the general fund for any deficiencies as of June 30, 1975, then authorized but unissued bonds need not be included in the state's total indebtedness. Issued bonds will be excluded only in the percentage that the net revenues of the highway system in fiscal year 1975 are

sufficient to provide reimbursement to the general fund for debt service on such bonds. (The \$2 million deficit would mean that about 77% of the issued bonds would be excludable, while about 23% or \$21 million would be includable as of November 1, 1975.) The portion of issued bonds that will be includable in Fiscal Year 1976 will be a small amount relative to the additional debt margin that will be available to the 1976 Legislature. In addition, the includable portion of issued bonds will be excludable for Fiscal Year 1977 if the fund meets 1975 deficiencies and 1976 debt service during Fiscal Year 1976.

The 1976 planned expenditures from the fund are \$25.2 million. A carry over deficit of \$1.1 million will bring total expenditures to \$26.3 million. The planned expenditures include \$13.1 million for operating expenses of highways programs and \$12.1 million for payment of debt service on issued bonds. The operating costs reflect a catching-up on expenditures deferred in recent years and the costs are expected to decrease slightly in Fiscal Year 1977. Debt service costs have increased from \$9.4 million in Fiscal Year 1975 to \$12.1 million, and these costs are expected to require a larger proportion of total expenditures in future years.

Based on the Department of Transportation's projection that fuel tax revenues to the Highway Special Fund will increase by about 3.25% in Fiscal Year 1976, your Committee on Ways and Means finds that a 3-1/2 cents per gallon tax increase effective May 1, 1975 will be sufficient to cover debt service payments in Fiscal Year 1976 on all authorized and issued general obligation bonds for highways and reimburse the general fund for deficiencies as of June 30, 1975.

Your Committee views this tax increase as a short run solution to the problem of the Highways Special Fund sufficient to permit a more comprehensive analysis of revenues and expenditures related to surface transportation, which could form the basis for a more permanent solution. The Committee understands that the Department of Transportation is now undertaking such an analysis for submittal to the 1976 Legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 857, H.D.2, S.D.1, as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 857, H.D.2, S.D.2.

Signed by all members of the Committee. Senator King did not concur.

SCRep. 885 Ways and Means on H.B. No. 999

The purpose of this bill is to amend state law to conform with the provisions of Public Law 93-641, the National Health Planning and Resources Development Act of 1974.

This bill provides the enabling legislation for the State of Hawaii to take full advantage of federal programs and appropriations for planning and regulatory functions under Public Law 93-641.

Your Committee has amended this bill to make its effective date contingent, among other conditions, upon proper funding of the State health planning and development agency as determined by the Governor. The purpose of this amendment is to ensure that the new agency will be properly funded before the act takes effect.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 999, H.D. 1, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 999, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 886 Ways and Means on H.B. No. 1117

The purpose of the bill is to recognize that the State of Hawaii, while occupying a progressive role in the modern world, should be ever mindful of the richness of its heritage preceding the annexation of Hawaii by the United States.

The bill provides that this purpose shall be accomplished in part by placing for permanent display in the State Capitol a sculpture of Queen Liliuokalani. The bill further provides that this shall be accomplished by establishing within the department of budget and finance a jury to be appointed by the governor to recommend commissioning of an artist, based on a design competition, for the creation of this sculpture. In making its final recommendation for commission of an artist, the jury is to give preference to artists residing in the State of Hawaii to help ensure the devotion of the sculpture to the spirit of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1117, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 887 Ways and Means on H.B. No. 161

The purpose of this bill is to establish a government organization commission to develop a plan of organization to improve efficiency and effectiveness of State and county government in Hawaii.

The government organization commission would be composed of twelve members, four of whom would be appointed by the President of the Senate, four by the Speaker of the House of Representatives and four by the Governor. The sum of \$130,000 would be appropriated to the government organization commission. The report of the commission would be due in 1977.

Your Committee has made the following amendments to this bill:

1. Deletion of the word "state" from the commission's title since its jurisdiction covers both state and county governments;
2. Addition of a mandate for the commission to study state and county financial powers, functions and responsibilities;
3. Removal of the prohibition against state and county employees serving on the commission.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 161, H.D. 1, as amended herein and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 161, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 888 Ways and Means on H.B. No. 372

The purpose of this bill is to increase the maximum amount of bid deposits acceptable from banks, to accompany bids received by the State for the performance of public contracts.

Your Committee has amended this bill to provide for additional expenditures of public moneys through public contracts. Specifically your Committee has provided:

1. For the expansion of the Fisheries New Vessel Construction Loan Program into a program which will provide for the purchase, renovation, maintenance, and repair of such vessels in addition to the construction of such vessels. \$500,000 has been appropriated for this program, and \$63,582 for its administration.
2. For the creation of a Hawaii Commercial Fishing Vessel Maintenance and Repair Loan Program which will provide for the maintenance of the smaller fishing vessels which make up Hawaii's fleet. The program provides that the director of planning and economic development may make loans up to \$50,000 for a 10-year period for five and one-half per cent interest. \$500,000 has been appropriated for this program.
3. For a seed distribution program by the creation of a revolving fund to be used for the cultivation and production of seeds and for research and developmental purposes directly related to their cultivation and production. The program is to be administered by the college of tropical agriculture. \$35,000 has been appropriated to the fund.
4. Further appropriations in the amount of \$1,000,000 for the State Farm Loan Program; \$5,000,000 for the repair, alteration, and maintenance of public facilities; \$500,000 for the new farm loan program; and \$1,000,000 for the capital loan program.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 372, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Yamasaki and King.

SCRep. 889 (Majority) Ways and Means on H.B. No. 376

The purpose of this bill is to generally increase per diem allowances of state officials while traveling out of State on official state business from the present \$30 per day to \$40 per day. Inter-island travel allowances will generally remain at \$30 per day.

Your Committee was informed that the present \$30 rate has been in effect since July 1969. In view of the demonstrated increase in cost of living since that time, the current \$30 per diem allowance is inadequate to cover the per diem expenses of out-of-state travel by state officials. An upward adjustment of the rate is considered necessary. The City and County of Honolulu has had the \$40 per diem rate for out-of-state travel since 1969.

The proposed \$40 a day rate will more closely equate the actual expenses incurred by a state official or representative in the performance of his public duties.

Your Committee has, however, amended this bill to authorize the Governor to approve the payment of allowances in excess of the \$30 and \$40 limits, but neither to exceed \$45 per day, to accommodate upward changes in cost of living.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 376, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senator King did not concur.

SCRep. 890 Ways and Means on H.B. No. 1294

The purpose of this bill is to remove from the Correctional Industries program responsibility for the salaries of all the necessary State personnel in charge of the program.

Your Committee finds that the Correctional Industries program is required to finance its operations and also pay the salaries of the personnel in charge of such programs, even though those individuals are State employees.

Such a system creates an undue burden on the program by draining needed funds away from actual operations. In effect, it defeats the intent and purpose of the Correctional Industries program. It prevents funds from being used for the benefit of the assigned inmates for more productive operations. It limits expansion and purchase of needed supplies, equipment, and machinery. The hiring of additional personnel and technical help for the purpose of training the inmates is likewise restricted. If salaries were paid out of State funds, hiring teaching and technical personnel might be less difficult.

The lifting of this burden would greatly benefit the Correctional Industries program in reaching its goal of rehabilitating the inmate.

Your Committee has amended the bill to otherwise reflect existing statutory language.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1294, as amended herein and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 1294, S.D. 1.

Signed by all members of the Committee.

SCRep. 891 Ways and Means on H.B. No. 1742

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes to provide for Statefunded training subsidies for certain employers. This bill will assist private employers who agree to participate in an employment program similar to the federal CETA program by training and permanently hiring the disadvantaged, the exoffenders, Vietnam veterans, unemployed and underemployed heads of households, and needy youth.

Your Committee is cognizant of the need for cooperation and coordination between the Federal, State and county governments, the private section and the general public. All affected must play an equal role to contribute to improvements in the economic situation. While government and private business enterprises are expected to provide the resources and channels for program implementation, the people themselves must assume an equally important role and utilize the services available to them.

In meeting this need your Committee finds it necessary to alleviate the effects of the high rate of unemployment by:

(1) Developing additional public service employment opportunities by supplementing the federal public service employment program as established in the Federal Comprehensive Employment and Training Act with a state funded program; and

(2) Providing subsidies and loans to private employers to participate in employment programs involving the training and hiring of unemployed persons.

As of January 1975, the unemployment rate for Hawaii was 7.1 per cent or 25,000 individuals of 356,100 persons in civilian labor force were unemployed. Of these 51 per cent or approximately 13,000 individuals were covered by some form of employment benefits, while an estimated 49 per cent or 12,500 individuals represented the uninsured persons who had either exhausted their benefits to begin with.

On a county basis, the unemployment rate for January were as follows:

<u>Oahu</u>	<u>Hawaii</u>	<u>Maui</u>	<u>Kauai</u>
6.8	7.7	10.0	7.7
19,500	2,500	2,400	1,100

Currently, the State operates five major employment programs. These are the Federally funded or matched CETA Emergency Employment, Work Incentive and Older Americans Programs, and the State Manpower Training Program. Total funding of these programs amount to approximately \$20,000,000 to employ approximately 12,400 individuals.

When compared to the January estimates of the unemployed, it can be observed that the number of individuals served by the program represent 49 per cent of the 25,500 unemployed persons.

This leaves a gap of approximately 51 per cent or 13,100 individuals who comprise a potential target group which may participate in an expanded attack on unemployment.

In order to implement this unemployment program, your Committee has amended to bill as follows:

1. The new chapter created in the bill has been incorporated as part III of a larger chapter titled state program for the unemployed.
 2. A new part II has been inserted called State Comprehensive Employment and Training which directs the director of labor and industrial relations to create and administer a statewide statefunded public service employment program with certain individuals given priorities in hiring. It is provided that these persons shall not be considered state employees and that this program shall be in addition to other programs in this area, but shall be coordinated therewith. Part II has been funded with \$11,133,500 and it has been provided that \$5,000,000 of this amount, or so much thereof as may be necessary, shall be apportioned to the various counties in accordance with the unemployment rate of each county as determined by the director of labor and industrial relations.
 3. Part IV of the chapter provides for state loans to private employers who agree to participate in an employment program to train and permanently hire unemployed persons. The loan shall not be more than \$10,000 for each unemployed person permanently hired and provides that the person shall be hired for 1 year or for the term of the loan whichever is longer. The loan may be for a period of not more than 5 years to be repaid at a rate of 6 per cent interest. Parts III and IV have been funded with \$1,000,000.
 4. To further reduce unemployment your Committee has appropriated \$96,500 for the college workstudy program of the University of Hawaii. This program will enable persons participating in it to be taken off the rolls of the unemployed and once properly trained to seek employment with necessary skills.
- Your Committee has also appropriated \$90,000 for the State Student Incentive Grant Program administered by the University. This program will encourage the unemployed to return to school by providing financial assistance.
5. Finally your Committee has provided that these programs will only be in effect for the 1 year period July 1, 1975 to June 30, 1976.

Your Committee on Ways and Means in accord with the intent and purpose of H.B. 1742, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1742, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Yamasaki and King.

SCRep. 892 Judiciary on H.B. No. 55

The purpose of this bill is to modify the existing residential lease rent renegotiation structure to alleviate problems which result from unfair features of currently existing leases. The bill accomplishes this purpose by properly and fairly establishing the values inhering to the lessor and lessee.

The existing monopolistic land structure in the State inequitably favor the lessor over the lessee. One such inequality allows lessors to charge lease rents based not only on the raw value of the property but also on improvements on the property paid for by the lessee and on the value accruing thereon. The end result is that the lessee pays for an investment made by himself. This bill alleviates this problem by establishing guidelines, and procedures in renegotiation which did not exist previously. These procedures act as a protection for the lessees.

Your Committee finds that this type of legislation is long overdue and is to the benefit of all the people of the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 55, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 893 Judiciary on H.B. No. 1597

The purpose of this bill is to modernize the law governing the issuance of passbooks to savings depositors and the recordation therein of deposits into and withdrawals from savings accounts.

The existing provisions were enacted in 1931 and have remained substantially unchanged. They require that a savings bank issue a passbook to every savings depositor and enter therein each deposit and withdrawal; they also prohibit any payment therefrom unless accompanied by and entered in the passbook, except for good cause.

Since then, electronic data processing has been developed and is constantly being improved. This bill would permit banks an alternative to the issuance of passbooks and the recording therein of each deposit and withdrawal. It would permit a bank to issue a certificate or other record evidencing the depositor's savings account, to evidence a deposit by issuance of a deposit receipt (similar to that in a deposit into a checking account) and to evidence a payment from the account upon duly authorized instructions of the depositor, without the necessity of a passbook.

These modernized procedures would afford depositors convenience by not requiring the presentation of passbooks to process transactions; would enable banks to use the new technology of Electronic Funds Transfer Systems, and would treat banks similarly to savings and loan associations which are not required by law to issue passbooks and record transactions therein. It should also be noted that this bill would not prohibit banks from using passbooks; it merely makes it optional.

Your Committee has amended this bill to require the banks to give savings account depositors at the time of application for a savings account, a copy of the rules and regulations of the board of directors of the bank which govern deposits and payments. The original bill only required banks to have the rules and regulations available.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1597, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1597, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 894 Higher Education on H.B. No. 1842

The purpose of this bill is to enable the Board of Regents to establish appropriate

admission fees for the Aquarium.

The present fee of twenty five cents was set back in 1919. Maintenance costs have risen considerably since that time and your committee agrees with the University that the Board of Regents should be able to increase the fees.

Although the University requested the establishment of a special fund for the Aquarium, your committee does not recommend the creation of a special fund at this time. Rather, your committee strongly urges that the University's budget proposal for the Aquarium reflect the revenues collected by the Aquarium.

Your Committee has amended the bill to allow senior citizens to be admitted free only when on an excursion sponsored by a senior citizens group.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1842, H.D. 1 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1842, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 895 (Joint) Human Resources and Ways and Means on H.B. No. 35

The purpose of this bill is to:

1. Provide for more equitable distribution of the welfare benefits since the benefit amount will be the same for each person in the same category.
2. Improve efficiency and effectiveness in program administration by making the eligibility process more simple and economical, thereby reducing errors.
3. Provide a valid and reliable yardstick for measuring who is eligible for income maintenance consistent with Supreme Court decisions.
4. Promote recipient's independence in budget planning and management and respect for his dignity.
5. Permit the establishment of a maximum or ceiling on requirements. Without such maximums, there is a loss of control over the cost of assistance.

Your Committees are revising the asset disregard schedule. The provisions of House Bill No. 35, H.D. 2, regarding asset disregards allows for a standard \$1,000 retention plus \$25.00 for each additional dependent. Your Committees could not relate this standard to any payment schedule. Further, the single individual, namely the General Assistance single person and couple, appears to benefit most from this schedule. In revising this schedule, your Committees wished to create an equitable base, by establishing a structure relative to the basic needs and shelter allowance and family size.

Therefore, your Committees recommends that the department's schedule be based on the sum total of basic and shelter maximums, multiplied by a factor of 1.5 and rounded to the nearest \$5.00. This schedule appears to be reasonable and provides greater equity since the disregarded amounts progressively increase by size of families.

Your Committees further reaffirm the basic purpose behind the policy and support its continuance.

After hearing testimony from various segments of the community, your Committees have revised the shelter allowances to more realistically reflect rental costs in Hawaii.

Your Committees have found that more than 85% of recipients are living in accommodations within the stated maximums. Those over maximums will have a period of six months to find shelter within the stated maximums. The department will continue to assist these individuals in search of adequate housing.

Your Committees on Human Resources and Ways and Means are jointly in accord with the intent and purpose of H.B. No. 35, H.D. 2, as amended herein and recommend that it pass Second Reading in the form attached hereto as H.B. No. 35, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Hara, King, O'Connor, Rohlifing, Chong and F. Wong.

SCRep. 896 Ways and Means on H.B. No. 1873

The purpose of this bill is to change the renewal of professional and vocational licenses from an annual to a biennial basis.

The Department of Regulatory Agencies submitted testimony stating that there is a shortage of manpower in the department and that the increased time between renewals would relieve the workload. The bill provides for a staggered system of renewal times for the different regulatory boards to further spread out the workload. There should be no loss of revenue since this bill provides for a doubling of renewal fees.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1873, H.D. 1, S.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hara, King, O'Connor, Toyofuku and Rohlging.

SCRep. 897 Ways and Means on H.B. No. 1240

The purpose of this bill is to assure that State employees are paid within a reasonable amount of time.

Your committee has amended this bill to make State information and services available to the public through the Satellite City Halls of the City and County of Honolulu. This bill also provides for an appropriation to carry out such purpose.

Your Committee finds that the City and County of Honolulu through its six Satellite City Halls on Oahu, has been providing much needed information and services to the public. It is felt that the same satellites can, in cooperation with the State government, also provide State services. In fact, the City and County of Honolulu reports that some of their satellites are already providing information and services related to the State government. Your Committee has included an appropriation of \$100,000 for this purpose.

Your Committee has also provided for statewide coordination and development of immigrant services through a state immigrant services center under the Advisory Commission on Manpower and Full Employment. Your Committee has provided for an appropriation of \$26,000 for this purpose.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 1240, H.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. 1240, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 898 Transportation on S.C.R. No. 135

The purpose of this Concurrent Resolution is to establish the Legislature's affirmative support in principle for the implementation of a fixed guideway rapid transit system which will ultimately serve a 23 mile length between Pearl City and Hawaii Kai and initially provide a workable segment of 14 miles from Halawa Stadium to Kahala Mall.

The Concurrent Resolution also calls for support of supplemental transportation systems in order to provide for a complete and viable transportation system for Oahu. The Concurrent Resolution is contingent upon the ability to secure from UMTA 80% of the cost of the fixed guideway rapid transit system and the financial capabilities of the State in the future.

Your Committee finds that the U.S. Congress has declared it to be in the National interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve the State and local communities effectively and efficiently. Several localities, including Honolulu, have initiated studies in order to evaluate the feasibility of implementing alternative modes of transportation and thus apply for capital grants of 80% of the capital cost for mass transportation projects as provided for under the provision of the the Urban Mass Transportation Act of 1964, as amended.

TRANSPORTATION STUDIES

In light of growing concern that the current proliferation of automobiles on Oahu will cause extreme congestion and have unfavorable effects on our living environment,

your Committee has undertaken to diligently examine the numerous studies completed in evaluating the feasibility of implementing alternative modes of transportation for Oahu's transportation needs in the future.

In excess of \$2,000,000 has been expended in making several major studies of Oahu transportation since 1964 and they include:

- 1) Oahu Transportation Study conducted between 1964 and 1967;
- 2) Preliminary Engineering Evaluation Program #1 (PEEP #1) of 1972;
- 3) Special State/City PRT Busway Transit Study of 1973;
- 4) Preliminary Engineering Evaluation Program #2 (PEEP #2) of 1975.

Your Committee finds that these technical studies, prepared by professionally recognized transportation planning specialists, have concluded, in every case, that a fixed guideway/feeder bus system would be preferable to buses, or other investigated modes of transportation, as the principal public transportation system for Oahu.

BUSES

Your Committee has reviewed the feasibility of utilizing solely a bus system as the future, primary, public transportation system for Oahu.

The capital cost of a conventional bus system is substantially less initially than that of a fixed guideway system; however, when congestion requires that a busway system be constructed, as is presently becoming the case in Honolulu, then the findings of PEEP #1 indicate that such a busway system constructed over a 30 year period would cost between \$60,000,000 and \$130,000,000 more than a fixed guideway/feeder bus system. The difference in cost would depend upon the size of the buses employed. It is also concluded that an extensive bus system would be limited by the following additional factors:

- 1) A bus system could not accommodate the 1985 peak hour transit demand in the Hawaii Kai to Pearl City corridor, estimated to reach as much as 25,000 passengers per hour;
- 2) A bus system's cost is directly related to the cost of labor since an extensive system would require separate operators for several shifts each day for each bus capable of carrying approximately 50 passengers;
- 3) A bus system would be competing with automobile and truck traffic on surface streets with increasing difficulty as travel demand becomes intense;
- 4) A Chicago Transit Authority analysis done in 1973 showed that operating cost of a busway system would be 77% higher than it would be for a fixed guideway system serving the same number of people.

OAHU TRANSPORTATION SYSTEM

Your Committee finds that the fixed guideway system, as described in this Concurrent Resolution, is required as part of the overall transportation system which will best meet the transportation needs of Oahu through the year 2000. In objectively analyzing the effect of this system, it was found that:

- a) The fixed guideway system with feeder buses is expected to provide the most reliable and fastest transportation service;
- b) Because of the linear form of urban Honolulu, the narrow corridor extending from Hawaii Kai to Pearl Harbor is most flexibly served by a fixed guideway system with feeder buses to serve local neighborhoods, valleys and ridges and with express buses to serve the outlying portions of Oahu;
- c) PEEP #2 reduced the amount of private property necessary for right-of-way acquisition to 32 acres and reduced the amount of households and businesses to 170 households and 200 businesses which would be relocated. This would not be unmanageable over a period of several years;
- d) Experience throughout the nation indicates conclusively that people react much more favorably to rail transit than to buses. It is anticipated that there will be more

passenger attraction to a fixed guideway system than to other possible modes of transportation;

e) A fixed guideway system permits installation of equipment and scheduling which will assure safety, unlike other possible transportation methods;

f) According to PEEP #2, passenger attraction on a proposed fixed guideway system would be sufficiently high to attract 34% of all East/West trips between Pearl City and Hawaii Kai during peak periods. This would substantially reduce Honolulu street congestion;

g) The fixed guideway/feeder bus system proposed will have adequate capacity to meet travel demands to 1995 and can be enlarged beyond that date to handle all transportation needs of Oahu.

WORKABLE SEGMENT

Your Committee has reviewed the various proposals concerning the initial workable segment to be constructed and supports a 14 mile segment from the stadium at Halawa to the Waialae Kahala Mall. The 8.4 mile segment agreed to by the City and State Transportation Departments, would run from the airport to the University of Hawaii.

Your Committee believes this proposed 8.4 mile segment would not be workable because of the lack of job areas and residential areas serviced. The 14 mile segment would allow a major parking facility at the Halawa end and would connect at the Koko Head end with the proposed express bus system on Kalaniana'ole Highway, serving major suburban areas of Honolulu both directly and by feeder buses.

FUNDING

PEEP #2, which has just been published, contains the following total project cost for the various lengths of the fixed guideway system:

	<u>Fixed Guideway Length</u>			
	<u>8.4 miles</u>	<u>12 miles</u>	<u>14 miles</u>	<u>23 miles</u>
	(millions of dollars)			
Adjusted Project Cost	\$415.1	\$481.7	\$556.8	\$781.9
(at 8% escalation				
Federal share (80%)	332.1	385.4	445.4	625.5
City/State share (20%)	83.0	96.3	111.4	156.4

The 1974 National Mass Transportation Assistance Act calls for full 80% Federal participation for capital grants for transit systems.

Your Committee has a letter from the Administrator of the Urban Mass Transportation (UMTA) stating that because Honolulu has unique, geographic, population and environmental characteristics that the planning and technical documentation already on record with UMTA indicates a strong case will be made for approval of a capital grant application for the 80% funding.

Your Committee also finds that there is a certain amount of urgency in making the capital grant application for the Honolulu system as there are limited funds available and many other cities are in the process of developing the preliminary planning and engineering evaluation necessary to make application for these funds. The application should be made before July 1, 1975, in order to be included tentatively in UMTA's budget for the forthcoming fiscal year. It has been reported to the Committee that if this application is made there is an excellent chance that Honolulu will be included in the next fiscal year budget for 80% funding of a workable segment.

The City/State 20% share for a 14 mile fixed guideway length is \$111.4 million. It is anticipated that the expenditure of these funds would be spread over a period of approximately seven years. It is further anticipated that the State and the City would each fund 50% of the local share in each of these years. This would require \$8,000,000 per year in bond funding for this project for a seven year period. A study by a noted bond financial review firm indicates that this amount of funding can be easily handled within the bond capacity of the State and the City.

ESCAPE CLAUSE

Your Committee finds further that if, for some reason, the 80% funding from UMTA

is not acquired for this transit system, then the State of Hawaii cannot afford the system, and the implementation of the system should be made entirely contingent upon the success of Honolulu's capital grant application with UMTA.

In addition, it might be necessary due to a future financial situation of the State to discontinue implementation of a fixed guideway system. Therefore, your Committee finds that in 1976 and 1977 Sessions of the Legislature, it must carefully review this matter in order to insure that the fiscal ability of the State will continue to be able to implement the project.

STATE/CITY AGREEMENT

Your Committee, in its deliberations, was presented with an agreement between the Director of the City Transportation Department and the Director of the State Transportation Department regarding a recommended island-wide surface transportation system. In this agreement, the fixed guideway system was outlined as the primary component of a viable transportation system for Oahu, together with feeder buses, a limited waterborne program and busways on Kalaniana'ole Highway and other inter-state highways, as supplemental systems.

The agreement called for an initial segment of 8.4 miles, while contemplating the eventual construction of a 23 mile system.

Your Committee agrees with this concept, but has decided that the workable segment which should be initially constructed is the 14 mile Halawa - Waiialae Kahala segment.

Your Committee recommends after extensive investigation that the transportation needs of Oahu must and should be accommodated by alternative modes of transportation such as a fixed guideway system, busway and waterborne transit system, and that the Legislature give its support to the implementation of such a transportation system.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 135 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hara and Rohlfing.

SCRep. 899 Transportation on S.R. No. 387

The purpose of this Resolution is to establish the Legislature's affirmative support in principle for the implementation of a fixed guideway rapid transit system which will ultimately serve a 23 mile length between Pearl City and Hawaii Kai and initially provide a workable segment of 14 miles from Halawa Stadium to Kahala Mall.

The Resolution also calls for support of supplemental transportation systems in order to provide for a complete and viable transportation system for Oahu. The Resolution is contingent upon the ability to secure from UMTA 80% of the cost of the fixed guideway rapid transit system and the financial capabilities of the State in the future.

Your Committee finds that the U.S. Congress has declared it to be in the National interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve the State and local communities effectively and efficiently. Several localities, including Honolulu; have initiated studies in order to evaluate the feasibility of implementing alternative modes of transportation and thus apply for capital grants of 80% of the capital cost for mass transportation projects as provided for under the provision of the the Urban Mass Transportation Act of 1964, as amended.

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The City/State 20% share for a 14 mile fixed guideway length is \$111.4 million. It is anticipated that the expenditure of these funds would be spread over a period of approximately seven years. It is further anticipated that the State and the City would each fund 50% of the local share in each of these years. This would require \$8,000,000 per year in bond funding for this project for a seven year period. A study by a noted bond financial review firm indicates that this amount of funding can be easily handled within the bond capacity of the State and the City.

ESCAPE CLAUSE

Your Committee finds further that if, for some reason, the 80% funding from UMTA is not acquired for this transit system, then the State of Hawaii cannot afford the system, and the implementation of the system should be made entirely contingent upon the success of Honolulu's capital grant application with UMTA.

In addition, it might be necessary due to a future financial situation of the State to discontinue implementation of a fixed guideway system. Therefore, your Committee finds that in 1976 and 1977 Sessions of the Legislature, it must carefully review this matter in order to insure that the fiscal ability of the State will continue to be able to implement the project.

STATE/CITY AGREEMENT

Your Committee, in its deliberations, was presented with an agreement between the Director of the City Transportation Department and the Director of the State Transportation Department regarding a recommended island-wide surface transportation system. In this agreement, the fixed guideway system was outlined as the primary component of a viable transportation system for Oahu, together with feeder buses, a limited waterborne program and busways on Kalaniana'ole Highway and other inter-state highways, as supplemental systems.

The agreement called for an initial segment of 8.4 miles, while contemplating the eventual construction of a 23 mile system.

Your Committee agrees with this concept, but has decided that the workable segment which should be initially constructed is the 14 mile Halawa - Waialae Kahala segment.

Your Committee recommends after extensive investigation that the transportation needs of Oahu must and should be accommodated by alternative modes of transportation such as a fixed guideway system, busway and waterborne transit system, and that the Legislature give its support to the implementation of such a transportation system.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 387 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hara and Rohlfiing.

SCRep. 900 Judiciary on H.B. No. 278

The purpose of this bill is to facilitate the conversion of residential leasehold lands to fee ownership, and to clarify the rights and responsibilities of lessors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 278, H.D. 1, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Hara and Leopold.

SCRep. 901 Judiciary on H.B. No. 363

The purpose of this bill is to require travel agencies and sales representatives to be licensed in order to act as intermediaries between a person seeking to purchase travel services and any person seeking to sell travel services.

Presently, there is no law regulating travel agencies and consequently there have been abuses in relation to the misrepresentation of tours as well as the non-performance of services. Because travel service may entail large expense, and because even a relatively minor trip can represent years of planning and careful savings, the potential for harm to consumers is great. This bill should curb some of the possible abuses.

Your Committee has amended the bill as follows:

(1) The bill had originally required licensure of officially appointed agents of the International Air Transport Association and the Air Traffic Conference along with non-appointed agencies and their sales representatives. Your Committee finds that appointed agencies must meet strict financial and ethical standards established by the International Air Transport Association and the Air Traffic Conference. These organizations, in turn, are federally regulated.

In accordance with its findings, your Committee feels that while licensure of non-appointed travel agencies is desirable and necessary, the same level of regulation is not deemed desirable or necessary for appointed travel agencies. Therefore, the bill has been amended to provide for the simple registration of appointed travel agencies with a licensure requirement in the event an appointed travel agency violates any consumer protection laws of the State. The definition section and the licensure provisions were accordingly amended.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 363, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 363, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Hara and Leopold.

SCRep. 902 (Majority) Judiciary on H.B. No. 1755

The purpose of this bill is to amend the Horizontal Property Act in order to clarify practices and definitions related to the Act.

The bill amends the Horizontal Property Regimes Act as follows:

(1) Sec. 514-2: Definition 18 is expanded to include land which may or may not be contiguous and including more than one parcel of land. This is added in order to allow property ownership of areas for parking, recreation, etc., which may be on separate parcels of land. It also allows for increments being completed at different times.

(2) Sec. 514-3: The change to this section is to require the owner of any project whether leasehold or fee simple to join in the declaration for the establishment of the horizontal property regime. It has been found that in instances where there is a default by the master sublessor under his master lease, the apartment owner may not have protection under his apartment lease. In order to handle this situation, this amendment is proposed. It is recognized that in some instances, there may be some difficulty in getting the fee owner (master lessor) to sign the declaration along with the master sublessor. This amendment will require the fee owner to join in the declaration.

(3) Sec. 514-11: In the filing of condominium projects with the Real Estate Commission the concept of "phased or incremental development" has been introduced. In order to clearly indicate that such "phased or incremental development" is possible, subparagraph 12 regarding the contents of the declaration is added.

(4) Sec. 514-12: On some occasions the description of land on which the condominium project is built is very lengthy. It is understood that it is not necessary to have it repeated in all the apartment deeds. Therefore, provisions are made to provide for incorporation by reference of the description in the declaration in the apartment deeds.

(5) Sec. 514-13: This section has been amended to require that elevations of buildings be filed along with the floor plans. The reason for having elevations is that in the event that any project is damaged or destroyed, the elevation of the building or buildings would be available for reconstruction. The building department maintains plans only for a certain number of years and thereafter disposes the plans, making it desirable to have the elevations along with the floor plans, as suggested in this amended form of Sec. 514-13.

(6) Sec. 514-16: There has been some question as to whether or not an Improvement District Assessment or any utility assessment constitutes a blanket lien which must be satisfied at the time an apartment is conveyed for the first time from the developer to the initial buyer. Section 514-16 is amended to make clear that an Improvement District Assessment and/or utility assessment need not be paid in full in order to convey an apartment whether it be the first or subsequent conveyance.

(7) Sec. 514-24: Under the priority of liens in this section, where there is an unpaid mortgage or record, there is a question whether or not the costs and expenses include attorney's fees as provided in the mortgage. Section 514-24 is amended so that the mortgages or record, and other related costs and expenses such as attorney's fees will have priority over the maintenance fees of the Association of Apartment Owners.

(8) Sec. 514-29: The existing law is not clear as to whether or not an offer of sale of a condominium can commence prior to the issuance of the Commission's public report on the project. In order to make it clear that it is necessary to have a public report prior to the offering for sale, Section 514-29 is amended to that effect.

(9) Sec. 514-37: At present, all changes made which materially change the project requires the developer to immediately submit sufficient information to the Real Estate Commission. However, minor changes, usually involving the use of equivalent material in the construction of the building, need not be reported. It is the intent of the amendment to establish a limitation period of 90 days from the date the purchaser has accepted in writing the apartment or he has first occupied the apartment within which he may file a complaint as to any changes in building plans.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1755, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Hara and Leopold.
Senator Chong did not concur.

SCRep. 903 Judiciary on H.B. No. 106

The purpose of this bill is to prohibit a person's previous sexual experiences from being used against them in the course of a rape trial except after application to and ruling by the Court sitting without a jury as to relevancy.

Application to the court must be made by written motion, accompanied by an affidavit containing an offer of proof. If the court finds the offer of proof sufficient, a hearing is to be held out of the presence of the jury, and the complaining witness may be questioned. The court is to determine what evidence may be introduced and the nature of questions to be permitted.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hara and Leopold.

SCRep. 904 Ways and Means on H.B. No. 1779

The purpose of this bill is to change the rate of regular interest in the Employees' Retirement System law from 4-1/2 per cent to 5 per cent.

The effect of this change would mean: (1) that members contributions to their individual accounts in the annuity savings fund will be credited with interest at 5% compounded annually and (2) that the Actuary in determining the annual contribution requirements of the employer governments will assume that the yield on the System's earnings will be 5%.

Your Committee has amended the bill by changing the proposed rate of regular interest from 5 per cent to 4-3/4 per cent. The words "subject to the foregoing," were also deleted from Section 3 of the bill as being unnecessary after the changes effected under H.D. 2.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1779, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1779, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 905 Legislative Management

Informing the Senate that Gov. Msg. Nos. 320 to 354, S.C.R. No. 143, S.R. Nos. 407 to 411 and Stand. Com. Rep. Nos. 900 to 904 and 906 to 916 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 906 Transportation on Gov. Msg. No. 261

Recommending that the Senate advise and consent to the nomination of GEORGE KUBOTA to the Commission on Transportation, term to expire December 31, 1976.

Signed by all members of the Committee.

SCRep. 907 Transportation on Gov. Msg. No. 262

Recommending that the Senate advise and consent to the nomination of ROBERT T. LEARY to the Commission on Transportation, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 908 Transportation on Gov. Msg. No. 263

Recommending that the Senate advise and consent to the nomination of NOBORU YAMANE to the Commission on Transportation, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 909 Transportation on H.B. No. 427

The purpose of this bill is to provide for regulation by the Public Utilities Commission of the issuance of securities and other evidence of indebtedness by water carriers covered by the Hawaii Water Carrier Act.

The Hawaii Water Carrier Law which was enacted in 1974 did not contain any provision for the issuance of securities and evidence of indebtedness. The proposed amendment to establish a provision for securities and other indebtedness will be consistent with the regulatory concept with respect to adequacy of service, reasonableness of rates and the necessity for the Commission to be informed as to the manner and method by which the management of the water carrier is being conducted. The bill would require water carriers to secure prior approval of the Public Utilities Commission before issuing securities and other evidences of indebtedness for capital expenditures.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 427 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator George.

SCRep. 910 Transportation on H.B. No. 450

The purpose of the bill is to amend the Hawaii Revised Statutes to provide that funds derived from the sale of abandoned vessels be deposited into the boating special fund instead of the general fund and to delete the one year limitation on the State's deficiency claim for fees and expenses incurred by the department in taking the vessel into custody. Section 267A-7, Hawaii Revised Statutes is accordingly amended by the bill.

Your Committee finds that twelve vessels have been declared abandoned by the department and disposed of since 1970. In most instances, mooring and other use fees that accrued prior to discovery that the vessels have been abandoned in storage and other cost relating to the disposition of the abandoned vessels equaled or exceeded any revenues derived for this disposal.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 450, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 911 Transportation on H.B. No. 445

The purpose of this bill is (1) to require the registered owners to notify the appropriate County Director of Finance, in writing of any change of address (2) to require that the registered owners notify the appropriate County Director of Finance of any change of the name on the certificate of registration or certificate of registration or certificate of ownership and (3) to require a licensed driver to notify the examiner of drivers of any change of address or name different from that shown on the application or the license.

Your Committee recognizes the importance of having the address of registered owners be correct and current. The traffic records system provides for (1) mailing automobile registration and inspection application forms to vehicle owners; (2) mailing driver license renewal information to owners; (3) means to enable the State Judiciary and County Police Departments to operate on effective criminal law enforcement program; (4) a penalty of up to \$25 for failure to report name and address changes within 30 days.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 445 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 912 Transportation on H.B. No. 1801

The purpose of this bill is to amend Chapter 264, Hawaii Revised Statutes, requiring State or county agencies preparing proposed plans for public highways to conduct public hearings before such plans are finalized and in sufficient time to appraise all interested persons of the proposed route of the highway.

Testimony presented by the Department of Transportation states that public hearings should be only for major projects on public highways or those which result in the taking

of rights-of-way. Minor widening, resurfacing and spot improvement projects should not be held to this requirement.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1801, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 913 Higher Education on S.R. No. 11

The purpose of this resolution is to request that the Board of Regents consider the development and adoption of an affirmative action program for women at the University of Hawaii and to submit a report to the Legislature prior to the adjournment of the Regular session of 1975.

The University of Hawaii at Manoa (UHM) testified that it is already implementing an Affirmative Action Plan which was developed in accordance with the guidelines of the Department of Health, Education and Welfare (HEW).

This Plan was submitted to the HEW in San Francisco on November 1, 1973, but the University has not yet heard whether the plan is acceptable to the HEW.

Your Committee has also found that the Board of Regents has not yet officially adopted this Plan.

Your Committee also heard testimony outlining the progress throughout the University System and is convinced that the University will soon have an affirmative action program for the entire University System.

Your Committee, however, does feel that the Board of Regents should officially adopt an Affirmative Action Plan for women as soon as possible. Therefore, it has amended the resolution to this effect.

Your Committee is in accord with the intent and purpose of S.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 11, S.D. 1.

Signed by all members of the Committee except Senator King.

SCRep. 914 Higher Education on S.R. No. 289

The purpose of this Resolution is to request the Board of Regents to seek out a public service oriented person of strong administrative capability who is capable of handling the problems of the local agricultural industry to be the new Dean of the College of Tropical Agriculture.

Your Committee finds that in the past, the College of Tropical Agriculture has consistently come under fire from the agricultural industry and from the legislature for:

1. The apparent lack of responsiveness to the needs of the industry;
2. Failure to provide needed services and information to local farmers; and
3. Failure to direct research projects to the areas of greatest practical need.

With the recent resignation of the Dean of the College of Tropical Agriculture, your Committee feels the University now has the opportunity to address these problems in an affirmative way by following the guidelines set forth in this resolution.

Your Committee heard testimony stating that the Chancellor's Office concurs with the qualifications as set forth in this resolution and will include the resolution in its charge to the Dean Search Committee at the University.

Your Committee also feels that both the industry and the students should participate in the selection of the new Dean and that the new Dean should be given the authority to appoint new persons to leadership positions within the College, consistent with the mission of the College.

Your Committee on Higher Education is in accord with the intent and purpose of S.R. No. 289 and recommends its adoption.

Signed by all members of the Committee except Senator King.

SCRep. 915 Higher Education on S.C.R. No. 100

The purpose of this Resolution is to request the Board of Regents to seek out a public service oriented person of strong administrative capability who is capable of handling the problems of the local agricultural industry to be the new Dean of the College of Tropical Agriculture.

Your Committee finds that in the past, the College of Tropical Agriculture has consistently come under fire from the ag industry and from the Legislature for:

1. the apparent lack of responsiveness to the needs of the industry;
2. failure to provide needed services and information to local farmers;
3. and failure to direct research projects to the areas of greatest practical need.

With the recent resignation of the Dean of the C.T.A., your Committee feels the University now has the opportunity to address these problems in an affirmative way by following the guidelines set forth in this resolution.

Your Committee heard testimony stating that the Chancellor's Office concurs with the qualifications as set forth in this resolution, and will include the resolution in its charge to the Dean Search Committee at the University.

Your Committee also feels both the industry and the students should participate in the selection of the new Dean and that the Dean should be given the authority to appoint new persons to leadership positions within the College, consistent with the mission of the College.

Your Committee on Higher Education is in accord with the intent and purpose of S.C.R. No. 100 and recommends its adoption.

Signed by all members of the Committee except Senator King.

SCRep. 916 (Joint) Higher Education and Ways and Means on H.B. No. 452

The purpose of this Bill is to repeal Sections 304-50 through 304-53 relating to the Land Study Bureau; and Section 304-54 relating to the Economic Research Center of the Hawaii Revised Statutes. The University has phased out both units effective July 1, 1974, in compliance with legislative mandate and State Executive Branch action.

These sections of the law are no longer required, since the programs established thereunder have been abolished, and their personnel transferred and absorbed by other activities within the University.

Your Committees on Higher Education and Ways and Means are jointly in accord with the intent and purpose of H.B. No. 452 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 917 Legislative Management

Informing the Senate that Gov. Msg. Nos. 357 to 361, S.C.R. No. 144, S.R. Nos. 412 to 415 and Stand. Com. Rep. Nos. 918 to 922 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 918 Military and Civil Defense on Gov. Msg. No. 258

Recommending that the Senate advise and consent to the nomination of GAIL T. KIRIU, to the Pacific War Memorial Commission of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 919 Military and Civil Defense on Gov. Msg. No. 259

Recommending that the Senate advise and consent to the nomination of JEANNE B. JOHNSON, to the Civil Defense Advisory Council, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 920 Military and Civil Defense on Gov. Msg. No. 260

Recommending that the Senate advise and consent to the nomination of ALBERT F. ALFONSO, to the Civil Defense Advisory Council, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 921 Military and Civil Defense on Gov. Msg. No. 314

Recommending that the Senate advise and consent to the nomination of DENNIS A. DAUGHERTY, to the Pacific War Memorial Commission of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 922 Military and Civil Defense on Gov. Msg. No. 315

Recommending that the Senate advise and consent to the nomination of MYRON O. ISHERWOOD, SR., to the Civil Defense Advisory Council, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 923 Legislative Management

Informing the Senate that S.C.R. No. 145, S.R. Nos. 416 to 426, Conf. Com. Rep. No. 1 and Stand. Com. Rep. Nos. 924 to 1046 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 924 Education on Gov. Msg. No. 119

Recommending that the Senate advise and consent to the nomination of DIANE T. ANDERSON, to the Hawaii Education Council, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 925 Education on Gov. Msg. No. 120

Recommending that the Senate advise and consent to the nomination of DAYTON F. CAPLE, to the Hawaii Education Council, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 926 Education on Gov. Msg. No. 121

Recommending that the Senate advise and consent to the nomination of JANICE S. HEU, to the Hawaii Education Council, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 927 Education on Gov. Msg. No. 122

Recommending that the Senate advise and consent to the nomination of WESLEY R. KOHATSU, to the Hawaii Education Council, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 928 Education on Gov. Msg. No. 114

Recommending that the Senate advise and consent to the nomination of JITSUO MATSUBARA, to the Library Advisory Commission, County of Maui, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 929 Education on Gov. Msg. No. 115

Recommending that the Senate advise and consent to the nomination of MILDRED OKUDA, to the Library Advisory Commission, County of Maui, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 930 Education on Gov. Msg. No. 116

Recommending that the Senate advise and consent to the nomination of KIMIE LANE, to the Library Advisory Commission, County of Maui, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 931 Education on Gov. Msg. No. 117

Recommending that the Senate advise and consent to the nomination of MASAO KUNIYOSHI, to the Library Advisory Commission, County of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 932 Education on Gov. Msg. No. 118

Recommending that the Senate advise and consent to the nomination of ROBERT ROGERS, to the Library Advisory Commission, County of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 933 Education on Gov. Msg. No. 218

Recommending that the Senate advise and consent to the nomination of STEPHEN S. KANDA, to the Library Advisory Commission, City and County of Honolulu, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 934 Education on Gov. Msg. No. 219

Recommending that the Senate advise and consent to the nomination of SYLVIA E. OYAMA, to the Library Advisory Commission, City and County of Honolulu, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 935 Education on Gov. Msg. No. 220

Recommending that the Senate advise and consent to the nomination of NATALIE A. CARDENAS, to the Library Advisory Commission, City and County of Honolulu, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 936 Education on Gov. Msg. No. 221

Recommending that the Senate advise and consent to the nomination of ICHIRO OKADA, to the Library Advisory Commission, County of Kauai, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 937 Housing and Hawaiian Homes on Gov. Msg. No. 59

Recommending that the Senate advise and consent to the nomination of MRS. BILLIE MARTHA BEAMER, as Chairperson, Department of Hawaiian Home Lands, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 938 Housing and Hawaii Homes on Gov. Msg. No. 170

Recommending that the Senate advise and consent to the nomination of MR. ROBERT M. KAYA, for Factory Built Housing Advisory Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 939 Housing and Hawaiian Homes on Gov. Msg. No. 171

Recommending that the Senate advise and consent to the nomination of MR. TORAKI MATSUMOTO, for Factory Built Housing Advisory Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 940 Housing and Hawaiian Homes on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of MR. GARY SIU, for Factory Built Housing Advisory Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 941 Housing and Hawaiian Homes on Gov. Msg. No. 323

Recommending that the Senate advise and consent to the nomination of HAZEL KINNEY KAUAHIKAUA, for the Hawaiian Homes Commission, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 942 Housing and Hawaiian Homes on Gov. Msg. No. 324

Recommending that the Senate advise and consent to the nomination of JUBILEE H. MOIKEHA, for the Hawaiian Homes Commission, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 943 (Majority) Economic Development on Gov. Msg. Nos. 58, 68 and 72

Recommending that the Senate advise and consent to the nomination of the following: HIDEITO KONO, as Director, Department of Planning and Economic Development, term ending December 4, 1978; JOHN FARIAS, JR., as Chairman, Board of Agriculture, term ending December 31, 1978; CHRISTOPHER COBB, as Chairman, Board of Land and Natural Resources, term ending December 31, 1978.

Signed by all members of the Committee. Senators King and Yim did not concur.

SCRep. 944 Economic Development on Gov. Msg. No. 113

Recommending that the Senate advise and consent to the nomination of HENRY DULAN to the Board of Planning and Economic Development, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 945 Economic Development on Gov. Msg. Nos. 215, 216, 217, 280 and 281

Recommending that the Senate advise and consent to the nomination to the Advisory Committee on Pesticides of the following: SHIZUO TOKUDA, term to expire December 31, 1978; ARTHUR BEVENUE, term to expire December 31, 1978; HERBERT R. HUOV, term to expire December 31, 1978; PATRICK NAKAGAWA, term to expire December 31, 1975; and GEORGE NAKASATO, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 946 Health on Gov. Msg. No. 157

Recommending that the Senate advise and consent to the nomination of GENE W. DOO, to the Board of Speech Pathology and Audiology, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 947 Health on Gov. Msg. No. 158

Recommending that the Senate advise and consent to the nomination of JOHN P. KEKUNA, to the Board of Speech Pathology and Audiology, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 948 Health on Gov. Msg. No. 123

Recommending that the Senate advise and consent to the nomination of JOHNNY I. M. VERZON, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 949 Health on Gov. Msg. No. 125

Recommending that the Senate advise and consent to the nomination of DR. K. B. CHUN, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 950 Health on Gov. Msg. No. 127

Recommending that the Senate advise and consent to the nomination of JOHN J. LOWREY, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 951 Health on Gov. Msg. No. 129

Recommending that the Senate advise and consent to the nomination of ALLEN Y. MIYAHARA, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 952 Health on Gov. Msg. No. 130

Recommending that the Senate advise and consent to the nomination of LUCIUS H. BINGHAM, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 953 Health on Gov. Msg. No. 131

Recommending that the Senate advise and consent to the nomination of MR. A. DUANE BLACK, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 954 Health on Gov. Msg. No. 132

Recommending that the Senate advise and consent to the nomination of DAVID HARADA, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 955 Health on Gov. Msg. No. 133

Recommending that the Senate advise and consent to the nomination of MANUEL BUENCON-SEJO, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 956 Health on Gov. Msg. No. 134

Recommending that the Senate advise and consent to the nomination of ALBERT H. YUEN, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 957 Health on Gov. Msg. No. 135

Recommending that the Senate advise and consent to the nomination of ROBERT KUNICHIKA, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 958 Health on Gov. Msg. No. 138

Recommending that the Senate advise and consent to the nomination of WALTER W. BARFIELD, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 959 Health on Gov. Msg. No. 139

Recommending that the Senate advise and consent to the nomination of CESAR DEJESUS, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 960 Health on Gov. Msg. No. 140

Recommending that the Senate advise and consent to the nomination of RICHARD E. HAGER, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 961 Health on Gov. Msg. No. 141

Recommending that the Senate advise and consent to the nomination of GERALD PAYNE, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 962 Health on Gov. Msg. No. 143

Recommending that the Senate advise and consent to the nomination of HENRY E. K. LEE, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 963 Health on Gov. Msg. No. 144

Recommending that the Senate advise and consent to the nomination of ROWLIN LICHTER, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 964 Health on Gov. Msg. No. 145

Recommending that the Senate advise and consent to the nomination of CURTIN A. LESER, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 965 Health on Gov. Msg. No. 146

Recommending that the Senate advise and consent to the nomination of LAWRENCE H. LISTER, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 966 Health on Gov. Msg. No. 148

Recommending that the Senate advise and consent to the nomination of ERNEST LOUIS, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 967 Health on Gov. Msg. No. 149

Recommending that the Senate advise and consent to the nomination of DR. Y. K. LOOK, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 968 Health on Gov. Msg. No. 151

Recommending that the Senate advise and consent to the nomination of BERNARD STERN, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 969 Health on Gov. Msg. No. 288

Recommending that the Senate advise and consent to the nomination of FLOYD LOVING, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 970 Health on Gov. Msg. No. 289

Recommending that the Senate advise and consent to the nomination of BIENVENIDO JUNASA, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 971 Health on Gov. Msg. No. 290

Recommending that the Senate advise and consent to the nomination of PAUL MATSUNAGA, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 972 Health on Gov. Msg. No. 327

Recommending that the Senate advise and consent to the nomination of BERNARD J. B. YIM, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 973 Health on Gov. Msg. No. 328

Recommending that the Senate advise and consent to the nomination of ROBERT E. WILLCOX, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 974 Health on Gov. Msg. No. 329

Recommending that the Senate advise and cosent to the nomination of HARRY H. RAHR, to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 975 Ways and Means on Gov. Msg. No. 66

Recommending that the Senate advise and consent to the nomination of GORDON Y. H. WONG, as Director, Department of Taxation, term to expire December 4, 1978.

Signed by all members of the Committee except Senators O'Connor and Rohlfing.

SCRep. 976 Ways and Means on Gov. Msg. No. 69

Recommending that the Senate advise and consent to the nomination of EILEEN R. ANDERSON, as Director, Department of Budget and Finance, term to expire December 4, 1978.

Signed by all members of the Committee except Senators O'Connor and Rohlffing.

SCRep. 977 Ways and Means on Gov. Msg. No. 71

Recommending that the Senate advise and consent to the nomination of HIDEO MURAKAMI, as Comptroller, Department of Accounting and General Services, term to expire December 4, 1978.

Signed by all members of the Committee except Senators O'Connor and Rohlffing.

SCRep. 978 Ways and Means on Gov. Msg. Nos. 200, 201, 202, 203, 204, 205 and 317

Recommending that the Senate advise and consent to the nomination of CLIFFORD M. NISHINA, Board of Taxation Review, First Taxation District, term ending December 31, 1978; CALVIN J. H. CHUN, Board of Taxation Review, First Taxation District, term ending December 31, 1975; SADA O KON, Board of Taxation Review, Second Taxation District, term ending December 31, 1978; PATRICIA A. NAEA, Board of Taxation Review, Fourth Taxation District, term ending December 31, 1976; PAUL M. AKAMA, Board of Taxation Review, Fourth Taxation District, term ending December 31, 1978; SATORU TAKAMIYA, Board of Taxation Review, Fourth Taxation District, term ending December 31, 1977; BARRY K. TANIGUCHI, Board of Taxation Review, Third Taxation District, term ending December 31, 1978.

Signed by all members of the Committee except Senators O'Connor and Rohlffing.

SCRep. 979 Ecology, Environment and Recreation on S.R. No. 58

The purpose of this resolution is to request the Senate Committee on Ecology, Environment and Recreation to review closely all aspects of Act 246, relating to environmental impact statements, to ascertain whether it is the most effective method towards achieving the goal of environmental protection, and to report its findings and recommendations to the Legislature before the adjournment of the first year of the Regular Session of the Eighth Legislature.

Your Committee finds that environmental impact statements are one method of assessing potential adverse and beneficial effects of any proposed action. In the opinion of your Committee, this is an act with profound and far-reaching effects, and it deserves full and thoughtful consideration as to its implications. Therefore, your Committee feels it is imperative to review this Act in a careful and logical manner.

At a public hearing, this resolution was endorsed by the Office of Environmental Quality Control, the Sierra Club, and the Environmental Center of the University of Hawaii. The Environmental Center recommended that such a review be conducted after the final commission rules and regulations have been issued, and that the review extend to those rules and regulations. The Environmental Center further testified that they would be pleased to contribute to such a review and in addition to respond to any specific questions concerning the EIS system that your Committee might wish to address to them.

Your Committee feels that in view of the fact that the final rules and regulations have not yet been promulgated this study should be undertaken during the interim session rather than before the adjournment of the first year of the Regular Session of the Eighth Legislature. Your Committee further feels that in undertaking a study of this Act it should call upon appropriate groups to submit their comments and recommendations for further legislation. These groups include the Office of Environmental Quality Council; the Environmental Quality Commission; the Environmental Council; the Environmental Center of the University of Hawaii; Department of General Planning, City and County of Honolulu, and the Departments of Planning, Counties of Hawaii, Maui, and Kauai. Your Committee has amended the resolution accordingly.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 58, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 58, S.D. 1.

Signed by all members of the Committee.

SCRep. 980 Ecology, Environment and Recreation on S.R. No. 65

The purpose of this resolution is to request your Committee on Ecology, Environment and Recreation to study the Kakaako situation with R/UDAT recommendations as its starting point, with particular attention to the specific recommendation of expanding Ala Moana Park including a continuation of the water-front area for public recreation purposes westward to Aloha Tower, and to report its findings to the Legislature before adjournment of the 1975 session.

The Regional/Urban Design Assistance Team of the American Institute of Architects (R/UDAT) was a program of the American Institute of Architects which was requested by the Hawaii Chapter of AIA and members of the community to make recommendations for Kakaako. The R/UDAT team, comprised of some of the top physical and economic planners, architects, and urban designers in the country, made a series of recommendations for Kakaako/Central Honolulu in April of 1974, suggesting the general framework for initiating a new community form, a new direction in planning, and perhaps a new approach to the planning process for Honolulu.

Your Committee finds that planning in this area is crucial to the future of Honolulu. Your Committee recommends that rather than reporting on this resolution before the adjournment of the 1975 session, it conduct an interim study and submit its report to the 1976 session. Your Committee therefore has amended the resolution accordingly and has further amended the resolution to include in this interim study related problems of new communities, the Udall Open Space Plan and the possible relocation of the food distribution center.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 65, S.D. 1.

Signed by all members of the Committee.

SCRep. 981 Ecology, Environment and Recreation on S.R. No. 354

The purpose of this resolution is to direct the Director of the Department of Land and Natural Resources to conduct a feasibility study to ascertain whether it would be in the best interest of the people of Hawaii to make Kalaupapa Settlement a State Park.

Your Committee finds that Kalaupapa combines powerful natural grandeur with a history of intense humanistic idealism and personal courage. Natural beauty and interesting aspects of geology, archaeology and anthropology abound, and the story of Father Damien and the leprosy patients are interwoven into an inspiring story. Your Committee finds therefore that the area offers an exciting and rewarding prospect for the establishment of an historical park.

Your Committee finds that there might be advantages in a national park. It would make Federal funds available to the State. Further, as the Director of the Department of Hawaiian Homes stated in indicating her Department's preference for a national park, it would open up Federal lands in addition to State lands for the necessary exchange with Hawaiian Home Lands at Kalaupapa. Your Committee further finds that under the joint congressional resolution, H.J. Res. 220, dated February 19, 1975, introduced by Congresswoman Patsy Mink and cited as "Kalaupapa National Historical Park Act of 1975", the patients would be afforded the opportunity to live out their lifetime at Kalaupapa, should they so desire.

Your Committee finds, however, that there might also be advantages in designating the area as the State Park, and that at this time it is difficult to determine whether it would be in the best interests of the area and the citizens of the State to have the park administered by the State or the federal government. Your Committee therefore has amended the resolution to direct the Department of Land and Natural Resources to conduct a feasibility study to determine the advantages and disadvantages of both a national and a State park. In the course of this study, your Committee has directed the Department to conduct a public hearing at Kalaupapa, so that those individuals who will be directly involved in any decision might have an opportunity to express themselves concerning that decision.

Your Committee finds that is important in order to preclude the possibility of development that the Legislature declare its intent that Kalaupapa shall become a park, whether State or national, that the park shall include the entire Kalaupapa-Kalawae peninsula and that no commercial development shall take place within this peninsula.

At a public hearing on this resolution, the Department of Health testified that they are initiating a study for the future use of the land, and that other State agencies, including the Department of Hawaiian Homes Commission, Department of Land and Natural Resources, and the Department of Planning and Economic Development have agreed initially to participate in this planning process. Your Committee has therefore further amended the resolution to direct other State agencies to cooperate with the department.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 354 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 354, S.D. 1.

Signed by all members of the Committee.

SCRep. 982 Ecology, Environment and Recreation on S.R. No. 358

The purpose of this resolution is to request the State Commission on Population and the Hawaiian Future to submit a report to the Governor and the Legislature prior to January 1, 1976, with specific recommendations for controlling population in the State.

Your Committee finds that population control is the key to achieving a proper social, economic and environmental balance. Population control involves many factors, including family planning, immigration and in-migration. The Legislature has recognized the related problems of environmental quality and population and established in 1974 the Commission on Population and the Hawaiian Future (Hawaii Revised Statutes, Chapter 224).

Your Committee feels that in-migration is a very serious aspect of population control, and has amended the resolution to include more specific references to in-migration.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 358 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 358, S.D. 1.

Signed by all members of the Committee.

SCRep. 983 Ecology, Environment and Recreation on S.R. No. 359

The purpose of this resolution is to request the United States Congress to conduct a study into and an investigation of the effects of spray can propellants on the earth's ozone radiation shield and to adopt appropriate legislation as a result of such study.

Your Committee finds that there is scientific evidence to suggest that the effects of spray can propellants might significantly reduce the earth's ozone radiation shield. The ozone in the stratosphere filters out harmful amounts of ultraviolet radiation from the sun. If the ozone is significantly depleted it might increase the incidence of skin cancer, reduce the productivity of food crops and change global weather patterns.

Meteorologist Francis S. Johnson of the University of Texas at Dallas, a member of the National Research Council Climate Impact Committee, said recently that freon from spray cans may already have reduced the ozone layer by 1 per cent, an amount that could have caused 4,000 cases of skin cancer and 60 deaths. The National Research Council Committee urged that research programs on the stratosphere be stepped up to monitor the danger from depletion of the ozone layer.

The State Department of Health in testifying at the public hearing on this resolution agreed with the intent of this resolution.

The full ramifications of the effect of the loss of the ozone shield and its consequences on world health, economy and food production are not known at this time. Therefore, a study of these effects is mandatory so that they can be fully understood.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 359 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 984 Ecology, Environment and Recreation on S.R. No. 364

The purpose of this resolution is to request the Division of State Parks, Department of Land and Natural Resources to undertake a study to establish a comprehensive recreational use plan for the area between Kuhio Beach and Sans Souci, Waikiki, Oahu, and

present a report of its findings and recommendations to the legislature twenty days prior to the convening of the Regular Session of 1976. It is the intent of the Legislature that until a comprehensive study is undertaken and submitted, no major construction projects should be commenced by the State or county in this area.

Your Committee finds that the area described in this resolution is very popular with local residents, who enjoy its pleasant beaches for sunbathing, surfing, snorkeling, picknicking, and swimming. At present the area presents certain problems such as inadequate parking facilities, severely limited public transportation and serious traffic congestion. Careful planning is a necessity in order to resolve these problems and to halt the piece-meal destruction that has occurred in the past.

Your Committee feels that the Department of Parks and Recreation of the City and County of Honolulu should participate in this study in conjunction with the Division of State Parks, Department of Land and Natural Resources, and has amended the title and the resolution to include this department.

The resolution includes reference to whether the aquarium should be re-located to an area closer to the Zoo. Your Committee, after deliberation, feels that the aquarium should remain in its present location, and has therefore further amended the resolution to delete reference to the aquarium.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 364 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 364, S.D. 1.

Signed by all members of the Committee except Senator Hara.

SCRep. 985 Intergovernmental Relations reporting on S.R. No. 94

Your Committee on Intergovernmental Relations which, by Senate Resolution No. 94 adopted February 10, 1975, was requested to examine methods of developing effective relationships between the State of Hawaii and the federal government at both the national and regional levels, and as appropriate, to formulate necessary legislation, reports as follows:

Your Committee having studied the matter and reviewed testimony finds that the matter of developing effective relationships between the State of Hawaii and the federal government is a two-fold problem. One is concerned with the administration of programs and the other is effective liaison between the legislative branches. With respect to legislative liaison, your Committee did formulate legislation in the form of S.B. No. 717 which provides that the Legislative Auditor shall serve as liaison between the legislature and the federal government. This bill passed final reading on April 2nd as S.B. No. 717, H.D. 1.

With regard to relations between the administrative branches, your Committee is of the opinion that this question should be addressed by the government organization committee proposed in H.B. No. 161, H.D. 1, currently on the Senate Clerk's desk for final reading.

Your Committee on Intergovernmental Relations therefore intends to take no further action with respect to this resolution.

Signed by all members of the Committee.

SCRep. 986 Intergovernmental Relations reporting on S.R. Nos. 95 and 96

Your Committee on Intergovernmental Relations which, by Senate Resolutions No. 95 and No. 96 adopted February 10, 1975, was requested to investigate the range of opportunities, and clarifying the present framework of public programs, with a view toward improving State and County relationships, reports as follows:

Having studied the matter and reviewed testimony, your Committee finds that these Resolutions are related matters directly bearing on problems of reorganization of government. Since Hawaii attained Statehood, there seems to be competing claims by the State and County governments for various functions and programs, such as land use and zoning, real property tax administration, public safety, social welfare, and highways and transportation systems.

Your Committee, having determined that there is great need for a systematic study and analysis of the relations and the functions of the State and County governments,

introduced Senate Concurrent Resolution No. 97. This concurrent resolution requests the appointment of a joint interim committee to study and make recommendations on State-County relations and functions.

S.C.R. No. 97 is currently in your Committee on Legislative Management for consideration. Since the introduction of S.C.R. 97, H.B. 161, H.D. 1 has come over from the House and is on the Senate Clerk's desk awaiting final reading. This bill would establish a government organization commission charged with studying and reporting on the matters covered by these two resolutions.

Your Committee on Intergovernmental Relations therefore is of the opinion that the objectives of Senate Resolutions 95 and 96 can best be carried out by the organization commission and intends to take no further action with respect to these resolutions.

Signed by all members of the Committee.

SCRep. 987 Intergovernmental Relations on S.C.R. No. 43

The purpose of this concurrent resolution is to request the Governor of the State of Hawaii to direct each department of the State to review its operations and make provisions to provide services and facilities to the public as may be practicable through the satellite City Halls.

Your Committee having studied the matter and reviewed testimony relating to cooperation with the various Counties in the joint use of satellite service facilities, finds that,

(1) providing State information and services to the general public is desirable and therefore should be a necessary function of statewide concern;

(2) the City and County of Honolulu has successfully launched a Satellite City Hall system to serve highly populated centers on Oahu which are far removed from City Hall;

(3) the County of Hawaii in 1974, established the Kona Services Center to provide County services to North and South Kona, much to the satisfaction of the Kona residents;

(4) the Governor has indicated his support for the program and a number of State services have already been made available through the satellite service facilities of the City and County of Honolulu.

Your Committee on Intergovernmental Relations concurs with the intent of S.C.R. 43 and recommends it be referred to the Committee on Energy and Natural Resources.

Signed by all members of the Committee.

SCRep. 988 Intergovernmental Relations on S.R. No. 97

The purpose of this resolution is to request the Senate Committee on Intergovernmental Relations to examine the feasibility of giving the several counties their own real property tax assessment powers, and to report its findings to this Legislature.

Your Committee heard testimony on this resolution together with Senate Bill No. 71 which would transfer the Real Property assessment powers to the counties. As a result of said testimony, your Committee found that the cost of administration on the neighbor islands would be increased. However, the counties favor this measure. There should be a lowering of the cost of assessment on Oahu, and justification of home rule and county control over the primary source of county revenue justify this transfer. The City and County of Honolulu has introduced a substantially similar bill, S.B. 949, under which certain exemption powers would also be given to the counties. Such powers were also requested by Hawaii County. Your Committee seriously considered granting full exemption powers to the counties but determined that it was better to proceed one step at a time. Your Committee therefore issued Standing Committee Report No. 131 which recommended approval of S.B. No. 71, S.D. 1. Said Senate Bill No. 71, S.D. 1 has been referred to your Committee on Ways and Means for further consideration.

Your Committee on Intergovernmental Relations intends to take no further action with respect to this resolution.

Signed by all members of the Committee.

SCRep. 989 Housing and Hawaiian Homes on S.C.R. No. 80

The purpose of this concurrent resolution is to reaffirm and reiterate the findings and declarations of necessity originally set forth in Act 307, Session Laws of Hawaii 1967. Your Committee concurs with the finding that land in Hawaii is held by a few large land owners who maintain control over their land through leasehold arrangements. This pattern of land ownership and disposition is bound to be inimical to the public health as it denies the people of the State the choice to own their property in fee or acquire leasehold interests in the land on which their homes are situated. Moreover, increasing land values, due in part to a serious shortage of land for housing in the State's urban areas, have enabled lessors to negotiate terms in residential leases which are financially disadvantageous to lessees. This concurrent resolution amplifies and clarifies the findings and declarations of necessity of Act 307 in view of the increasing detriment such ownership patterns will impose on the public if left unchecked.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.C.R. No. 80 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 990 Housing and Hawaiian Homes on S.R. No. 30

The purpose of this resolution is to explore all available sources of money at below-market interest rates for mortgage financing, for low and moderate income housing.

Your Committee has amended the resolution by extending the reporting date till 20 days prior to the Regular Session of 1976.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 30, S.D. 1.

Signed by all members of the Committee.

SCRep. 991 Housing and Hawaiian Homes on S.R. No. 31

The purpose of this resolution is to urge the U.S. Department of Agriculture to adopt rules and regulations to implement Section 516 of the 1974 Housing and Community Development Act. This section authorizes the U.S. Department of Agriculture to facilitate the purchase of condominiums in rural areas by low and moderate income persons through the granting and insuring of loans.

Your Committee recognizes that condominium development on lower-cost rural land can make available much-needed housing at prices within the means of low or moderate income households. However, the funds from this program are not now available to Hawaii and other states because rules and regulations to govern the program have not been formulated and adopted. This resolution requests the assistance of the U.S. Department of Housing and Urban Development and the Hawaii Housing Authority to assist the U.S. Department of Agriculture in formulating such rules and regulations.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 31 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 992 Housing and Hawaiian Homes on S.R. No. 32

The purpose of this Resolution is to request the department of education, in conjunction with the department of social services and housing, to explore the feasibility of establishing an educational program for potential home-buyers and tenants to cover down payment, interest rates, points, foreclosures, mortgages, and other similar concepts unfamiliar to some of these persons.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 32 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 993 Housing and Hawaiian Homes on S.R. No. 34

The purpose of this resolution is to review the implementation of Chapter 516 of the

Hawaii Revised Statutes which makes possible the condemnation of residential leasehold land by the Hawaii Housing Authority on behalf of the residents.

Your Committee found that in the last seven years only one development tract has been converted.

Recognizing the importance for the implementation of an efficient conversion law, this resolution seeks to encourage further study, amendment or revision in the area of leasehold conversion.

Your Committee recommends that an amendment be made by adding the following phrase:

"and report its findings to the Senate 20 days prior to the Regular Session of 1976",
in place of the current phrase:

"and report its findings to the Senate prior to adjournment of this Regular Session"

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 34, S.D. 1.

Signed by all members of the Committee.

SCRep. 994 Housing and Hawaiian Homes on S.R. No. 86

The purpose of this resolution is to encourage the Department of Hawaiian Home Lands to implement a comprehensive education program to increase the understanding of its programs, goals, objectives and problems.

Your Committee has amended the resolution by extending the reporting date till 20 days prior to the Regular Session of 1976.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by all members of the Committee.

SCRep. 995 Human Resources on S.C.R. No. 142

The purpose of this resolution is to urge the United States Senate and House of Representatives to act favorably upon S. 626 and H.R. 2966.

Your Committee finds that with the coming of urbanization and technology, family structures and life-styles have been thrust into a cycle of change sometimes jeopardizing the institution of the family.

It is necessary for parents, community organizations, private agencies, state and municipal governments, with the assistance of the federal government to plan child care and family service programs to strengthen and aid the role of the family.

Your Committee on Human Resources is in accord with the intent and purpose of S.C.R. No. 142, and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 996 Human Resources on H.C.R. No. 118

The purpose of this resolution is to request the Attorney General to recommend changes in the State Law and the State policy for the purpose of maximizing Medicaid, Medicare, and Supplementary Security Income payments on behalf of individuals eligible for State Health programs.

Your Committee finds that this concurrent resolution will benefit the State by obtaining the maximum amount of federal revenues for Medicaid, Medicare and SSI recipients. The Department of Social Services and the Department of Health both support the resolution and intend to work together in full cooperation.

Your Committee on Human Resources is in accord with the intent and purpose of

H.C.R. No. 118, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 997 Human Resources on H.C.R. No. 121

The purpose of this concurrent resolution is to request the Department of Health and the Department of Social Services and Housing to cooperate in developing a unified financial service plan for extended care of wards of the State.

Your Committee finds that collaboration between the two departments to meet the problems of institutional medical and community residential care has already been in effect. However, the joint effort is insufficient to keep pace with the growing demand for such services. Therefore, the overflow of patients in skilled nursing and intermediate care facilities remains.

Hence, your Committee believes that there is a definite need for both departments to develop a unified comprehensive plan of institutional medical and community residential care. Such a plan would also maximize federal funds under Titles XVI and XIX of the Social Security Act, thus reducing the State's cost of support and care.

Your Committee on Human Resources is in accord with the intent and purpose of H.C.R. No. 121, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 998 Economic Development on S.C.R. No. 20

The purpose of this resolution is to request the President of the Senate and the Speaker of the House of Representatives to appoint an Economic Advisory Committee to the Hawaii State Legislature.

Your Committee believes that legislators, as policy makers for this State, can better ensure the good health of Hawaii's economy by having sound economic advice made available to them through an Economic Advisory Committee. Such a committee would be responsible for additionally preparing an annual review of worldwide economic developments of significance to Hawaii, proposing actions on the part of the Legislature, analyzing Hawaii's economy during the previous year, and reporting on the economic prospects for Hawaii during the next twelve months. Your Committee strongly feels that such information and advice can only benefit our State, especially in these times of economic uncertainty.

Your Committee on Economic Development concurs with the intent and purpose of Senate Concurrent Resolution No. 20 and recommends its adoption.

Signed by all members of the Committee except Senator Yim.

SCRep. 999 Economic Development on S.C.R. No. 23

The purpose of this concurrent resolution is to permit all states, upon request, to obtain federal cash payments in lieu of food commodities which are provided by the U.S. Department of Agriculture under its Commodity Distribution Program.

Your Committee agrees with the testimony offered on behalf of these concurrent resolutions by the Board of Agriculture which cited a precedent for receipt of cash in lieu of commodities in the National School Lunch and Child Nutrition Act Amendments of 1974 which allowed the State of Kansas to purchase needed food commodities within or outside the State with its share of commodity program funds. Your Committee believes that the expenditure of Hawaii's share of commodity funds for Hawaii produced foods and food products will promote the best use of Hawaii's agricultural resources as well as strengthen the economy of the State as a whole and the State's agriculture industries specifically.

Your Committee on Economic Development concurs with the intent and purpose of S.C.R. No. 23 and recommends its adoption.

Signed by all members of the Committee except Senators King, Yim and Rohlfling.

SCRep. 1000 Economic Development on S.C.R. No. 26

The purpose of these concurrent resolutions is to express strong Legislative concern over the growth and viability of a diversified and self-sufficient agricultural industry

and to request the Department of Land and Natural Resources, the Department of Agriculture, and the University of Hawaii's College of Tropical Agriculture to assist and facilitate the development and production of local feed and forage crops which would adequately fulfill the needs of Hawaii's livestock producers.

Your Committee has heard the testimonies offered by the Board of Agriculture and the College of Tropical Agriculture of the University of Hawaii and agrees that the best interests of Hawaii's economy would be served by having these bodies engage in determining ways and means for the development of a viable local feed crop industry in Hawaii. Further, your Committee notes that the increasing prices and short supply of mainland grain and roughage feed make it imperative that necessary studies commence immediately to ensure growth toward self-sufficiency in food production for Hawaii.

Your Committee has amended the concurrent resolution to cause the Department of Agriculture to act as the lead agency in the development and production of local feed and forage crops.

Your Committee on Economic Development is in accord with the intent and purpose of S.C.R. No. 26, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 26, S.D. 1.

Signed by all members of the Committee except Senator Yim.

SCRep. 1001 Economic Development on S.C.R. No. 56

The purpose of this resolution is to request the Hawaii State congressional delegation to support the passage of a sugar act.

After carefully studying the matter contained in this resolution, your Committee has found that the erratic price fluctuations of sugar in recent months was partly due to the failure of foreign sugar producers to supply the usual amount of sugar to the United States market. This failure resulted from the expiration of the U.S. Sugar Act of 1948, as amended in 1971, which established quotas for foreign sugar producers.

By adopting a Sugar Act, Congress would help stabilize prices to the consumer and returns to the producers. Moreover, such an act would encourage the further development of the sugar industry in Hawaii, a major contributor to the Hawaii's economy in 1974.

Your Committee on Economic Development concurs with the intent and purpose of Senate Concurrent Resolution No. 56 and recommends its adoption.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1002 Economic Development on S.C.R. No. 92

The purpose of this resolution is to request the Department of Land and Natural Resources to identify public lands which lack public access and to provide recommendations for access routes to these areas.

Your Committee believes that the opportunities afforded by the matchless natural resources of our State are essential to the outdoor oriented lifestyle of the people of Hawaii.

After studying this resolution carefully, your Committee finds that Island residents are not able to take advantage of much of Hawaii's mountains, seas, lands, and beaches primarily because of the lack of public access to these areas. In most situations privately or Federally owned land encircle these desirable public areas. The State's Department of Land and Natural Resources should analyze and select the most feasible access routes to these areas for the State is obligated to preserve and enhance the quality of life in Hawaii.

Your Committee on Economic Development is in accord with the intent and purpose of S.C.R. No. 92 and recommends its adoption.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1003 Economic Development on S.R. No. 66

The purpose of this resolution is to request a comprehensive review of the problems and prospect facing diversified agriculture in Hawaii. Furthermore, this resolution requests that the State Department of Planning and Economic Development, the State

Department of Taxation, and the State Department of Agriculture work closely together whether action may be taken to encourage diversified agriculture.

During a public hearing held by your Committee, the State Departments of Agriculture and Planning and Economic Development expressed their willingness to cooperate in this comprehensive review. Your Committee is in accord with the State's policy of encouraging diversified agriculture and believes that such a review is an essential step in the right direction.

Your Committee has amended the resolution to cause the Department of Agriculture to be the lead agency in this review, after hearing testimony at its hearing.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 66, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 66, S.D. 1.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1004 Economic Development on S.R. No. 68

The purpose of this Resolution is to request the Department of Planning and Economic Development to report to the State Senate on the progress of current aquaculture programs, the resources committed to them, and their appropriate organizational placement.

Your Committee heard testimony from the Department of Planning and Economic Development stating that they are fully aware of the problems confronting the aquaculture industry in the State, and that they will attempt to coordinate the efforts of the various agencies involved to aid in their report.

Your Committee has accepted the recommendation of Mr. Hideto Kono, and has amended the Resolution accordingly to request the report to be presented to the 1976 legislature.

Your Committee on Economic Development is in accord with the intent and purpose of S.R. No. 68, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 68, S.D. 1.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1005 Economic Development on S.R. No. 69

The purpose of this resolution is to request that the Department of Planning and Economic Development review ways of assisting the pineapple industry and make specific recommendations to the Legislature.

Your Committee has received testimony on this resolution in its public hearing and finds that the pineapple industry is presently suffering from increased foreign competition and decreased production.

Your Committee feels that a study of this nature has great merit, and should mandate immediate attention if there is available staffing in the Department of Planning and Economic Development.

Your Committee on Economic Development is in accord with the intent and purpose of S.R. No. 69, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 69, S.D. 1.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1006 Economic Development on S.R. No. 70

The purpose of this resolution is to request that the expedition of the expansion and development of agricultural parks in Hawaii be aided through the cooperation of the Department of Land and Natural Resources, the College of Tropical Agriculture of the University of Hawaii, and the Hawaii Department of Agriculture.

Having received testimony in the public hearing of this resolution, your Committee recognizes the need for the creation and maintenance of a viable diversified agricultural industry in an effort to create self-sufficiency in food production for Hawaii. Further, it sees value in the cooperation of government agencies involved in the various aspects of helping to direct the growth of Hawaii's Agricultural Industries.

Your Committee has amended the resolution to make the Department of Agriculture serve as the lead agency to coordinate the activities and findings of the above mentioned agencies.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 70 as amended herein and recommends its adoption in the form attached hereto as S.R. No. 70, S.D. 1.

Signed by all members of the Committee except Senator Yim.

SCRep. 1007 Economic Development on S.R. No. 71

The purpose of this resolution is to request the State Department of Agriculture to conduct a comprehensive evaluation of the supply and demand of agricultural lands.

Your Committee recognizes the necessity for this study and finds that such evaluation of Hawaii's agricultural lands would be best effected by the technical expertise available in the State Department of Agriculture.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 71 and recommends its adoption.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1008 Economic Development on S.R. No. 72

The purpose of this resolution is to express strong Legislative concern over the growth and viability of a diversified and self-sufficient agricultural industry and to request the Department of Land and Natural Resources, the Department of Agriculture and the University of Hawaii's College of Tropical Agriculture to assist and facilitate the development and production of local feed and forage crops which would adequately fulfill the needs of Hawaii's livestock producers.

Your Committee has heard the testimonies offered by the Board of Agriculture and the College of Tropical Agriculture of the University of Hawaii and agrees that the best interest of Hawaii's economy would be served by having these bodies engage in determining ways and means for the development of a viable local feed crop industry in Hawaii. Further, your Committee notes that the increasing prices and short supply of mainland grain and roughage feed make it imperative that necessary studies commence immediately to ensure growth toward self-sufficiency in food production for Hawaii.

Your Committee has amended the resolution to cause the Department of Agriculture to act as the lead agency in the development and production of local feed and forage crops.

Your Committee on Economic Development is in accord with the intent and purpose of S.R. No. 72, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 72, S.D. 1.

Signed by all members of the Committee except Senator Yim.

SCRep. 1009 Economic Development on S.R. No. 73

The purpose of this resolution is to request the State Department of Agriculture to submit methods of assisting and encouraging young farmers in Hawaii.

In a public hearing regarding this resolution, the State Department of Agriculture concurred with the intent and purpose of this resolution pointing out that since the passage of Act 87, the New Farmers Program, in 1971, it has helped young farmers through loans. The Department of Agriculture feels that it can further improve the scope of its young farmers program by, for example, studying the availability of agricultural lands, and offering a program in career opportunities in farming to young people.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 73 and recommends its adoption.

Signed by all members of the Committee except Senators Yim and Rohlfing.

SCRep. 1010 Economic Development on S.R. No. 75

The purpose of this resolution is to request the Department of Planning and Economic

Development to report on the status and prospects of new industries in and for Hawaii.

Your Committee realizes Hawaii's need to expand and broaden its economic base in order to ensure continual job opportunities as well as to keep our economy viable. Further, it believes that an orderly and thorough report of Hawaii's many and prospective industries will help to direct and to encourage economic growth in the Islands.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 75 and recommends its adoption.

Signed by all members of the Committee except Senators Yim, Rohlfing and Saiki.

SCRep. 1011 Economic Development on S.R. No. 112

The purpose of this resolution is to permit all states, upon request, to obtain federal cash payments in lieu of food commodities which are provided by the U.S. Department of Agriculture under its Commodity Distribution Program.

Your Committee agrees with the testimony offered on behalf of these resolutions by the Board of Agriculture which cited a precedent for receipt of cash in lieu of commodities in the National School Lunch and Child Nutrition Act Amendments of 1974 which allowed the State of Kansas to purchase needed food commodities within or outside the State with its share of commodity program funds. Your Committee believes that the expenditure of Hawaii's share of commodity funds for Hawaii produced foods and food products will promote the best use of Hawaii's agricultural resources as well as strengthen the economy of the State as a whole and the State's agriculture industries specifically.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 112 and recommends its adoption.

Signed by all members of the Committee except Senators King, Yim and Rohlfing.

SCRep. 1012 Economic Development on S.R. No. 287

The purpose of this Resolution is to request the Department of Land and Natural Resources to reconsider the proposed relocation of the Bureau of Conveyances to the new State Office Building, now under construction, and to report its findings and recommendations to the Senate prior to the adjournment of this Regular Session.

The relocation of the Bureau of Conveyances would cause a physical separation of several blocks between the relocated Bureau of Conveyances, on the one hand, and the Land Court, Circuit Court and Tax Office on the other hand. Since all of these facilities, together with the Office of the Assistant Registrar of the Land Court, are commonly used together by attorneys and other members of the public who have occasion to use them, the removal of one of them to a location distant from the others would seriously inconvenience the users. Undoubtedly, it would also require additional time and costs in the completion of any title tracing and other tasks which require use of more than one of these offices.

Your Committee also heard testimony that very little or no space will be available for the seven or more Title Companies in the new building, although each must have space available to search the records.

Your Committee heard testimony from the Chairman of the Department of Land and Natural Resources stating that the appropriate agency to contact in this regard would be the Department of General Services, and your Committee has amended the Resolution to read accordingly.

Your Committee is disturbed that the Department of Accounting and General Services has had no contact with the private industry regarding the proposed relocation and has engaged in little space planning with the Bureau and the Land Court.

Your Committee is in accord with the intent and purpose of S.R. No. 287, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 287, S.D. 1.

Signed by all members of the Committee except Senator Yim.

SCRep. 1013 Economic Development on S.R. No. 311

The purpose of this resolution is to request the Department of Land and Natural Resources

to identify public lands which lack public access and to provide recommendations for access routes to these areas.

Your Committee believes that the opportunities afforded by the matchless natural resources of our State are essential to the outdoor oriented lifestyle of the people of Hawaii.

After studying this resolution carefully, your Committee finds that Island residents are not able to take advantage of much of Hawaii's mountains, seas, lands, and beaches primarily because of the lack of public access to these areas. In most situations privately or Federally owned land encircle these desirable public areas. The State's Department of Land and Natural Resources should analyze and select the most feasible access routes to these areas, for the State is obligated to preserve and enhance the quality of life in Hawaii.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 311 and recommends its adoption.

Signed by all members of the Committee except Senator Yim.

SCRep. 1014 Judiciary on H.B. No. 499

The purpose of this bill is to prohibit discrimination due to the marital status in credit and real estate transactions and employment.

Your Committee concurs with the findings of your Committee on Consumer Protection as stated in their Standing Committee Report No. 714.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 499, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1015 Judiciary on H.B. No. 946

The purpose of this bill is twofold: (1) to provide for a definition of "child abuse and neglect" in state law; and (2) to adopt a definition of "child abuse and neglect" which conforms with the definition set out in the federal "Child Abuse Prevention and Treatment Act", Public Law 93-247.

Section 350-1, Hawaii Revised Statutes, is amended by adding the definition of "abuse and neglect of a minor" which means physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child that would indicate that the minor's health or welfare has been or is being harmed or threatened. By providing in law what constitutes abuse and neglect of a child, it is hoped there will be a significant increase in the reporting of such behavior so as to prevent such treatment, and to protect the affected children and families.

By adopting a definition that substantially conforms to the federal definition, Hawaii's child abuse programs may qualify for federal grants under the "Child Abuse Prevention and Treatment Act".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 946, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1016 Judiciary on H.B. No. 1209

The purpose of this bill is to authorize courts hearing actions by the Office of Consumer Protection to collect civil penalties or enjoin unlawful acts or practices, to order restitution to consumers who have incurred losses as a result of unfair or deceptive business practices.

The bill provides that the consumer may refuse restitution, but acceptance and full performance of restitution bars recovery of any other damages.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1209 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1017 Judiciary on H.B. No. 1672

The purpose of this bill is to allow a person licensed in general pest or termite control to subcontract for the actual performance of fumigation as long as the subcontractor is licensed as a fumigation operator and performs pest control work only in areas in which he is licensed.

Under the present law, a licensed operator is prohibited from contracting any pest control work in a branch for which he does not hold a license.

Your Committee agrees that a licensed operator engaged in general pest control and termite work is qualified to identify and recognize termite infestation that is beyond economical and effective control by spot-treatment and should be allowed to recommend and to subcontract with another operator licensed to do the necessary fumigation work. This would be in the best interest of the consuming public.

Your Committee on Judiciary 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.

SCRep. 1018 Judiciary on H.B. No. 1864

The purpose of this bill is to allow alternatives to the five years experience requirement to qualify to become State elevator inspectors.

The present statute, Section 396-5.5, Hawaii Revised Statutes, requires State elevator inspectors to have at least five years experience as an elevator mechanic and to have satisfied other requirements established by the Department of Labor and Industrial Relations. The proposed bill amends the law by allowing for either the five years experience or by satisfying the requirements of the Department.

A qualified elevator mechanic with five years experience earns approximately \$20,000 per year in private industry while the State elevator inspector's starting salary is approximately \$11,000 per year. While the requirement of five years experience to become a state elevator inspector has assured that those who qualify will be competent, it has severely hampered recruitment.

The Department suggests allowing alternatives to the five years experience requirement without sacrificing competency and quality. Since Section 395-5.5(b) was enacted in 1974, the Department has failed to attract qualified applicants and has been unable to fill this position. By allowing for alternative qualifications for this job, the Department will be able to fill this needed position and not sacrifice competency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1864 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1019 Judiciary on H.B. No. 332

The purpose of this bill is to amend the section of the Hawaii Revised Statutes dealing with the applicability of Hawaii's Retail Installment Sales Act when it is inconsistent with federal law.

The Office of Consumer Protection is hampered in its enforcement of the house-to-house sale provisions of the Retail Installment Sales Act because the Federal Trade Commission's rules on that subject supersede the state law under the present statute. This bill would limit federal laws which supersede the Retail Installment Sales Act to the Federal Truth in Lending Act and rules adopted by the Federal Reserve Board in enforcing that Act.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 332 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1020 Judiciary on H.B. No. 852

The purpose of this bill is to amend Chapter 482 relating to the registration of trademarks,

prints and labels.

Section 482-2, Hawaii Revised Statutes presently provides that an applicant for registration of a trademark, print, label or trade name must file an application verified on oath stating that he is the sole and original proprietor, and set forth other information required by this Section. The notarization requirement is a heavy workload factor and it has become necessary to have three notary publics in the Business Registration Division. Further, the notarization requirement is also quite burdensome on the public. The elimination of the notarization requirement would substantially reduce the workload in the Business Registration Division and make it much easier for the public to file applications. As a substitute for the notarization requirement, this bill requires a certification by the applicant. The bill provides a penalty for anyone certifying a false application. The bill further corrects an obvious error in the title.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 852, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1021 Judiciary on H.B. No. 1218

The purpose of this bill is to allow persons convicted of misdemeanors who have maintained themselves as citizens in good standing for twenty years after their conviction, to have the record of a misdemeanor conviction removed from public access.

This bill would amend Section 731-3.1, Hawaii Revised Statutes, by giving a person the opportunity of not having a misdemeanor conviction open to the public, or used against an application for any employment, permit, license, registration, or certificate, if there have been no subsequent arrests or convictions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1218 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1022 Judiciary on H.B. No. 1851

The purpose of this bill is to establish a procedure for the nomination and the term of office for the members of the Commission to Promote Uniform Legislation, within the Department of the Attorney General.

Presently, Section 26-7, Hawaii Revised Statutes establishes that the Department of the Attorney General have within it a commission known as the Commission to Promote Uniform Legislation. The Commission sits in an advisory capacity to the Attorney General and the Legislature on matters relating to the promotion of uniform legislation. This bill would establish procedures for the nomination, approval, and term of office of members of that Commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1851 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1023 Ways and Means on S.R. No. 341

The purpose of this resolution is to request the United States Congress to amend the Social Security Act to provide fair and equal survivor benefits, and eliminate obsolete conditions now in force.

The resolution states that although contributions to the Federal Old-Age and Survivors Insurance Trust Fund are made by working men and working women on an equal basis, and such men and women are taxed without regard to sex, the survivor benefits derived from such contributions discriminate against spouses and dependents of working women. Surviving spouses of working women are limited to benefits amounting to a lump sum payment of \$255, while surviving spouses of working men are entitled to the equivalent of their husband's old-age benefits.

Your Committee agrees that the Social Security provision is discriminatory on the

basis of sex and is inappropriate to labor conditions of this State.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 341 and recommends its adoption.

Signed by all members of the Committee except Senators O'Connor and Rohlfing.

SCRep. 1024 Ways and Means on H.B. No. 8

The purpose of this bill is to appropriate moneys out of the general revenues of the State of Hawaii in the total sum of \$168,353.33 to compensate 116 victims, 23 attorneys, 14 doctors, 9 hospitals, and 3 parents pursuant to Chapter 351, Hawaii Revised Statutes, The Criminal Injuries Compensation Act, for the year 1974.

The sums appropriated shall be deposited into the Criminal Injuries Compensation Fund to be applied to making payments as authorized by the Criminal Injuries Compensation Commission.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 8, H.D. 2, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfing.

SCRep. 1025 Ways and Means on H.B. No. 277

The purpose of the Bill is to increase the uniform maintenance allowance for the enlisted personnel of the Army and Air National Guard of Hawaii while in training from 70 cents per day to \$1.50 per day and to provide for such allowance when they are ordered to active service by the Governor of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 277, H.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfing.

SCRep. 1026 Ways and Means on H.B. No. 371

The purpose of this bill is to remove the requirement that every public accountant (State employee-accountants) file monthly schedules of collections and deposits with the State Comptroller.

Under present law, HRS, Sections 40-32 and 40-33, employee-accountants are required to file with the Comptroller each month, a schedule of collections and deposits. These sections have been law since 1898.

Your Committee finds that the law was intended to provide the Comptroller with a means of double-checking receipts as recorded in his accounting records. Procedural changes over the years have resulted in direct processing of deposit receipts by the Director of Finance to the Comptroller each day. Double-checking of the receipts against schedules submitted by the employee-accountants is now an unnecessary procedure. It is estimated that 75 to 100 man-hours per month would be saved, statewide, if the monthly schedule requirement were removed.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 371 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfing.

SCRep. 1027 Ways and Means on H.B. No. 377

The purpose of the bill is to provide the legal authority to the Department of Defense to permit the use of or temporarily rent portions of its armories, rifle ranges, reservations and installations which are State-owned as well as on license from the Federal government to civic, community, veterans and other non-profit public organizations and groups provided the use did not interfere with the military use thereof.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 377 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfing.

SCRep. 1028 Ways and Means on H.B. No. 442

The purpose of this administration bill is to conform certain provisions in the Hawaii Franchise Tax Law on banks and other financial institutions to certain amendments made to the Internal Revenue Code under Public Law 91-172.

Section 433 of Public Law 91-172 provides that as to financial institutions the "sale or exchange of a bond, debenture, note, or certificate or other evidence of indebtedness shall not be considered a sale or exchange or a capital asset." Thus, in determining net income the net gain from such sale or exchange will be treated as ordinary income rather than as capital gains.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 442 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1029 Ways and Means on H.B. No. 814

The purpose of this bill is to establish a maximum salary level for the manager and deputy manager of the stadium. Under existing statute, no ceiling is set for the salary of the stadium manager which is set by the Stadium Authority, an executive agency within the department of budget and finance. This bill would establish such a ceiling at the department head level which is the current salary of the stadium manager.

Existing law further provides that although the deputy manager would be exempt from civil service, he would nevertheless remain subject to the position classification plan. Your committee feels that this position should relate to the manager's position, and that it should not be part of the position classification plan. Such inclusion creates a wide gap between the salary levels of the manager and his deputy, and a very small gap between the deputy manager and his immediate subordinates, who have already been classified near the top of the "SR" pay range. This bill provides that the salary of the deputy manager not exceed ninety per cent of the manager's salary.

Existing law further provides that certain employees of the stadium authority are exempt from the provisions of Chapter 76 and 77, while others are not. It was intended, in granting the exemption, to render the authority the flexibility to formulate an effective working staff in its formative phases of operation. So that all employees of the stadium authority are treated equally, your committee supports the provision that all employees of the authority be exempt from civil service at this time.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 814, H.D. 1 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1030 Ways and Means on H.B. No. 1037

The purpose of this bill is to correct the references in Section 79-1, Hawaii Revised Statutes, to certain numbered sections in the Charter of the City and County of Honolulu.

Your Committee finds that this correction is necessary due to the recent revision of the Charter of the City and County of Honolulu which changed the numbering of the Sections from "5-603" to "6-303".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1037 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1031 Ways and Means on H.B. No. 1248

The purpose of this bill is to allow greater planning and operational flexibility by Hawaii's conditional release centers by removing the statutory restriction on the number of residents allowed at these centers.

Presently, Section 35322, Hawaii Revised Statutes, prohibits conditional release centers from having more than fifteen residents. This bill would remove this restriction and permit the Director of Social Services to set the resident limits to fit the various individualized programs implemented at the conditional release centers.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1248 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfling.

SCRep. 1032 Ways and Means on H.B. No. 1417

The purpose of this bill is to amend section 604-3, Hawaii Revised Statutes, to enable the chief justice to assign district family judges as well as other district judges to serve in any district court when there exists a disqualification, absence, or vacancy.

Your Committee finds that this measure corrects a situation where the district family judges in the first circuit cannot now be given such temporary assignments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1417 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1033 Ways and Means on H.B. No. 1419

The purpose of this bill is to amend Section 606-13, Hawaii Revised Statutes, by increasing the fees which a court reporter may charge for transcripts of testimony and proceedings. The fee is increased from \$1 to \$1.25 per twenty-five line page for the original ribbon copy and from 40 cents to 50 cents per page for each carbon copy thereof.

Your Committee received testimony to the effect that the cost of paper and supplies has increased more than 50 per cent. In addition, much of the transcript work is done after regular duty hours and is in effect, overtime work. The Federal District Court recently granted its reporters a 25 per cent increase in rates. The last State increase took effect in July, 1969. In view of these factors, your Committee feels that the increase is justified.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1419 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfling.

SCRep. 1034 Ways and Means on H.B. No. 1713

Section 103-8, Hawaii Revised Statutes, now provides that one per cent of construction costs of state buildings can be used for acquisition of works of art for exhibition in public facilities. The purpose of this bill is to allow part of the one per cent to be used also to defray costs of transportation and for upkeep of the works of art.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1713, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1035 (Majority) Ways and Means on H.B. No. 1732

The purpose of this bill is to enable the Community Colleges to conduct special programs which would be supported by funds collected by the colleges which are not part of the regular credit program. This bill is to create a special fund so the colleges can receive, disburse, and account for these funds.

Your Committee finds that the regular Community College programs are limited in their ability to go off campus because of the controlled growth policy and the limitation of general funds. The Community College enrollment is increasing, and there appears to be a segment of the population who are willing to pay a special fee if the courses are offered off campus. Up to the present, the Community Colleges are not able to provide special programs without a special fund.

This special funding capacity will afford the Community Colleges to conduct summer sessions, overseas programs, evening sessions, study abroad, cultural enrichment programs, and other related activities. This fund will permit the colleges to perform community service functions which have been lacking. The accreditation teams of the various colleges have mentioned this as a concern of the Community Colleges.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1732, H.D. 2, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling. Senator Hara did not concur.

SCRep. 1036 Ways and Means on H.B. No. 1784

The purpose of this bill is to transfer the office of the sheriff from the department of the attorney general to the judiciary.

The bulk of the workload of the sheriff's office relates directly to serving the courts. Therefore, the transfer is appropriate in that the responsibility for administration should be placed with the primary user agency. Such a transfer will streamline operations of the office, as well as make administration easier.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1784, H.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1037 Ways and Means on H.B. No. 1884

The purpose of this bill is to create a second Deputy Director in the Department of Social Services and Housing.

Your Committee finds that the creation of a second Deputy Director position will enable the Department to provide the administrative supervision and control that is appropriate to the size and importance of the programs involved. This new position will also enable the Department to more adequately meet the expectation which the community has of the Department.

Your Committee further finds that the Director of the Department can no longer maintain the breadth and depth of administrative contact that is called for with the assistance of one Deputy.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1884 and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1038 Ways and Means on H.B. No. 369

The purpose of this bill is to standardize certain terms used in chapter 40, Hawaii Revised Statutes, to conform to current terminology and procedures in voucher payments of the state government.

Your Committee was informed by the state administration that this bill is the result of an analysis of chapter 40, for the purpose of clarifying the meaning of inadequately defined terms, and for the purpose of reflecting current pre-audit procedures where such procedures are not clear in the present statutes. It is not the intent of this bill to alter the substance of any auditing or accounting requirement in chapter 40.

The sections of chapter 40 affected by this bill were all originally enacted in 1898. The language has carried over to the present statutes but procedures originally in effect have changed over the years without being reflected by changes in the statutes.

The specific terms that would be clarified by the proposed amendments are "voucher", "warrant voucher", "statement", and "bill." With these clarifications, a clearer understanding of the State's vouchering procedure will be available to all who refer to chapter 40, and those persons responsible for record-keeping related to voucher payments will be especially aided.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 369 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfling.

SCRep. 1039 Ways and Means on H.B. No. 370

The purpose of this bill is to conform the Hawaii Revised Statutes to the current practice and procedure for depositing receipts into the State Treasury.

The amendments to section 40-40, Hawaii Revised Statutes, as proposed by this bill, would remove provisions that are no longer applicable and would include practices that now apply.

Your Committee was informed by the state administration that section 40-40, which was originally enacted in 1898, has not been sufficiently amended since then to reflect changes in practice. The amendments proposed by this bill would bring the statutes into agreement with the practices followed in more recent decades, and they would also provide flexibility for future changes of a routine nature that can be expected to occur from time to time within the government.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 370 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfling.

SCRep. 1040 Ways and Means on H.B. No. 436

The purpose of this bill is to adopt for state income tax purposes certain amendments to the Internal Revenue Code made by Public Law 91-172 and Public Law 92-178.

When the Hawaii Income Tax Law was enacted in 1959, the Legislature's intent was to conform the law as closely as may be with the Internal Revenue Code. Whenever amendments are made to the Internal Revenue Code, conforming legislation is necessary by the State to incorporate the amendments as state income tax provisions. The provisions to be incorporated by this act are as follow:

(1) Charitable Contributions. To increase the charitable deduction from 30% to 50% of adjusted gross income, to reduce the contribution for appreciated property, and to deny deduction for use of property by a charitable organization. PL 91-172, sec. 201(a)(1), (a)(2)(A), (b), (c), (e) and (f).

(2) Recapture of Depreciation Upon the Sale of Livestocks. To recapture post-1974 depreciation as ordinary income upon the sale of livestock. PL 91-172, sec. 212(a)(1), (a)(2), (b)(1) and (c)(1).

(3) Activities Not Engaged in for Profit. To provide a hobby loss rule which allows a limited deduction for losses incurred by an individual or pseudo-corporation on an activity not engaged in for profit. The activity is presumed to be engaged in for profit if it shows profit in at least 2 out of 5 consecutive years (7 in case of horse racing, breeding or showing) before or after the current loss year. PL 91-172, sec. 213(a), (b) and (c).

(4) Moving Expenses. To allow self-employed individuals the deduction for moving expenses, to increase the 20-mile test to 50 miles, and to allow new deductions for pre-move housing hunting trips, temporary living expenses at new job site for a period up to 30 days and certain expenses related to sale of the old residence. PL 91-172, sec. 231(a), (b) and (c).

(5) Restricted Property. To provide that if an employee receives restricted stock or property for services performed, the gain is taxed in the first taxable year when the employee's interest in the restricted property becomes transferable or when it is no longer subject to a substantial risk of forfeiture. PL 91-172, sec. 321(a), (b) and (c).

(6) Treatment of Excess Distributions by Trusts. To provide for a special capital gain throwback rule for taxing beneficiaries receiving accumulated distributions by trusts. PL 91-172, sec. 331(a), (b) and (c).

(7) Interest on Indebtedness Incurred by Corporation to Acquire Stock or Assets of Another Corporation. To limit the amount of interest a corporation is allowed to deduct on "corporate acquisition indebtedness" of another corporation. PL 91-172, sec. 411(a) and (b).

(8) Installment Method. To make available installment reporting for a registered, coupon, or other evidence of indebtedness issued by a corporation or other governmental body, in the year-of-sale payments. PL 91-172, sec. 412(a).

(9) Stock Dividends. To incorporate the changes made in T.D. 6990, relating to distributions of stock dividends. PL 91-172, sec. 421(a).

(10) Loss of a Small Business Investment Company. To provide that small business investment companies may continue to receive capital gain and loss treatment on the sale of bonds, notes, or other evidence of indebtedness. PL 91-172, sec. 433(b).

(11) Public Utility Property. To require public utility companies to depreciate property used to certain specific methods of depreciation. PL 91-172, sec. 441(a).

(12) Effect on Earnings and Profit. To require corporations to use only the straight-line method of depreciation in computing their earnings and profits. PL 91-172, sec. 442(a).

(13) Capital Losses of Individuals. To limit the allowance of capital losses to only 50% of the excess of net long-term capital loss over net short-term capital gain to be used against ordinary income. The \$1,000 limitation on the amount of capital losses shall continue to apply. PL 91-172, sec. 513(a), (b), (c).

(14) Income on Sales of Literary Property. To treat gain on sale of letters, memorandums, or similar property prepared by or for the holder or donee as ordinary income rather than as capital gains. PL 91-172, sec. 514(a) and (b).

(15) Lump-Sum Distributions from Employees' Plans. To tax that portion of the distribution representing the employer's contribution as ordinary income. PL 91-172, sec. 515(a), (b) and (c)(1), (c)(2), and (c)(3).

(16) Treatment of Certain Casualty Losses. To require that casualty gains and losses be netted, regardless of the type of asset and regardless of whether it is insured or not. A net casualty loss can be deducted from ordinary income, while net gain is treated as a Section 1231 gain to be combined with other Section 1231 gains or losses. PL 91-172, sec. 516(b).

(17) Treatment of Franchises, Trademarks and Trade Names. To treat the transfer of a franchise, trademark or trade name as ordinary income rather than capital gain. PL 91-172, sec. 516(c).

(18) Real Estate Depreciation and Recapture. To restrict the use of certain accelerated depreciation methods for real estate under Section 1250, IRC, and to provide for recapture of accelerated depreciation when Section 1250 property is sold after 1973. PL 91-172, sec. 521(a) through (f).

(19) Qualified Pension, etc., Plans of Small Business Corporation. To provide limitations on contributions to self-employed retirement plans (Act 117, HB 839, of the 1967 Legislative Session) by small business corporation. PL 91-172, sec. 531(a), (b) and (c).

(20) Casualty Losses - Reimbursement for Increased Living Expenses. To provide exclusion from income any insurance reimbursements for living expense resulting from damage to taxpayer's home by a casualty. This exclusion is limited to the excess of actual living expenses incurred over the normal living expenses. PL 91-172, sec. 901(a) and (b).

(21) Fines and Penalties, and Bribes and Illegal Kickbacks. To provide that no tax deduction be allowed for payment of any bribe or illegal kickback to a public official or government employee, no tax deduction for any fine or penalty paid the federal or state, local or foreign governments, and no deduction for any kickback, rebate, or bribe by any provider of services, supplier, physician or other person who furnishes services under either medicare or medicaid. PL 91-172, sec. 902(a) and (b).

(22) Corporations Using Appreciated Property to Redeem Their Own Stock. To provide that a corporation will realize a gain when it distributes appreciated property to redeem its own stock. PL 91-172, sec. 905(a) and (b).

(23) Sales of Certain Low-Income Housing Projects in Hawaii. To provide that gain from the sale of low-income housing project may be deferred if the seller acquires, builds or reconstructs another "qualified" housing project within one year. PL 91-172, sec. 910(a), (b) and (c).

(24)Foster Child as Dependent. To allow the foster parent to claim exemptions for dependent foster children on the same terms as for natural children. PL 91-172, sec. 912(a).

(25)Replacement of Property Involuntarily Converted Within a 2-Year Period. To provide two years in which to replace involuntarily converted property. PL 91-172, sec. 915(a).

(26)Class Life System of Depreciation. To eliminate the use of a "75% first year convention," to include real property and foreign property in the class life system, and to provide transition rule for depreciation of subsidiary assets. PL 92-178, sec. 109(a), (b), (d) (1)(2) and (e).

(27)Limitations on Carryovers of Unused Capital Losses. To curb the tax incentive for acquiring carryover of unused capital losses of a failing corporation by applying the limitation to their use by the acquirer. PL 92-178, sec. 302(a) and (b).

(28)Amortization of Certain Expenditures for On-The-Job Training and for Child Care Centers. To permit a taxpayer to elect to amortize over a 60-month period capital expenditures incurred in acquiring or constructing on-the-job training or child care facilities. The amortization of such property applies only to qualified expenditures made after December 31, 1973 and before January 1, 1978. PL 92-178, sec. 303(a) and (c).

(29)Capital Gain Distributions of Certain Trusts. To clarify capital gain distributions as provided in item (6) above. PL 92-178, sec. 306(a) and (b).

(30)Bribes, Kickbacks, Medical Referral Payments. To amend provisions in item (21) above to provide that no deduction is allowed for any payment made directly or indirectly to any person if the payment is an illegal bribe, illegal kickback under any law of the U.S. or any law of a state which subjects the payer to a criminal penalty or the loss of license or privilege to engage in business. PL 92-178, sec. 310(a).

(31)Activities Not Engaged in for Profit. To clarify statutory presumption as provided in item (3) above. PL 92-178, sec. 311(a).

(32)Sale or other disposition of a term interest in property. For purposes of determining gain, if the term interest was acquired by gift or bequest, Public Law, 91-172, section 516 (a), requires that Code Sections 1014 and 1015 be disregarded. Consequently, the term interest will have a zero basis and the entire amount received upon its sale will be taxed. However, this zero basis rule does not apply where the life tenant and the remainderman sell their interests simultaneously so that the entire interest in the property is transferred to others. Interests which are covered by this rule are: (1) life interests in property, (2) interests in property for a term of years, (3) income interests in trust.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 436 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfling.

SCRep. 1041 Ways and Means on H.B. No. 439

The purpose of this bill is to provide for more uniformity in charging interest on delinquent taxes by conforming the real property tax provision to that of other taxes. Section 246-49, Hawaii Revised Statutes, is to be amended to conform to section 231-39(b).

Presently, interest of delinquent real property taxes is charged starting 15 days after the tax becomes delinquent. Thus, in some cases, it may begin in the middle of the month. On the other hand, interest on other taxes begin with the first month after the tax is due; the provisions do not state any specific number of days before interest is charged. Therefore, interest begins on the first day of the month. Under this bill, interest on delinquent real property taxes will be imposed beginning with the first calendar month following the date designated for payment.

Also, the present law which provides 15 days before interest is imposed on delinquent real property taxes has been a source of confusion to taxpayers. Some of them have interpreted this to mean that they have a 15-day grace period for the payment of taxes. This bill will eliminate this source of confusion.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 439 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1042 (Majority) Ways and Means on H.B. No. 482

The purpose of this bill is to exempt from the use tax, any aircraft or aircraft related equipment required by law, which is imported into the State for use as a public utility.

Under present law airlines operating between the islands are subject to the use tax on aircraft purchased and imported into the State for use in their business. However, a person who imports aircraft into the State for the purpose of leasing or renting the aircraft to airlines which use the aircraft as a public utility is exempt from the use tax. This bill repeals the exemption for aircraft to be leased or rented and provides for a blanket exemption for aircraft imported into the State for use as a public utility, whether purchased by an airline for use in its business or purchased for leasing or renting to a public utility.

In 1974, oceangoing vehicles operated by a public utility for the transportation of persons and goods within the State were exempted from the use tax by Act 144, Session Laws of Hawaii 1974. This bill would provide equal treatment for airlines operating within the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 482 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling. Senators Hara and King did not concur.

SCRep. 1043 Ways and Means on H.B. No. 605

The purpose of this bill is to amend section 40-59, Hawaii Revised Statutes, which requires the state comptroller to keep certain price lists, by deleting the requirement of maintaining a current wholesale and retail price list.

Your Committee was informed that the keeping of current wholesale and retail price lists is difficult and not practical and that these lists have not been maintained for many years. This requirement was imposed when the statute was enacted in 1898. With the growth of government since then, and especially with each department of the state government having its own fiscal operation, the detailed checking of all prices by a central office is not feasible or necessary.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 605, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfling.

SCRep. 1044 Ways and Means on H.B. No. 688

The purpose of this bill is to provide the chief clerk and the sergeant-at-arms of both houses of the legislature the same retirement benefits as that for judges and elected officers which would be 3.5 per cent of average final compensation for each year of credited service as an officer of the legislature.

Existing law provides that officers of the legislature are general employees and are entitled to retirement benefits under the regular formula of 2 per cent of average final compensation. Because their appointment and tenure are subject to the approval of either house, your Committee believes that their retirement benefits should be the same as elected officers.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 688, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor, Yim and Rohlfling.

SCRep. 1045 Ways and Means on H.B. No. 904

The purpose of this bill is to adjust the due dates under the real property tax law as they relate to the enactment of the annual county budget ordinances. The fiscal year of the various counties runs from July 1 to June 30. County budgets for this period are adopted in May or June preceding the fiscal year. The real property tax program also runs from July 1 to June 30. Presently, the deadline for adopting the tax rates is October 26, nearly four months after the county fiscal year has started.

This bill would change the schedule of most of the real property assessment functions. Changes in the more important functions follow:

<u>Function</u>	<u>Current Schedule</u>	<u>Proposed Schedule</u>
Filing for home exemption	June 30 preceding the tax year	Dec. 31 preceding the tax year
Date of Assessment	July 1	Jan. 1 " " " "
Notice of Assessment	August 31	March 15 " " " "
Filing Appeals	September 25	April 9 " " " "
Assessment List	September 30	April 19 " " " "
Director's certification of values	October 5	May 1 " " " "
Setting Tax Rates	October 26	June 20 " " " "
Billing	Group I - Nov. 5 Group II - Nov. 15	July 20 (one group only)
1st Payment	Group I - Nov. 20 Group II - Nov. 30	Aug. 20 " " "
2nd Payment	Group I - May 20 Group II - May 30	Feb. 20 " " "

With the earlier assessment date, assessments and appeals can be processed and the Tax Director's certification of the tax base can be furnished by May 1 which precedes the counties' deadline for approving their budget. In turn, the tax rates can be set by June 20 preceding the fiscal year. A primary advantage of this bill is that the counties will receive the Tax Director's certification prior to their adoption of the budget. The counties will be able to project with a high degree of accuracy the amount of real property tax revenue that will be produced by a specific tax rate. Also, tax payments will be due three months earlier and the counties would have use of the real property taxes earlier. Another advantage to the county council involves the deadline for the adoption of the tax rates. The rates would be set by June 20 instead of October 26.

Your Committee is aware that several problems will be created by the passage of this bill, but these will be of a temporary nature. During the transition from the current schedule to the proposed schedule, taxpayers will be required to make three payments within a nine-month period; this is due to the proposed change in payment dates. This effect will occur only in the first year. Also, a taxpayer must file a claim for exemption by December 31 in order for it to take effect for the next tax year which begins on July 1. However, if a taxpayer files a claim on January 2, the claim will not take effect for the ensuing tax year but will be effective for the subsequent tax year, eighteen months away. These temporary problems were carefully reviewed and your Committee is assured that no undue hardship or heavy burden would be imposed on many taxpayers.

Your Committee is aware that passage of this bill will cause an increase in workload for the Tax Department due to the operational changes which will have to be made. To compensate the State for this, however, the counties have offered to bear the cost of the additional workload. This offer was stated in the March 18, 1975 letter to you from the Hawaii State Association of Counties.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 904 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Rohlfling.

SCRep. 1046 (Majority) Ways and Means on H.B. No. 1184

The purpose of this bill is to amend section 431-318, Hawaii Revised Statutes, to require insurance companies to pay their premium tax on a monthly, quarterly or annual basis.

At present, all insurers are required to pay their premium taxes annually, on or before March 15 following the calendar year during which the taxable premiums were written. In his 1974 Audit Report of the Department of Regulatory Agencies, the

Legislative Auditor called attention to the fact that the annual payment of premium taxes not only deprives the State of potential interest earnings on the revenue but affords the insurers preferential treatment over most other businesses which are usually required to pay the general excise tax on a monthly basis. During 1974, the State Insurance Division collected over \$9.5 million in premium taxes on 1973 Hawaii business. It is readily apparent that had this sum been collected and invested on an installment basis, the State could have earned a very substantial amount of interest.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1184 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King, O'Connor and Rohlfing. Senator Anderson did not concur.

SCRep. 1047 Health on Gov. Msg. No. 124

Recommending that the Senate advise and consent to the nomination of MARGARET C. IOFI, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1048 Health on Gov. Msg. No. 126

Recommending that the Senate advise and consent to the nomination of BERNADETTE LEDESMA, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1049 Health on Gov. Msg. No. 128

Recommending that the Senate advise and consent to the nomination of CYNTHIA G. AIU, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1050 Health on Gov. Msg. No. 136

Recommending that the Senate advise and consent to the nomination of SISTER MAUREEN KELEHER, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1051 Health on Gov. Msg. No. 137

Recommending that the Senate advise and consent to the nomination of HINANO M. PALEKA, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1052 Health on Gov. Msg. No. 142

Recommending that the Senate advise and consent to the nomination of FAITH LEE, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1053 Health on Gov. Msg. No. 147

Recommending that the Senate advise and consent to the nomination of GRACE T. LUSBY, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1054 Health on Gov. Msg. No. 150

Recommending that the Senate advise and consent to the nomination of MIMI WARSH to the State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1055 Health on Gov. Msg. No. 152

Recommending that the Senate advise and consent to the nomination of RUBY L. HARGRAVE, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1056 Health on Gov. Msg. No. 291

Recommending that the Senate advise and consent to the nomination of DOROTHY DEVEREUX, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1057 Health on Gov. Msg. No. 325

Recommending that the Senate advise and consent to the nomination of JULIA KAUPU, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1058 Health on Gov. Msg. No. 326

Recommending that the Senate advise and consent to the nomination of AH OUON MCEL RATH, State Advisory Council for Comprehensive Health Planning, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1059 Health on Gov. Msg. No. 153

Recommending that the Senate advise and consent to the nomination of CAROLYNN U. CANUBIDA, Board of Speech Pathology and Audiology, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1060 Health on Gov. Msg. No. 154

Recommending that the Senate advise and consent to the nomination of EVALYN K. S. INN, Board of Speech Pathology and Audiology, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1061 Health on Gov. Msg. No. 155

Recommending that the Senate advise and consent to the nomination of GRACE R. IHARA, Board of Speech Pathology and Audiology, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1062 Health on Gov. Msg. No. 156

Recommending that the Senate advise and consent to the nomination of LYNETTE N. KAJIWARA, Board of Speech Pathology and Audiology, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1063 Health on Gov. Msg. No. 159

Recommending that the Senate advise and consent to the nomination of DARLENE M. L. KAU, Board of Speech Pathology and Audiology, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1064 Health on Gov. Msg. No. 160

Recommending that the Senate advise and consent to the nomination of ELIZABETH MENOR, Advisory Commission of Drug Abuse and Controlled Substances, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1065 Health on Gov. Msg. No. 161

Recommending that the Senate advise and consent to the nomination of MATTHEW S. K. PYUN, JR., Advisory Commission on Drug Abuse and Controlled Substances, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1066 Health on Gov. Msg. No. 162

Recommending that the Senate advise and consent to the nomination of PHYLLIS VON STROHEIM, Advisory Commission on Drug Abuse and Controlled Substances, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1067 Health on Gov. Msg. No. 163

Recommending that the Senate advise and consent to the nomination of ROBERT MARVIT, Advisory Commission on Drug Abuse and Controlled Substances, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1068 Health on Gov. Msg. No. 164

Recommending that the Senate advise and consent to the nomination of STANLEY J. YAMANE, Board of Examiners in Optometry, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1069 Health to Gov. Msg. No. 165

Recommending that the Senate advise and consent to the nomination of MITCHELL ELI, Board of Chiropractic Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1070 Health on Gov. Msg. No. 166

Recommending that the Senate advise and consent to the nomination of ROBERT T. OSHIRO, Board of Examiners in Naturopathy, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1071 Health on Gov. Msg. No. 167

Recommending that the Senate advise and consent to the nomination of RODNEY C. Y. CHUN, Board of Examiners in Naturopathy, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1072 Health on Gov. Msg. No. 168

Recommending that the Senate advise and consent to the nomination of MARION E. OLSEN, Board of Nursing, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1073 Health on Gov. Msg. No. 169

Recommending that the Senate advise and consent to the nomination of ROSE ANN POYSER, Board of Nursing, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1074 Health on Gov. Msg. No. 222

Recommending that the Senate advise and consent to the nomination of MARK B. PERLMUTTER, Board of Health, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1075 Health on Gov. Msg. No. 223

Recommending that the Senate advise and consent to the nomination of ALLAN LEONG, Board of Health, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1076 Health on Gov. Msg. No. 224

Recommending that the Senate advise and consent to the nomination of THOMAS Y. KOBARA, Board of Health, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1077 Health to Gov. Msg. No. 225

Recommending that the Senate advise and consent to the nomination of ALBERT C. K. CHUN-HOON, Board of Medical Examiners, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1078 Health on Gov. Msg. No. 226

Recommending that the Senate advise and consent to the nomination of PETE T. OKUMOTO, Board of Medical Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1079 Health on Gov. Msg. No. 227

Recommending that the Senate advise and consent to the nomination of JOHN H. C. KIM, Board of Medical Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1080 Health on Gov. Msg. No. 228

Recommending that the Senate advise and consent to the nomination of ALAN R. BECKER, Board of Osteopathic Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1081 Health on Gov. Msg. No. 229

Recommending that the Senate advise and consent to the nomination of HOWARD H. FURUMOTO, Board of Veterinary Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1082 Health on Gov. Msg. No. 230

Recommending that the Senate advise and consent to the nomination of A. K. TAKAYAMA, Board of Veterinary Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1083 Health on Gov. Msg. No. 231

Recommending that the Senate advise and consent to the nomination of RICHARD N. MATO, Board of Radiologic Technologists, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1084 Health on Gov. Msg. No. 232

Recommending that the Senate advise and consent to the nomination of NOBUYUKI IINUMA, Board of Radiologic Technologists, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1085 Health on Gov. Msg. No. 233

Recommending that the Senate advise and consent to the nomination of GEORGE BRACHER, Board of Radiologic Technologists, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1086 Health on Gov. Msg. No. 234

Recommending that the Senate advise and consent to the nomination of ROLAND W. CLEMENTS, Board of Radiologic Technologists, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1087 Health on Gov. Msg. No. 236

Recommending that the Senate advise and consent to the nomination of PHILIP J. W. LEE, Board of Radiologic Technologists, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1088 Health on Gov. Msg. No. 358

Recommending that the Senate advise and consent to the nomination of STEPHEN K. HORIBATA, Board of Radiologic Technologists, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1089 Health on Gov. Msg. No. 284

Recommending that the Senate advise and consent to the nomination of BEN H. HIRANO, Board of Dental Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1090 Health on Gov. Msg. No. 285

Recommending that the Senate advise and consent to the nomination of WALTER W. OSHIMA, Board of Pharmacy, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1091 Health on Gov. Msg. No. 286

Recommending that the Senate advise and consent to the nomination of WALTER T. STUEFLOTEN, County Hospital Management Advisory Committee, Hawaii County Hospital System, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1092 Health on Gov. Msg. No. 287

Recommending that the Senate advise and consent to the nomination of EMMA L. YAMADA, County Hospital Management Advisory Committee, Hawaii County Hospital System, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1093 Health on Gov. Msg. No. 330

Recommending that the Senate advise and consent to the nomination of RICHARD B. F. CHOY, Board of Dispensing Opticians, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1094 Health on Gov. Msg. No. 331

Recommending that the Senate advise and consent to the nomination of ROBERT J. MILLER, Board of Dispensing Opticians, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1095 Health on Gov. Msg. No. 357

Recommending that the Senate advise and consent to the nomination of EDWARD T. K. AU, Board of Dental Examiners, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1096 Health on Gov. Msg. No. 237

Recommending that the Senate advise and consent to the nomination of DONALD KAWANE, County Hospital Management Advisory Committee, Kauai County Hospital System, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1097 Health on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nomination of RICHARD F. CAMERON, County Hospital Management Advisory Committee, Kauai County Hospital System, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1098 Health on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nomination of GORO HOKAMA, County Hospital Management Advisory Committee, Maui County Hospital System, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1099 Health on Gov. Msg. No. 240

Recommending that the Senate advise and consent to the nomination of DONALD SHISHIDO, County Hospital Management Advisory Committee, Maui County Hospital System, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1100 Transportation on Gov. Msg. No. 353

Recommending that the Senate advise and consent to the nomination of JEAN W. KRAUSS, member of State Highway Safety Council, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 1101 Transportation on Gov. Msg. No. 354

Recommending that the Senate advise and consent to the nomination of ARTHUR RUTLEDGE, member of State Highway Safety Council, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfing.

SCRep. 1102 Public Utilities on Gov. Msg. No. 316

Recommending that the Senate advise and consent to the nomination of TADAYOSHI YASUTAKE, Public Utilities Commission, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1103 Human Resources on Gov. Msg. No. 60

Recommending that the Senate advise and consent to the nomination of ANDREW I. T. CHANG, as Director, Department of Social Services and Housing, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1104 Human Resources to Gov. Msg. No. 64

Recommending that the Senate advise and consent to the nomination of DONALD A. BOTELHO, as Director, Department of Personnel Services, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1105 Human Resources on Gov. Msg. No. 67

Recommending that the Senate advise and consent to the nomination of JOSHUA AGSALUD, as Director, Department of Labor and Industrial Relations, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1106 Human Resources on Gov. Msg. No. 172

Recommending that the Senate advise and consent to the nomination of THOMAS J. PRICE, Advisory Commission on Manpower and Full Employment, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1107 Human Resources on Gov. Msg. No. 173

Recommending that the Senate advise and consent to the nomination of SADAHARU TASHIMA, Board of Social Services and Housing, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1108 Human Resources on Gov. Msg. No. 174

Recommending that the Senate advise and consent to the nomination of THOMAS TOGUCHI, Civil Service Commission, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1109 Human Resources on Gov. Msg. No. 175

Recommending that the Senate advise and consent to the nomination of MICHAEL L. JOY, Board of Trustees, Hawaii Public Employees Health Fund, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1110 Human Resources on Gov. Msg. No. 176

Recommending that the Senate advise and consent to the nomination of JACK T. KONNO, Board of Trustees, Hawaii Public Employees Health Fund, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1111 Human Resources on Gov. Msg. No. 177

Recommending that the Senate advise and consent to the nomination of CAROL H. MAEHARA, Board of Trustees, Hawaii Public Employees Health Fund, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1112 Human Resources on Gov. Msg. No. 178

Recommending that the Senate advise and consent to the nomination of MERL W. HAWTHORNE, Commission on Aging, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1113 Human Resources on Gov. Msg. No. 179

Recommending that the Senate advise and consent to the nomination of THEODORE D. HUSSEY, Commission on Aging, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1114 Human Resources on Gov. Msg. No. 180

Recommending that the Senate advise and consent to the nomination of YASO ABE, Commission on Aging, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1115 Human Resources on Gov. Msg. No. 181

Recommending that the Senate advise and consent to the nomination of HARRY TAKARA, Commission on Aging, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1116 Human Resources on Gov. Msg. No. 182

Recommending that the Senate advise and consent to the nomination of ROBERT CLOPTON, Commission on Aging, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1117 Human Resources on Gov. Msg. No. 183

Recommending that the Senate advise and consent to the nomination of ETHEL T. MORI, Commission on Aging, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1118 Human Resources on Gov. Msg. No. 242

Recommending that the Senate advise and consent to the nomination of JAMES T. NISHI, Commission on Aging, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1119 Human Resources on Gov. Msg. No. 243

Recommending that the Senate advise and consent to the nomination of AJERICO S. PABLO, Advisory Commission to the Administrator of the Vocational, Rehabilitation and Services for the Blind Division, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1120 Human Resources on Gov. Msg. No. 333

Recommending that the Senate advise and consent to the nomination of JOHN E. MILLIGAN, Hawaii Public Employment Relations Board, term ending December 31, 1980.

Signed by all members of the Committee except Senator Rohlfsing.

SCRep. 1121 Human Resources on Gov. Msg. No. 334

Recommending that the Senate advise and consent to the nomination of JULIETTE S. H. LING, Commission on Children and Youth, term ending December 31, 1975.

Signed by all members of the Committee except Senator Rohlfsing.

SCRep. 1122 Human Resources on Gov. Msg. No. 335

Recommending that the Senate advise and consent to the nomination of REVEREND DAVID SHOTWELL, Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1123 Human Resources on Gov. Msg. No. 336

Recommending that the Senate advise and consent to the nomination of MASAKO H. LEDWARD, Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1124 Human Resources on Gov. Msg. No. 337

Recommending that the Senate advise and consent to the nomination of FILEMON M. NANOD, Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1125 Human Resources on Gov. Msg. No. 338

Recommending that the Senate advise and consent to the nomination of VALARIE HATA, Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1126 Human Resources on Gov. Msg. No. 339

Recommending that the Senate advise and consent to the nomination of TERRANCE R. K. KAPAONA, JR., Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1127 Human Resources to Gov. Msg. No. 340

Recommending that the Senate advise and consent to the nomination of LAURA Y. MOFFAT, Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1128 Human Resources on Gov. Msg. No. 341

Recommending that the Senate advise and consent to the nomination of SUSAN K. INOUYE, Commission on Children and Youth, term ending December 31, 1978.

Signed by all members of the Committee except Senator Rohlfiing.

SCRep. 1129 Higher Education on Gov. Msg. No. 241

Recommending that the Senate advise and consent to the nomination of DR. CLARENCE CHANG, Board of Directors, Research Corporation, University of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee except Senator King.

SCRep. 1130 Higher Education on Gov. Msg. No. 292

Recommending that the Senate advise and consent to the nomination of HERBERT M. RICHARDS, JR., Board of Regents, University of Hawaii, term ending December 31, 1975.

Signed by all members of the Committee except Senator King.

SCRep. 1131 Higher Education on Gov. Msg. No. 293

Recommending that the Senate advise and consent to the nomination of SANDRA H. EBESU, Board of Regents, University of Hawaii, term ending December 31, 1976.

Signed by all members of the Committee except Senator King.

SCRep. 1132 Higher Education on Gov. Msg. No. 294

Recommending that the Senate advise and consent to the nomination of A. SCOTT LEITHEAD, Board of Regents, University of Hawaii, term ending December 31, 1976.

Signed by all members of the Committee except Senator King.

SCRep. 1133 Higher Education on Gov. Msg. No. 295

Recommending that the Senate advise and consent to the nomination of DR. ANNA W. K. CHUNG, Board of Regents, University of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee except Senator King.

SCRep. 1134 Higher Education on Gov. Msg. No. 296

Recommending that the Senate advise and consent to the nomination of AMBROSE J. ROSEHILL, Board of Regents, University of Hawaii, term ending December 31, 1978.

Signed by all members of the Committee except Senator King.

SCRep. 1135 Judiciary on Gov. Msg. No. 184

Recommending that the Senate advise and consent to the nomination of DUKE G. SILVA, Board of Registration, Island of Hawaii, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1136 Judiciary on Gov. Msg. No. 185

Recommending that the Senate advise and consent to the nomination of SHOZO SATO, Board of Registration, Island of Oahu, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1137 Judiciary on Gov. Msg. No. 186

Recommending that the Senate advise and consent to the nomination of MARY V. SAVIO, Real Estate Commission, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1138 Judiciary on Gov. Msg. No. 187

Recommending that the Senate advise and consent to the nomination of ARTHUR A. CHASE, Motor Vehicle Industry Licensing Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1139 Judiciary on Gov. Msg. No. 188

Recommending that the Senate advise and consent to the nomination of PEGGY I. YANO, Board of Cosmetology, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1140 Judiciary on Gov. Msg. No. 190

Recommending that the Senate advise and consent to the nomination of DR. TERUO IHARA, Hawaii Public Broadcasting Authority, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1141 Judiciary on Gov. Msg. No. 191

Recommending that the Senate advise and consent to the nomination of DENZIL ROSE, Hawaii Public Broadcasting Authority, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1142 Judiciary on Gov. Msg. No. 192

Recommending that the Senate advise and consent to the nomination of WILTON W. CHING, Contractors License Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1143 Judiciary on Gov. Msg. No. 193

Recommending that the Senate advise and consent to the nomination of CHARLES A. MIYATA, Contractors License Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1144 Judiciary on Gov. Msg. No. 194

Recommending that the Senate advise and consent to the nomination of JOHN AH HO LEE, Contractors License Board, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1145 Judiciary on Gov. Msg. No. 197

Recommending that the Senate advise and consent to the nomination of RUTH SHIMADA, Board of Barbers, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1146 Judiciary on Gov. Msg. No. 199

Recommending that the Senate advise and consent to the nomination of STANLEY M. YOSHIOKA, Board of Accountancy, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1147 Judiciary on Gov. Msg. No. 244

Recommending that the Senate advise and consent to the nomination of Y. CHARLES TANIGAWA, Board of Registration, Kauai and Niihau, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1148 Judiciary on Gov. Msg. No. 245

Recommending that the Senate advise and consent to the nomination of HARILYN S. MAU, Commission on the Status of Women, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1149 Judiciary on Gov. Msg. No. 246

Recommending that the Senate advise and consent to the nomination of JOAN SHINN, Commission on the Status of Women, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1150 Judiciary on Gov. Msg. No. 247

Recommending that the Senate advise and consent to the nomination of MARGARET S. USHIJIMA, Commission on the Status of Women, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1151 Judiciary on Gov. Msg. No. 248

Recommending that the Senate advise and consent to the nomination of DR. CORAZON A. MANAYAN, Commission on the Status of Women, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1152 Judiciary on Gov. Msg. No. 249

Recommending that the Senate advise and consent to the nomination of KAY MIYASATO, Commission on the Status of Women, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1153 Judiciary on Gov. Msg. No. 250

Recommending that the Senate advise and consent to the nomination of MONTA KINNEY, Commission on the Status of Women, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1154 Judiciary on Gov. Msg. No. 251

Recommending that the Senate advise and consent to the nomination of PRISCILLA J. HAYASHI, Commission on the Status of Women, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1155 Judiciary on Gov. Msg. No. 255

Recommending that the Senate advise and consent to the nomination of DAVID R. DE COSTA, SR., Board of Electricians and Plumbers, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1156 Judiciary on Gov. Msg. No. 256

Recommending that the Senate advise and consent to the nomination of DEEN I. MORITA, Board of Electricians and Plumbers, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1157 Judiciary on Gov. Msg. No. 257

Recommending that the Senate advise and consent to the nomination of ERNEST Y. MAEDA, Board of Electricians and Plumbers, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1158 Judiciary on Gov. Msg. No. 264

Recommending that the Senate advise and consent to the nomination of DONALD TSUKIYAMA, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1159 Judiciary on Gov. Msg. No. 265

Recommending that the Senate advise and consent to the nomination of GERALD MATSUNAGA, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1160 Judiciary on Gov. Msg. No. 266

Recommending that the Senate advise and consent to the nomination of PAUL M. DE SILVA, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1161 Judiciary on Gov. Msg. No. 267

Recommending that the Senate advise and consent to the nomination of DEPUTY CHIEF PHILIBERT VIERRA, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1162 Judiciary on Gov. Msg. No. 269

Recommending that the Senate advise and consent to the nomination of DR. ARNOLD B. GOLDEN, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1163 (Majority) Judiciary on Gov. Msg. No. 270

Recommending that the Senate advise and consent to the nomination of DR. JOHN J. BLAYLOCK, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee. Senator Kawasaki did not concur.

SCRep. 1164 Judiciary on Gov. Msg. No. 271

Recommending that the Senate advise and consent to the nomination of MICHAEL KAKESAKO, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1165 Judiciary on Gov. Msg. No. 272

Recommending that the Senate advise and consent to the nomination of ANDREW CHANG, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1166 Judiciary on Gov. Msg. No. 273

Recommending that the Senate advise and consent to the nomination of MYRON CHEVLIN, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1167 Judiciary on Gov. Msg. No. 274

Recommending that the Senate advise and consent to the nomination of TED SAKAI, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1168 Judiciary on Gov. Msg. No. 275

Recommending that the Senate advise and consent to the nomination of LEHUA CHOO, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1169 Judiciary on Gov. Msg. No. 276

Recommending that the Senate advise and consent to the nomination of JUDGE SHUNICHI KIMURA, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1170 Judiciary on Gov. Msg. No. 277

Recommending that the Senate advise and consent to the nomination of HEREERT K. H. LEE, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1171 Legislative Management

Informing the Senate that S.C.R. Nos. 146 to 150, S.R. Nos. 427 to 435, Conf. Com. Rep. Nos. 2 to 16 and Stand. Com. Rep. Nos. 1047 to 1170 and 1172 to 1238 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 1172 Judiciary on Gov. Msg. No. 62

Recommending that the Senate advise and consent to the nomination of WAYNE K. MINAMI, as Director of Department of Regulatory Agencies, term ending December 4, 1978.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1173 Judiciary on Gov. Msg. No. 70

Recommending that the Senate advise and consent to the nomination of RONALD AMEMIYA, as Attorney General, term ending December 4, 1978.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1174 Judiciary on Gov. Msg. No. 73

Recommending that the Senate advise and consent to the nomination of H. BAIRD KIDWELL, as Associate Justice of the Supreme Court of Hawaii term ending 1985.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1175 Judiciary on Gov. Msg. No. 189

Recommending that the Senate advise and consent to the nomination of DANIEL S. UKISHIMA, Criminal Injuries Compensation Commission, term ending December 31, 1978.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1176 Judiciary on Gov. Msg. No. 252

Recommending that the Senate advise and consent to the nomination of JAMES F. VENTURA, Commission to Promote Uniform Legislation, term ending December 31, 1975.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1177 Judiciary on Gov. Msg. No. 253

Recommending that the Senate advise and consent to the nomination of JAMES A. KING, Commission to Promote Uniform Legislation, term ending December 31, 1978.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1178 Judiciary on Gov. Msg. No. 278

Recommending that the Senate advise and consent to the nomination of JUDGE YOSHIMI HAYASHI, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1179 Judiciary on Gov. Msg. No. 297

Recommending that the Senate advise and consent to the nomination of SOZEN YOGI, Board of Registration, Maui, Molokai, Lanai and Kahoolawe, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1180 Judiciary on Gov. Msg. No. 298

Recommending that the Senate advise and consent to the nomination of MARY AIZAWA, Board of Registration, Maui, Molokai, Lanai and Kahoolawe, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1181 Judiciary on Gov. Msg. No. 299

Recommending that the Senate advise and consent to the nomination of RAMON M. TANAKA, Board of Certification for Practicing Psychologists, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1182 Judiciary on Gov. Msg. No. 300

Recommending that the Senate advise and consent to the nomination of DR. JACK S. ANNON, Board of Certification for Practicing Psychologists, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1183 Judiciary on Gov. Msg. No. 301

Recommending that the Senate advise and consent to the nomination of PATRICIA REILE, Board of Certification for Practicing Psychologists, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1184 Judiciary on Gov. Msg. No. 302

Recommending that the Senate advise and consent to the nomination of VALKYRIE K. CHOY, Board of Massage, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1185 Judiciary on Gov. Msg. No. 303

Recommending that the Senate advise and consent to the nomination of DR. KAZUO TERUYA, Board of Hearing Aid Dealers and Fitters, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1186 Judiciary on Gov. Msg. No. 304

Recommending that the Senate advise and consent to the nomination of D. THOMAS SMITH, Board of Hearing Aid Dealers and Fitters, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1187 Judiciary on Gov. Msg. No. 305

Recommending that the Senate advise and consent to the nomination of JAMES S. HASEGAWA, Board of Hearing Aid Dealers and Fitters, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1188 Judiciary on Gov. Msg. No. 306

Recommending that the Senate advise and consent to the nomination of ADELAIDE DE SOTO, Board of Hearing Aid Dealers and Fitters, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1189 Judiciary on Gov. Msg. No. 307

Recommending that the Senate advise and consent to the nomination of CARROLL L. JOHNSON, Elevator Mechanics Licensing Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1190 Judiciary on Gov. Msg. No. 308

Recommending that the Senate advise and consent to the nomination of HARVEY C. KING, Elevator Mechanics Licensing Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1191 Judiciary on Gov. Msg. No. 309

Recommending that the Senate advise and consent to the nomination of ROBERT K. MAEDA, Credit Union Review Board, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1192 Judiciary on Gov. Msg. No. 310

Recommending that the Senate advise and consent to the nomination of HUMIO OKIMOTO, Credit Union Review Board, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1193 Judiciary on Gov. Msg. No. 311

Recommending that the Senate advise and consent to the nomination of MASAO NAKASHIMA, Credit Union Review Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1194 Judiciary on Gov. Msg. No. 312

Recommending that the Senate advise and consent to the nomination of BETTY KERNAGHAN, Credit Union Review Board, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1195 Judiciary on Gov. Msg. No. 313

Recommending that the Senate advise and consent to the nomination of EDWARD HASHIMOTO, Board of Electricians and Plumbers, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1196 Judiciary on Gov. Msg. No. 342

Recommending that the Senate advise and consent to the nomination of DAVID T. ISHIKAWA, State Commissioner of Motor Vehicle Insurance, term ending 1980.

Signed by all members of the Committee.

SCRep. 1197 Judiciary on Gov. Msg. No. 343

Recommending that the Senate advise and consent to the nomination of JOHN UYETAKE, Motor Vehicle Industry Licensing Board, term ending December 31, 1978.

Signed by all members of the Committee except Senator Hara.

SCRep. 1198 Judiciary on Gov. Msg. No. 344

Recommending that the Senate advise and consent to the nomination of OLGA WATERHOUSE, Board of Registration, Island of Oahu, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1199 Judiciary on Gov. Msg. No. 345

Recommending that the Senate advise and consent to the nomination of THERESA DAVENPORT, Board of Registration, Kauai and Niihau, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1200 Judiciary on Gov. Msg. No. 346

Recommending that the Senate advise and consent to the nomination of SHUNICHI HATADA, Credit Union Review Board, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1201 Judiciary on Gov. Msg. No. 347

Recommending that the Senate advise and consent to the nomination of DR. JULIA J. TSUEI, Board of Acupuncture, term ending December 31, 1975.

Signed by all members of the Committee.

SCRep. 1202 Judiciary on Gov. Msg. No. 348

Recommending that the Senate advise and consent to the nomination of THOMAS H. D. KIM, Board of Acupuncture, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1203 Judiciary on Gov. Msg. No. 349

Recommending that the Senate advise and consent to the nomination of SETWIN TANG, Board of Acupuncture, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1204 Judiciary on Gov. Msg. No. 350

Recommending that the Senate advise and consent to the nomination of DR. LILY SIOU, Board of Acupuncture, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1205 Judiciary on Gov. Msg. No. 351

Recommending that the Senate advise and consent to the nomination of PAUL T. TANIGUCHI, Board of Registration of Professional Engineers, Architects, Land Surveyors and Landscape Architects, term ending December 31, 1977.

Signed by all members of the Committee.

SCRep. 1206 Judiciary on Gov. Msg. No. 352

Recommending that the Senate advise and consent to the nomination of GILMAN K. M. HU, Board of Registration of Professional Engineers, Architects, Land Surveyors and Landscape Architects, term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1207 Judiciary on Gov. Msg. No. 360

Recommending that the Senate advise and consent to the nomination of WILLIAM H. MILLER, Boxing Commission, term ending December 31, 1978.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1208 Judiciary on Gov. Msg. No. 361

Recommending that the Senate advise and consent to the nomination of LARRY K. MATSUO, Board of Registration of Professional Engineers, Architects, Land Surveyors, and Landscape Architects, term ending December 31, 1978.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1209 Judiciary on Gov. Msg. No. 268

Recommending that the Senate advise and consent to the nomination of DEPUTY CHIEF EUGENE FLETCHER, Intake Service Center Advisory Board, term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 1210 Ecology, Environment and Recreation on Gov. Msg. Nos. 88, 89, 90, 91, 92, 93, 94, 95 and 320

Recommending that the Senate advise and consent to the nomination to the Hawaii Bicentennial Commission of the following: SANDY YOUNG, HIDETO KONO, PAUL M. GOUDSMIT, JOHN G. SIMPSON, MONSIGNOR CHARLES KEKUMANO, SAM N. OKINAGA, THURSTON TWIGG-SMITH, JAMES D. EVANS AND GABRIEL I, all terms to expire December 31, 1977.

Signed by all members of the Committee.

SCRep. 1211 Ecology, Environment and Recreation on Gov. Msg. No. 96

Recommending that the Senate advise and consent to the nomination of JAMES R. KUWAYE, Hawaii Bicentennial International Marine Exposition Commission, term ending December 31, 1976.

Signed by all members of the Committee.

SCRep. 1212 Ecology, Environment and Recreation on Gov. Msg. Nos. 97, 98 and 321

Recommending that the Senate advise and consent to the nomination to the Commission on Population and the Hawaiian Future of the following: DR. WILLIAM HINDLE, term to expire December 31, 1978; DANIEL M. ISHII, term to expire December 31, 1977; and WESLEY PARK, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 1213 Ecology, Environment and Recreation on Gov. Msg. Nos. 99, 100, 101, 102, 103, 104 and 322

Recommending that the Senate advise and consent to the nomination to the King Kamehameha Day Celebration Commission of the following: NAOMI LOSCH, term to expire December 31, 1978; JOHN R. TOPOLINSKI, term to expire December 31, 1977; RAMONA N. A. TEVES, term to expire December 31, 1978; WILLIAM K. ENOKA, term to expire December 31, 1978; MURTY SHELDON, term to expire December 31, 1978; PAUL CANTO, SR., term to expire December 31, 1978; and NALANI O. NAPOLEON, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 1214 Ecology, Environment and Recreation on Gov. Msg. Nos. 105 and 106

Recommending that the Senate advise and consent to the nomination to the Fish and Wildlife Advisory Committee, County of Maui, of the following: AKA HODGINS, term to expire December 31, 1976 and WILBERT Y. K. YEE, term to expire December 31, 1976.

Signed by all members of the Committee.

SCRep. 1215 Ecology, Environment and Recreation on Gov. Msg. Nos. 110, 111 and 112

Recommending that the Senate advise and consent to the nomination to the Fish and Wildlife Advisory Committee, City and County of Honolulu, of the following: PAUL T. EBESU, DOROTHY BABINEAU AND HERBERT S. L. CHOCK, all terms to expire December 31, 1976.

Signed by all members of the Committee.

SCRep. 1216 Ecology, Environment and Recreation on Gov. Msg. Nos. 206, 207, 208, 209, 210 and 211

Recommending that the Senate advise and consent to the nomination to the Environmental Council of the following: BROTHER OLIVER AIU, term to expire December 31, 1977; DR. JOHN W. HYLIN, term to expire December 31, 1978; RICHARD Y. KUWADA, term to expire December 31, 1978; ALBERT S. NISHIMURA, term to expire December 31, 1978; JAMES P. IAMS, term to expire December 31, 1978; and DR. EUGENE M. KAWAGUCHI, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 1217 Ecology, Environment and Recreation on Gov. Msg. Nos. 212, 213 and 214

Recommending that the Senate advise and consent to the nomination to the Fish and Wildlife Advisory Committee, County of Kauai, of the following: MELVIN H. KUA, ALVIN TANIGAWA and GORO SADAOKA, all terms to expire December 31, 1976.

Signed by all members of the Committee.

SCRep. 1218 Housing and Hawaiian Homes on H.C.R. No. 83

The purpose of this concurrent resolution is to urge the two legislative bodies of the State of Hawaii to give more attention to consider incentives for providing housing for middle income families.

Your Committee finds that although a great deal of attention is being given to the plight of the low income families in obtaining adequate housing, the middle income families are also in need of assistance. They are caught in the "squeeze" between the subsidies for low income families and the inflationary requirements in order to qualify for a mortgage. Therefore, your Committee believes that special attention should be given to seeking a solution for this "gap" group.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 83, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1219 (Majority) (Joint) Judiciary and Ecology, Environment and Recreation on S.C.R. No. 29

The purpose of this resolution is to request the Congress of the United States of America to devise ways and means of granting authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions.

Your Committees find that Hawaii is an island State with very limited land area and can, therefore, hold only a finite number of people and buildings, roads, and automobiles, without destroying the quality of life for those who live here. Hawaii's increasing population compounds a variety of problems for the state such as housing, unemployment, welfare, health and depletion of natural resources. Because of inherently limited resources, any island State, Territory or Possession is peculiarly vulnerable to the myriad problems caused by uncontrolled population, and therefore the U.S. Congress may deem it feasible to grant authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions.

Your Committees on Judiciary and Ecology, Environment and Recreation jointly concur with the intent and purpose of S.C.R. 29 and recommend that it be adopted.

Signed by all members of the Committees. Senator Hulten did not concur.

SCRep. 1220 (Majority) (Joint) Judiciary and Ecology, Environment and Recreation on S.R. No. 125

The purpose of this resolution is to request the Congress of the United States of America to devise ways and means of granting authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions.

Your Committees find that Hawaii is an island State with very limited land area and can, therefore, hold only a finite number of people and buildings, roads, and automobiles, without destroying the quality of life for those who live here. Hawaii's increasing population compounds a variety of problems for the State such as housing, unemployment, welfare, health and depletion of natural resources. Because of inherently limited resources, any island State, Territory or Possession is peculiarly vulnerable to the myriad problems caused by uncontrolled population, and therefore the U.S. Congress may deem it feasible to grant authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions.

Your Committees on Judiciary and Ecology, Environment and Recreation jointly concur with the intent and purpose of S.R. No. 125 and recommend that it be adopted.

Signed by all members of the Committees. Senator Hulten did not concur.

SCRep. 1221 Ecology, Environment and Recreation on S.C.R. No. 140

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, Division of Forestry to set aside a substantial area of land which is now leased to Puuwaawaa Ranch on the Island of Hawaii to be maintained as a native rare tree and native plant sanctuary of a sufficient size to contain a considerable number of rare native trees and plants.

Your Committee finds that Puuwaawaa Ranch contains a large portion of land on which

rare native Hawaiian trees and other plants are growing, and it is imperative that these rare and native trees and plants be preserved in their native state.

The late Dr. Joseph Rock, internationally known botanist, stated in his book, "Indigenous Trees of the Hawaiian Islands", that native vegetation "reaches its culminating point at Puuwaawaa, the richest floral section of any in the whole Territory", and Steve Montgomery and associates, in a study made approximately ten years ago under a grant from the National Science Foundation, list over seventy native plant species, many of them rare, on and around the Puuwaawaa cone and Ranch area. Since the current lease does not expire until the year 2000, and the State does not know the current and future plans of Puuwaawaa Ranch or what effect these plans might have on the rare native Hawaiian trees, and since very few young trees are growing up now and existing rare trees are growing older, your Committee feels that it is incumbent upon the legislature to take steps at this time to preserve these trees which mean so much to our State.

Your Committee has amended the concurrent resolution to include the Lyon Arboretum of the University of Hawaii and the Natural Area Reserves System Commission.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by all members of the Committee.

SCRep. 1222 Ecology, Environment and Recreation on S.R. No. 397

The purpose of this resolution is to request the Department of Land and Natural Resources, Division of Forestry to set aside a substantial area of land which is now leased to Puuwaawaa Ranch on the Island of Hawaii to be maintained as a native rare tree and native plant sanctuary of a sufficient size to contain a considerable number of rare native trees and plants.

Your Committee finds that Puuwaawaa Ranch contains a large portion of land on which rare native Hawaiian trees and other plants are growing, and it is imperative that these rare and native trees and plants be preserved in their native state.

The late Dr. Joseph Rock, internationally known botanist, stated in his book, "Indigenous Trees of the Hawaiian Islands", that native vegetation "reaches its culminating point at Puuwaawaa, the richest floral section of any in the whole Territory", and Steve Montgomery and associates, in a study made approximately ten years ago under a grant from the National Science Foundation, list over seventy native plant species, many of them rare, on and around the Puuwaawaa cone and Ranch area. Since the current lease does not expire until the year 2000, and the State does not know the current and future plans of Puuwaawaa Ranch or what effect these plans might have on the rare native Hawaiian trees, and since very few young trees are growing up now and existing rare trees are growing older, your Committee feels that it is incumbent upon the legislature to take steps at this time to preserve these trees which mean so much to our State.

Your Committee has amended the resolution to include the Lyon Arboretum of the University of Hawaii and the Natural Area Reserves System Commission.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 397, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 397, S.D. 1.

Signed by all members of the Committee.

SCRep. 1223 Ecology, Environment and Recreation on S.C.R. No. 141

The purpose of this concurrent resolution is to request the Department of the Interior to proceed as expeditiously as possible with the establishment of Ka-loko, Hono-ko-hau National Cultural Park on the Island of Hawaii.

Your Committee finds that the Department of the Interior has proposed to establish this National Cultural Park on the North Kona Coast of the Island of Hawaii. The park will consist of approximately 750 acres of land and 550 acres of adjacent offshore water area.

The major purpose of the park will be to help preserve the fabric of Hawaiian culture through stabilization and restoration of historic sites, educational and training program, cultural demonstrations, and an accentuation of the land-sea ethic, a dominant force

in Hawaiian attitudes and feelings. Your Committee feels that the land-sea ethic is particularly significant at this location, as it has ramifications relating to current problems of food production, conservation of energy, and preservation of habitat for rare and endangered Hawaiian birds.

The Park will be managed and interpreted to the greatest extent possible by persons of Hawaiian descent, thus providing an opportunity to Hawaiians to participate in preserving their own culture, and in presenting to residents and visitors this important element of American culture.

Your Committee has amended the first paragraph of the Resolution to read "the Department of the Interior has proposed" rather than "proposes".

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 141, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by all members of the Committee.

SCRep. 1224 Ecology, Environment and Recreation on S.R. No. 398

The purpose of this resolution is to request the Department of the Interior to proceed as expeditiously as possible with the establishment of Ka-loko, Hono-ko-hau National Cultural Park on the Island of Hawaii.

Your Committee finds that the Department of the Interior has proposed to establish this National Cultural Park on the North Kona Coast of the Island of Hawaii. The park will consist of approximately 750 acres of land and 550 acres of adjacent offshore water area.

The major purpose of the park will be to help preserve the fabric of Hawaiian culture through stabilization and restoration of historic sites, educational and training program, cultural demonstrations, and an accentuation of the land-sea ethic, a dominant force in Hawaiian attitudes and feelings. Your Committee feels that the land-sea ethic is particularly significant at this location, as it has ramifications relating to current problems of food production, conservation of energy, and preservation of habitat for rare and endangered Hawaiian birds.

The Park will be managed and interpreted to the greatest extent possible by persons of Hawaiian descent, thus providing an opportunity to Hawaiians to participate in preserving their own culture, and in presenting to residents and visitors this important element of American culture.

Your Committee has amended the first paragraph of the Resolution to read "the Department of the Interior has proposed" rather than "proposes".

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 398, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 398, S.D. 1.

Signed by all members of the Committee.

SCRep. 1225 Ecology, Environment and Recreation on S.R. No. 391

The purpose of this resolution is for the Department of Land and Natural Resources to initiate action immediately to acquire a single parcel of privately owned land on the shoreline of Rainbow Bay, and together with the Department of Transportation and the U.S. Navy develop a schedule to implement the recommendations contained in a conceptual plan, and to provide the implementation schedule, a progress report and construction status to the legislature twenty days prior to the beginning of the 1976 session.

Your Committee finds that the concept of development of Rainbow Bay into a recreation area for use by the general public was first proposed by the Navy in December 1970, and was discussed with the Pearl Harbor Task Force. Since that time there have been several discussions between the State and the Navy refining the concept, resulting in a request by the Department of Land and Natural Resources for a formal study and development of a conceptual plan. The Rainbow Bay Conceptual Plan was transmitted to the Department of Land and Natural Resources in September 1974.

Your Committee which feels this area should be developed as expeditiously as possible into a public recreational park complex, concurs with the intent and purpose of S.R.

No. 391, and recommends its adoption.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 1226 Higher Education on S.C.R. No. 129

The purpose of the Concurrent Resolution is expressed in its title.

The late Senator Larry N. Kuriyama was deeply interested in the University of Hawaii. The fact that he served as Chairman of the House Committee on Higher Education while he was a member of the State House of Representatives and Chairman of the Senate Committee on Higher Education while he was a member of the State Senate was not due to chance. His resolve and determination in dealing with the problems of the University of Hawaii made him one of the most knowledgeable legislators of the State in the affairs of the University. The establishment of the system of community colleges in Hawaii was due in large part to his insight as to the needs of the people of the State for higher education.

Your Committee on Higher Education feels that it would be fitting and proper for the University of Hawaii to name one of its buildings in honor of the late Senator Larry N. Kuriyama.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 129 and recommends its adoption.

Signed by all members of the Committee except Senator King.

SCRep. 1227 Higher Education on S.R. No. 370

The purpose of this resolution is to request the University of Hawaii to continue to assist women through counselling, seeking financial assistance, and exploring vocations.

The Senate Committee on Higher Education received testimony stating that the University has already established a Continuing Education for Women program which is designed to accomplish the purposes of the resolution, and stands ready to continue this program.

Your Committee on Higher Education is in accord with the intent and purpose of Senate Resolution No. 370 and recommends its adoption.

Signed by all members of the Committee except Senator King.

SCRep. 1228 Higher Education on S.R. No. 382

The purpose of this resolution is to request that the University of Hawaii undertake a comprehensive review of a multitude of programs at the University. The review is intended to lead to greater efficiency and effectiveness with respect to delivering educational services as well as finances.

Your Committee recognizes the need for such a review but would also like the University to consider career goals of the young people of the State as it considers the job market, economic and finances in its review.

Your Committee on Higher Education is in accord with the intent and purpose of S.R. No. 382 and recommends its adoption.

Signed by all members of the Committee except Senator King.

SCRep. 1229 Higher Education on S.R. No. 411

The purpose of this resolution is to request the Hawaii Dental and other professional associations to thoroughly investigate the establishment of contractual programs to finance professional education for residents of Hawaii.

Preliminary discussion with Dr. Dale Redig, Dean of the School of Dentistry at the University of Pacific reveals that establishment of contractual agreement to reserve seats for students at other institutions is a distinct possibility. It is the feeling of this committee that such arrangements should be pursued not only by the Dental Association but might also be extended to other professional programs such as Veterinary medicine, Optometry, Pharmacology, etc. The University is also asked to cooperate with the various groups in their study.

Your Committee on Higher Education concurs with the intent and purpose of S.R.

No. 411 and recommends its adoption.

Signed by all members of the Committee except Senator King.

SCRep. 1230 Ecology, Environment and Recreation on H.C.R. No. 43

The purpose of this Concurrent Resolution is to urge all citizens of the State to observe the week of December 2 to December 8, 1975 as Historic Waianae Coast Week in recognition of our cultural heritage and in the interest of preserving that heritage.

Your Committee finds that the Waianae Coast is rich with historical significance and cultural heritage, and that its residents are highly representative of the diverse ethnic groups which contribute to our colorful and unique Hawaiian lifestyle. In order to focus attention upon this area, which is an important part of our Hawaiian heritage, it would be advantageous for the Legislature to designate one particular week as Historic Waianae Coast Week.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 43, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 1231 Ecology, Environment and Recreation on H.C.R. No. 128

The purpose of this Concurrent Resolution is to request the Public Works Committees of the U.S. House of Representatives and the U.S. Senate to amend the Federal Water Pollution Control Amendments of 1972 (P.L. 92-500) so as to permit the administrator of the Environmental Protection Agency to allow an effluent that is to be discharged into deep ocean waters to receive a lesser degree of treatment if such discharge is compatible with the Federal Act.

Your Committee finds that because the effluent from the process will be discharged into the ocean at a substantial depth, secondary treatment may not be necessary, and also might remove materials of value to the ocean. These products of sewage decomposition which might be removed include nitrogen compounds, phosphates, and potassium salts. These substances contribute to the growth of plankton, which would establish a food chain leading to an increase in biological productivity.

Extensive studies have shown that the preferred level of treatment requires only half the capital expenditure, half the operating costs, and less than half the energy demand of the mandated treatment.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 128 and recommends its adoption.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 1232 Ecology, Environment and Recreation on S.R. No. 342

The purpose of this resolution is to request the Department of Land and Natural Resources to study the feasibility for developing and maintaining a network of riding trails in the area from Makapuu Point to Mount Olomana.

Your Committee finds that the area between Makapuu Point and Mount Olomana is ideal riding country with beautiful green hills and pastures overlooking the blue Pacific. There are many riders who own, board, or rent horses in this area.

Your Committee feels that this study should be undertaken in conjunction with various riding groups and people who are interested in and knowledgeable about horses and has amended the title and the resolution accordingly.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 342 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 342, S.D. 1.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 1233 Ecology, Environment and Recreation on S.R. No. 402

The purpose of this Resolution is to request the Department of Land and Natural Resources and the Department of Transportation to take action in concert with the Commandant of

the Fourteenth Naval District to open the waters of East Loch in Pearl Harbor to recreational boating and fishing by the general public, to initiate an action plan to make available areas along the shoreline of East Loch for fishing by the general public, to develop plans for a boat ramp, piers and shore-side facilities as required in support of recreational fishing and pleasure boating in East Loch and to submit the proposal and a progress report to the Legislature twenty days prior to the convening of the Regular Session of 1976.

Your Committee finds that planning and coordination has already taken place between the Navy and representatives of the Department of Transportation to develop procedural methods and regulations for opening certain portions of Pearl Harbor to controlled public recreational boating, and that this Resolution will encourage further progress in this matter.

The Department of Transportation and the Department of Land and Natural Resources both supported the intent of this Resolution at a public hearing.

Your Committee concurs with the intent and purpose of S.R. No. 402 and recommends its adoption.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 1234 Economic Development on S.C.R. No. 146

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to reconsider the proposed relocation of the Bureau of Conveyances to the new State Office Building, now under construction, and to report its findings and recommendations to the Senate prior to the adjournment of this Regular Session.

The relocation of the Bureau of Conveyances would cause a physical separation of several blocks between the relocated Bureau of Conveyances, on the one hand, and the Land Court, Circuit Court and Tax Office on the other hand. Since all of these facilities, together with the Office of the Assistant Registrar of the Land Court, are commonly used together by attorneys and other members of the public who have occasion to use them, the removal of one of them to a location distant from the others would seriously inconvenience the users. Undoubtedly, it would also require additional time and costs in the completion of any title tracing and other tasks which require use of more than one of these offices.

Your Committee heard testimony that very little or no space will be available for the seven or more Title Companies in the new building, although each must have space available to search the records.

Your Committee on Economic Development is in accord with the intent and purpose of S.C.R. No. 146 and recommends its adoption.

Signed by all members of the Committee except Senator Toyofuku.

SCRep. 1235 Economic Development on S.R. No. 410

The purpose of this resolution is to request a joint review and study of the Milolii-Hoopuloa area, relevant to the present occupancy of state lands by relocatees and descendants of relocatees of the 1926 Milolii-Hoopuloa lava flow.

Your Committee finds that events subsequent to the 1926 volcanic eruption which necessitated relocation of various persons, including governmental participation in various actions and statements, have been allowed to continue without significant resolution of the problem. Therefore, the lands set aside for the use of some of the involved persons by an executive order which has since been rescinded, are still occupied by some of the affected persons, and no definitive resolution of the situation has been attempted, or, moreover, reached.

Your Committee finds that a joint state and county review and study of the status of various individuals with regard to the lands at Milolii-Hoopuloa will result in the final settlement of this problem, and that the study and review will provide sufficient information, findings, and recommendations for legislative review and consideration so that the matter may be resolved, after nearly fifty years of uncertainty.

The review and study should affirmatively seek the participation and input of the individuals affected, as well as their designated representatives, so that all possible perspective is available for analysis of the Milolii-Hoopuloa situation. The final disposition

of this long-standing problem is overdue, and your Committee feels that the review and study will lead to such final disposition.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 410 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1236 (Majority) Judiciary on H.B. No. 1498

The purpose of this bill is to allow a bank to establish a branch office at the Manoa campus of the University of Hawaii, despite the statutory limitations placed on the number of branches a bank may have in any one zone in the Honolulu district.

Presently, Section 403-53, Hawaii Revised Statutes, restricts banks from opening more than four branch banks in any of the three geographical zones in the Honolulu district. This bill would allow a bank to serve the Manoa campus of UH, without regard to this present limitation because of a pressing need for banking facilities on the campus. Because of this need, the Campus Center Board has inquired of all the local banks as to whether or not they would be able to establish a branch bank on the Manoa campus. However, because several of the banks have already established the limitation of four branch banks in the zone encompassing the Manoa campus, the choice of banks would be limited. The bill would allow for an exemption with regard to the Manoa campus because of the large number of students utilizing the campus.

The bill allows for an exemption only for the Manoa campus, and retains the limitation for the rest of the Honolulu district. Your Committee is in agreement with the House Committee on Consumer Protection and Commerce as stated in their Standing Committee Report No. 456.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1498, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee. Senators Kawasaki, F. Wong and George did not concur.

SCRep. 1237 Judiciary on H.B. No. 1571

The purpose of this bill is to further clarify and control the activities of persons exempt from the contractor licensing law, who build and improve structures for their own use or for the use of their parents or children.

Presently, Section 444-2, Hawaii Revised Statutes, exempts from the contracting laws, persons who undertake any operation for himself or his parents or children who is not constructed for immediate sale of a profit. The exemption is allowed if the person does not initiate the sale of property until after the date of completion as defined in Section 507-43, Hawaii Revised Statutes.

The wording of the present law allows for a major loophole, in that a person who builds and sells buildings for profit can be exempt from the contracting laws by waiting until the notice of completion is filed under Section 507-43, HRS, before initiating the sale of the property.

This bill would close this loophole by providing that the sale of the property within one year after completion of the improvement is evidence that improvement was undertaken for resale or lease, and thus not exempt from the contracting laws.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1571, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1238 Ways and Means on H.B. No. 7

The purpose of this bill is to appropriate moneys out of the general revenues of the State for the payment of certain claims for tax refunds, judgments and settlements, and other miscellaneous claims.

Your Committee has reviewed the claims set forth in this bill and agrees that payment of these individual claims should be authorized by the legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 7, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators King and Toyofuku.

SCRep. 1239 Health on S.R. No. 357

The purpose of this resolution is to request the Department of Health to reconsider its conservation standards in light of proposals of the Hawaii Environmental Simulation Laboratory and in consultation with the Environmental Center of the University of Hawaii.

Your Committee finds that Act 1974 (Session Laws of Hawaii, 1974) required that the Department of Health adopt conservation standards relating to the control of soil erosion and sedimentation by the counties, taking into account the character of bodies of water that might be affected by sedimentation.

The Environmental Center of the University of Hawaii, testifying at a public hearing on this resolution, stated that the Standards adopted by the Department of Health fall considerably short of what could and should have been adopted.

The Hawaii Environmental Simulation Laboratory has proposed a system for rating the severity of sedimentation effects, which takes into account the proposed means of sedimentation control, and which would permit the designation of a tolerable sedimentation hazard limit. The rating system takes into consideration such factors as rainfall, slope of the land, soil and vegetation and indicates the degree of control and/or treatment necessary to meet the permissible impact level.

The Department of Health, in testifying on the Resolution, indicated that it is already in consultation with the Hawaii Environmental Simulation Laboratory concerning these standards and that it is in accord with the intent of the Resolution.

Your Committee on Health concurs with the intent and purpose of S.R. No. 357 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1240 Housing and Hawaiian Homes on S.R. No. 426

The purpose of this resolution is to formally declare the reaffirmation of the findings and declaration of necessity of Act 307, S.L.H. 1967, the Land Reform Act of 1967, by the Senate of the State of Hawaii, Regular Session of 1975, and to direct the expeditious implementation of Act 307, S.L.H. 1967.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 426 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1241 Ways and Means on H.B. No. 856

The purpose of this bill is to amend section 248-2, Hawaii Revised Statutes, to provide for the determination of real property tax rates by "category", rather than "classes" of property, and to allow the computation of the tax rate to the nearest cent.

Your Committee was informed by the State Department of Taxation that prior to 1969, land was grouped into one of the following classes for assessment purposes: (1) residential; (2) hotel/apartment/resort; (3) commercial; (4) industrial; (5) agricultural; and (6) conservation. Properties in all of these classes except the last two were subject to differential tax rates; the rates on the land were higher than those for buildings. The reason for this was to encourage the development of vacant and under-developed lands. However, this law created some inequities within the residential class. It was found that less expensive homes were subjected to proportionately higher taxes than the more expensive homes. To correct this inequity in 1969 the Legislature enacted Act 218 which divided residential lands into two classes--improved residential and unimproved residential. The improved residential class was then categorized with the agricultural and conservation properties and subjected to a single tax rate for land and buildings. At the same time, the unimproved residential class was categorized with the hotel/apartment/resort class. The intent was to continue to have these properties subjected to differential rates so as to encourage their development.

However, due to an oversight, the law was not amended to provide for the computation of tax rates by categories. As a result, unimproved residential properties are, in some cases, subject to lower tax rates than they would have been if they were classed with the other residential properties. This bill thus is to further correct the language in section 248-2 to compute the tax rates by "categories" rather than by "classes".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 856 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1242 Ecology, Environment and Recreation on H.C.R. No. 49

The purpose of this Concurrent Resolution is to request the Governor's Office to direct the Office of Environmental Quality Control, with the aid of a task force, to prepare and submit to the next session of the Legislature a recommended organizational structure to effect resource recovery from solid wastes in the State.

Your Committee finds that Act 112, Session Laws of Hawaii, 1971 appropriated \$100,000 for a feasibility study of a major systems recycling program for the State's natural resources and solid wastes. Unexpended funds from this Act could be used for purposes of this Concurrent Resolution. Your Committee further finds that Act 247, The State Environmental Policy Act, Session Laws of Hawaii, 1974, states that it is the policy of the State to promote the recycling of waste water and solid wastes.

Recycling of solid wastes conserves energy and natural resources and is a sound economic course for the State to follow.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 49 and recommends its referral to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 1243 Ecology, Environment and Recreation on H.C.R. No. 127

The purpose of this Concurrent Resolution is to give full Legislative support to the preservation and expansion of diversified agriculture in Waiahole-Waikane along with the long-term leasing of land to farmers and residents of Waiahole-Waikane and to request appropriate State agencies to take immediate steps to assist in the expansion of agriculture in Waiahole-Waikane Valleys.

Your Committee finds that as the earth's food supply becomes increasingly more limited, agriculture will play an ever more important part in our lives. One of the State's first priorities should be to preserve land which is now in diversified agriculture. The farmers and residents of the Waiahole-Waikane Valleys produce over 80% of the sweet potatoes, 30% of the papayas, and 15% of the bananas grown on Oahu.

Although the State Land Use Commission has seen fit to preserve the agricultural zoning in Waiahole-Waikane, the uncertain tenure of month-to-month leasing has prevented farms from obtaining loans to develop the agricultural potential of Waiahole-Waikane, and has restricted the initiative of farmers to make the land more productive. Legislative support for the preservation and expansion of diversified agriculture in these valleys would help alleviate these problems.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 127 and recommends that it be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 1244 Ways and Means on H.B. No. 24

The purpose of this bill is to amend the Hawaii Revised Statutes so as to allow the State of Hawaii to participate in the State Student Incentive Grant Program and make an appropriation for the program; amend the Hawaii Revised Statutes to allow the University of Hawaii to concurrently register a State Scholarship holder at two or more campuses without having to make use of two scholarship units; allow the University to set up other rules and regulations as may be required to administer the scholarship program; and to make an appropriation for the College Work-Study Program.

Your Committee on Ways and Means has amended this bill by deleting the appropriation sections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 24, H.D. 2, as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 24, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senators Young and Rohlfling.

SCRep. 1245 Ways and Means on H.B. No. 62

The purpose of this bill is to improve the coordination and delivery of programs and services to the elderly in Hawaii at both the State and county levels. Interim and pre-session work conducted by the Legislature clearly established the fact that much of the dissatisfaction and problems associated with the current delivery of programs and services to the elderly were attributable to the fragmented fashion in which projects have been established, funded and operated. This finding was confirmed by Gordon Associates, Inc., who in their report "Comprehensive Master Plan for the Elderly," December 15, 1974, noted that "the examination of current service delivery capabilities in Hawaii for service programs for the elderly presents a picture of a system operating in contradiction to itself. In the jargon of the analyst, there is no comprehensive, coordinated, and integrated delivery system for the elderly. There are a number of competing public agencies that have more finite managerial control over the development and implementation of service programs that impact on the elderly than either the commission on aging or local area agencies despite the latter's mandate for informal clearance and review of all elderly program matters. This condition deprives the State of any effective administrative and planning function that could effectively integrate service delivery functions."

The goal of strengthening programs and services for the elderly can be markedly enhanced by establishing an executive office on aging within the office of the governor and making the director of the executive office on aging the principal official in state government solely responsible for the conduct, development, and control of programs, policies, and activities on behalf of the elderly. The proposed bill (1) provides the director with a deputy director and other support staff; (2) creates a policy advisory board appointed by the governor, a majority of whom are over sixty years of age to assist the director in policy deliberations; (3) creates county offices for elderly affairs and county policy councils for elderly affairs; and (4) abolishes the existing commission on aging.

Your Committee on Ways and Means has amended the bill by deleting the appropriation sections and renumbered the section affected by the deletion.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 62, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the amended form attached hereto as H.B. No. 62, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Young and Rohlfling.

SCRep. 1246 Ways and Means on H.B. No. 83

The purpose of this bill is to improve the coordination and development of the state agriculture programs by creating a position of assistant to the governor for agriculture in the office of the governor and including in the agricultural coordinating committee, two persons from the public.

Inasmuch as the funds have been provided for in the budget, your Committee has deleted the appropriation clause in the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 83, H.D. 1, S.D. 1, as amended herein and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 83, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Hara, Young and Rohlfling.

SCRep. 1247 Ways and Means on H.B. No. 100

The purpose of this bill is to provide a mechanism by which the State can work with the visitor industry in coordinating and implementing policies to achieve desired goals and objectives by establishing an office of tourism headed by a single director appointed

by the Governor.

Your Committee notes that the visitor industry is a major component of the economic base of our State and makes a significant contribution to income and employment within our community. Over the past ten years, tourism has replaced agriculture as the State's number one industry. Thus, your Committee feels that we are entering a period when the need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and segments of the industry. Your Committee feels that this bill is aptly addressed to this issue.

Your Committee feels that the growth of the visitor industry must take into consideration not only the needs of the community, but the ability of the public sector to provide these necessary services. Your Committee strongly believes that there is a special need for the State government to take a more active role to require integration of both public and private sectors of the visitor industry and to set directions and standards to preserve our unique quality of life in Hawaii.

Your Committee is cognizant of the many problems related to the visitor industry which have been dealt with in the past on an "ad hoc" basis. Specifically, your Committee notes the recent overbooking problems in hotels in Waikiki which create detrimental publicity to the industry as well as alienate prospective visitors to Hawaii. Also, your Committee is alarmed at the recent increase in the number of tourists who are victims of crime in Waikiki. This is a problem which needs immediate attention. Furthermore, there is the problem of congestion of tour buses and cars in Waikiki, as well as the lack of overall planning which is manifested in the overburdened sewers and electric facilities of the area. The areas of foreign ownership and the question of the training and counseling of visitor industry employees are also subjects which could be explored. Your Committee strongly feels that a director is needed to coordinate and review the overall or "big picture" of the tourism industry to lend a new and enlightened perspective to the many challenges at hand. Thus, your Committee finds that it has more questions than answers; it fervently hopes that the new tourism coordinator will be able to come up with some new and viable alternatives and that it will provide the industry with a more comprehensive and coordinated basis for direction.

In the Senate Companion Bill, your Committee adopted several recommendations that it heard in testimony given at its public hearing. Your Committee assigned the Office of tourism to be administratively attached to the Department of Planning and Economic Development. Your Committee feels that there are several advantages to be gained by assigning this function to the Department of Planning and Economic Development because it places long range policy development for tourism together with the agency that is responsible for over-all state planning. Your Committee feels that this is a prudent move since this agency is most familiar with the Hawaii Visitor Bureau's operations and is cognizant of the numerous problems in the tourist industry. Your Committee is in accord with House Bill No. 100, H.D. 1 in this respect. However, your Committee has made amendments in other areas.

Your Committee has changed the function of the visitor industry council and has changed the number of council members to eleven. The council will be composed of the Department of Planning and Economic Development Director, the Tourism Coordinator, and three members each from the public sector, the tourist industry, and organized labor. These members will be appointed by the Governor for terms of four years subject to confirmation by the Senate. Your Committee is in accord with the functions of the Council, as enumerated in the bill, but has amended the language for purposes of clarification.

Your Committee has further amended the bill by deleting the appropriation of \$100,000 since the funds have already been provided for in the budget.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 100, H.D. 1, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Young and Rohlfling.

SCRep. 1248 Ways and Means on H.B. No. 152

The purpose of this bill is to amend the Workmen's Compensation Law to cover domestic workers.

The definition of "employee" in Chapter 386 presently does not include an individual whose "employment is solely for personal, family or household purposes". This serves to exclude domestic workers such as gardeners, maids, chauffers, and valets from coverage

under the law. Thus a sizeable number of workers has been left without protection against wage loss from work-related injuries and disabilities.

This bill proposes to amend the definition of "employee" so that an individual employed "solely for personal, family, or household purposes" would be included within the meaning of the term and be afforded coverage and protection under the Workmen's Compensation Law.

Your Committee agrees that domestic workers should be covered under the law as they are exposed to the risk of injury and wage loss from work-related causes like all other workers.

Your Committee has amended the bill to limit the law's coverage of domestic workers only to those who are paid \$225 or more in cash during any calendar quarter from a single household. Your Committee concurs with the House version of this bill (H.B. No. 152, H.D. 2) that the limit should be set at \$225, instead of \$50.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 152, H.D. 2, S.D. 1 as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 152, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Rohlfling.

SCRep. 1249 Ways and Means on H.B. No. 1886

The purpose of this bill is to raise the number of exempt employees within the Office of the Lieutenant Governor.

Your Committee finds that since 1967, the demands made upon the Office of the Lieutenant Governor have increased and, the provision of "six" exempt employees have restricted the office from seeking and hiring employees beyond that number even if proper justification for more employees can be established. The additional positions authorized by this bill will help alleviate this problem. Your Committee has amended this bill to reflect this increase to "ten".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1886, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1886, S.D. 2.

Signed by all members of the Committee except Senator Young.

SCRep. 1250 Ways and Means on H.B. No. 639

The purpose of this bill is to appropriate the sum of \$109,678 for the fiscal biennium 1975-77 to ensure the continuing availability of needed services for the retarded currently rendered by the Hilo Day Activity Center for the Adult Retarded by having the State assume its ownership, and incorporating its administration and operation into the State Department of Health's community program.

Your Committee has amended this bill by removing the appropriation sections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 639, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Young and Rohlfling.

SCRep. 1251 Judiciary on Gov. Msg. No. 195

Recommending that the Senate advise and consent to the nomination of JOSEPH G. WILLIAMS, to the Cemetery Board, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 1252 Judiciary on Gov. Msg. No. 196

Recommending that the Senate advise and consent to the nomination of ALICE K. HAHN, to the Cemetery Board, term to expire December 31, 1978.

Signed by all members of the Committee.

SCRep. 1253 Judiciary on Gov. Msg. No. 254

Recommending that the Senate advise and consent to the nomination of R. GREGG HALL, to the Cemetery Board, term to expire December 31, 1977.

Signed by all members of the Committee.

SCRep. 1254 Judiciary on Gov. Msg. No. 359

Recommending that the Senate advise and consent to the nomination of JOHN R. WHEAT, JR., to the Board of Acupuncture, term to expire December 31, 1976.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 1255 Legislative Management

Informing the Senate that S.C.R. Nos. 151 and 152, S.R. Nos. 436 to 444, Conf. Com. Rep. Nos. 17 to 36 and Stand. Com. Rep. Nos. 1239 to 1254 and 1256 to 1270 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 1256 Judiciary on S.C.R. No. 128

The purpose of this concurrent resolution is to request an interim study of the proposals and recommendations relating to the Office of Consumer Protection, which were submitted to the legislature by the Legislative Reference Bureau pursuant to Senate Resolution 233(1974).

An interim committee, composed of members of the respective committees on Consumer Protection, is to consider the proposals and develop a specific course of action, including legislation to implement them.

Your Committee on Judiciary has amended this concurrent resolution to provide that the President also appoint members of the Senate Committee on Judiciary to sit on the interim committee, since many of the regulatory functions of our state government come under the purview of that committee.

Your Committee on Judiciary is in accord with the intent and purpose of this concurrent resolution, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.C.R. No. 128, S.D. 1.

Signed by all members of the Committee.

SCRep. 1257 Judiciary on S.R. No. 101

The purpose of S.R. 101 was to have your Committee on Judiciary study and review the Hawaii Correctional Master Plan (CMP) and any other applicable statutory provisions with a view to determining conformance of the plan and present statutes with the regulations of the Law Enforcement Assistance Administration (LEAA), United States Department of Justice, and the civil and procedural rights of defendants, convicted citizens, prisoners and parolees.

Your Committee on Judiciary studied and reviewed the CMP and found that it was developed in conformance with LEAA regulations and with an awareness of the civil and procedural rights of defendants, convicted citizens, prisoners and parolees.

Your Committee also studied the basic philosophy underlying the CMP and ascertained that its rationale is the development of a network system whereby an ever increasing number of criminal offenders can be rehabilitated by systematic placement into a range of diversionary, community-based treatment programs. However, at the same time, the CMP provides for the continued safekeeping of those predatory and seriously dangerous individuals who require prolonged incarceration for their rehabilitation and the protection and safety of the public.

Your Committee is in accord with the stated philosophy of the CMP which is in keeping with correctional principles and concepts developed by the National Advisory Commission on Criminal Justice Standards and Goals and accordingly recommends the following:

a. The approval of \$10,734,748 to provide continued funding for the implementation of the CMP as indicated in Attachment "A" hereto since (1) State funding is necessary

to match federal funding by LEAA, and (2) construction of program facilities such as the ISC/CCC is necessary for the optimum development of an integrated network system to provide rehabilitation treatment services to criminal offenders.

b. The continued and further immediate development and implementation of community-based treatment programs, both residential and nonresidential, as viable alternatives to incarceration. The State Law Enforcement and Juvenile Delinquency Planning Agency (SLEPA), consistent with the CMP, is currently funding correctional treatment programs, both institutional and communitybased, such as the John Howard Association's Liliha Halfway House, and is a resource for the funding of other desirable and immediately necessary community-based treatment programs. However, upon the appointment of the Intake Service Center Advisory Board by the Governor as authorized by Act 179, S.L.H. 1973, the responsibility for the development and implementation of community-based programs and alternatives should vest in the Intake Service Center (ISC).

c. The proposed construction and remodelling at Halawa Jail should proceed simultaneously with construction of the Oahu ISC/CCC to assure the availability of Halawa Jail as a high security facility to provide residential treatment services for, and separation of, the high risk, predatory and dangerous criminal offenders.

d. The CMP design plans and its phased construction should contain flexibility to allow modification of current facility design as needed to accommodate desirable and needed correctional treatment programs.

e. The establishment of a Joint Interim Committee of the Legislature to oversee the implementation of the CMP and its varied activities such as, among others, the refinement of program components, the development of manpower training programs and the formation of new administrative structures.

The subject Joint Committee can play an important role in bringing together the diverse groups which will be affected by implementation of the CMP. Additionally, the establishment of a Joint Committee would enable members of the State Legislature to keep informed of developments in the implementation of the various phases of the CMP.

Your Committee has amended S.R. No. 101 to provide for the establishment of a Joint Interim Committee.

Your Committee has attached as Exhibit A, an excerpt from the February 1975 issue of the American Bar Association Journal which briefly outlines operation of the correctional master plan.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 101, as amended herein, and recommends that S.R. No. 101, S.D. 1, attached hereto be adopted.

Signed by all members of the Committee.

SCRep. 1258 Judiciary on S.R. No. 330

The purpose of this resolution is to affirm legislative support of the actions taken by the Governor's Task Force on the Hawaii State Prison.

Your Committee finds that the conditions existing in the State prison facility were intolerable as evidenced by the 86 incidents of misconduct involving violence and 38 incidents involving fatality or serious injury between the years 1965 and 1974. There has been a steady trafficking of guns, knives, drugs and other contraband in this period. The end result of these conditions is a weakening of the moral of prison employees and inmates.

The task force was formed on December 20, 1974, to investigate the possible explosive situation and make recommendations for prompt, effective solutions. The actions taken by the task force included takeover by the national guard in a search which uncovered firearms, knives, drugs and other contraband. This is just the initial step in developing a program which will make the State prison a secure, safe and rehabilitative facility.

Your Committee further finds that the task force deserves and requires the full support of the community for their efforts.

Your Committee has amended this resolution by deleting wording which may reflect on certain individuals in a derogatory manner.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 330, as amended herein as S.R. No. 330, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1259 Judiciary on H.C.R. No. 124

The purpose of this concurrent resolution is to request the formation of an advisory panel to review procedures, rules and guidelines relating to prison terms.

There are problems concerning prisoner discipline and morale and a strong contributing factor to the prisoners' lack of discipline is related to a lack of definite procedures and guidelines relating to paroles. The panel will review, investigate and develop procedures, rules and guidelines for determining the minimum term of imprisonment, the manner and frequency of review of sentencing, prisoners' rights to counsel and to due process of law under Chapter 91 of the Hawaii Revised Statutes. The panel will report their findings and recommendations to the Governor, the Legislature, the Courts, and the Board of Pardons and Paroles no later than 30 days prior to the beginning of the next Legislative Session.

Your Committee on Judiciary is in accord with the intent and purpose of H.C.R. No. 124 and recommends its adoption.

Signed by all members of the Committee except Senators Ching, Takitani and F. Wong.

SCRep. 1260 Education on S.C.R. No. 5

The purpose of this concurrent resolution is to request that the Hawaii State Teachers Association, the Hawaii Government Employees Association, and other teacher organizations and the Department of Education develop an evaluation program for both teachers and educational officers.

The purposes of the amendments to the concurrent resolution are to request that the named agencies report their findings to the legislature twenty days prior to the convening of the Regular Session of 1976 and to include by name the Hawaii Government Employees Association, bargaining agent for educational officers.

Your Committee is reminded that over the last several years the need for an effective evaluation program for teachers and educational officers has been stated by different agencies and in different contexts. The Hawaii Revised Statutes, the DOE/HSTA collective bargaining agreement, the Jacobs report of 1969, the Management Audit of the Department of Education conducted by the Office of the Legislative Auditor all contain references to the need for such an evaluation process.

Your Committee believes that in the interests of pursuing an ever-improving public school system, it has a responsibility to request of the responsible agencies that they honor their commitment to provide both the necessary evaluation instrument and process.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 5, S.D. 1.

Signed by all members of the Committee.

SCRep. 1261 Economic Development on S.R. No. 401

The purpose of this Resolution is to request the Department of Planning and Economic Development to conduct a consumer education program promoting shark as a seafood.

Your Committee on Economic Development is in accord with the intent and purpose of S.R. No. 401 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1262 Economic Development on H.C.R. No. 93

The purpose of this Concurrent Resolution is to request the Department of Agriculture to study the possibility and feasibility of using grade B papayas in more productive ways.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 93 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1263 Economic Development on H.C.R. No. 112

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to identify all public lands lacking public access and to submit an inventory of such lands, along with recommendations for access routes, to the legislature twenty days prior to the convening of the regular session of 1976.

Your Committee finds the intent of the Resolution to be commendable. The Department of Land and Natural Resources has testified that they can proceed quickly in identifying land-locked public lands.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 112 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1264 Human Resources on H.C.R. No. 63

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a management audit of the Progressive Neighborhoods Program and its various component subprograms in order to determine how the organizational and management processes can be improved to promote the achievement of program objectives.

Your Committee on Human Resources found that there is considerable community support for the Progressive Neighborhoods Program and relatively responsive to the needs of the local areas it serves. The Progressive Neighborhoods Program has employed bolder methods of human services delivery in order to alleviate inter-related economic, health, social, and physical problems. It has tested the integrated inter-agency approach, which, if properly organized and implemented, has potential applicability to other multiple problem services.

However, there is a lack of substantial evaluative data, an imperative for demonstration projects since there is an implicit assumption that such projects will be spun off if their utility is proven. Goals, objectives, and management practices also need to be refined in order to accomplish this in an efficient and effective manner. Concentrated planning for the future directions for social services delivery needs to be initiated; systematic organizational alternatives need to be explored for projects, such as Quick Kokua, that do not fit into the existing State agency structure. Concurrently, the internal organizational structure of the Progressive Neighborhoods Program needs to be more clearly defined in order to preclude role, responsibility, and agency relationship confusion.

Your Committee believes that the findings of a management audit will enable the Progressive Neighborhoods Program to realize more fully its potential.

Your Committee on Human Resources concurs with the intent of H.C.R. No. 63 and that it be referred to your Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1265 Higher Education on S.R. No. 333

The purpose of this resolution is to request that the University of Hawaii College of Tropical Agriculture study and make recommendations for chemical soil treatment and above ground chemical treatment for the control of *Coptotermes Formosanus* in a manner which complies with Federal regulations, and to implement educational programs to provide training and support of pest control operators in Hawaii.

Your Committee recognizes the magnitude of the problem of damage done by termites and feels that it is in the best public interest that the State of Hawaii take an active role in terms of research and education.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 333 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1266 Consumer Protection on S.R. No. 427

The purpose of this resolution is to request the Director of Regulatory Agencies to conduct a comprehensive examination of the operations of the HMSA and to review existing laws relating directly or indirectly to prepaid health care services.

The HMSA, which does not require the approval of the Director of Regulatory Agencies, as Insurance Commissioner, to raise rates, has recently proposed a 35% rate increase for the Hawaii Public Employee Health Fund.

Your Committee held a public hearing and received testimony to the effect that the Kaiser Foundation Health Plan, and the Hawaii Dental Service are also involved with the health care plans of public employees and enjoy the same tax exempt status as the HMSA. Their rates and rate-making procedures are also not subject to approval.

Your Committee amended the resolution, including its title, to request the Director of Regulatory Agencies to examine the rates and rate-making procedures of these organizations.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 427, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 427, S.D. 1.

Signed by all members of the Committee.

SCRep. 1267 Ecology, Environment and Recreation on S.R. No. 430

The purpose of this Resolution is to request the United States Postal Service to consider issuance of a postage stamp depicting the Polynesian Voyaging Society's canoe to commemorate the Bicentennial and to request the Postal Service to consider the designation of one or more post offices in Hawaii as the sites for the first day issuance of the commemorative stamp.

Your Committee finds that the Polynesian Voyaging Society is undertaking an expedition, which has been recognized by the Hawaii Bicentennial Commission, and which is unique in the history of American navigation. A trained and seasoned volunteer crew of twenty-four men and women will sail a 60-foot double-hulled Polynesian canoe from Hawaii to the Society Islands and back. This canoe will be constructed in the same manner as the large oceangoing vessels which brought the first Hawaiians to these islands and which were for many centuries the fundamental mode of transportation for Polynesians.

Without the aid of navigational instruments the crew will chart the 2,400 mile distance between Hawaii and Tahiti by the stars, just as the original voyagers did. When no stars are visible the navigators will hold their course bearing at a constant angle to a dominant swell.

Provisions will be limited to taro, hard poi, sweet potato, dried banana, coconut, pandanus flour, dried fish and other foodstuffs which have been documented as part of the daily lives of the early Polynesians. Fishing will supplement the food supply.

Your Committee on Ecology, Environment and Recreation feels that this project will contribute substantially to our knowledge about the way in which the Polynesians first journeyed from the South Pacific to these islands in about 750 A.D.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of this Resolution and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1268 Ecology, Environment and Recreation on H.C.R. No. 47

The purpose of this Concurrent Resolution is to recommend immediate implementation of a Diamond Head Crater State Park, to include all State lands within the Crater as well as its exterior slopes.

Your Committee finds that Act 249, Session Laws of 1965, designated Diamond Head as a State Monument, and the United States Department of the Interior in 1968 declared it a registered National Natural Landmark.

Your Committee feels that Diamond Head is an area of great historic, cultural, and geographical value to the State, and since this large area within the crater is one of the

last open spaces within urban Honolulu, this open space area should be preserved and the crater open to the public for park, recreational, historic and cultural use.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 47, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1269 Ecology, Environment and Recreation on H.C.R. No. 69

The purpose of this Concurrent Resolution is to request that the State, through the Department of Land and Natural Resources, enter into a contractual arrangement with the Friends of Iolani Palace, for the care and administration of the Iolani Palace complex; that it be essentially self-supporting and self-sustaining; and that the Department of Land and Natural Resources report its action regarding the disposition of the Iolani Palace complex prior to the convening of the Regular Session of 1976.

Your Committee finds that the Friends of Iolani Palace, a non-profit, eleemosynary organization founded in 1966, is a highly motivated organization, with experience in administering various phases of the restoration of the complex. Your Committee feels that they would administer the Palace not only prudently and efficiently but with sensitivity.

Your Committee is concerned, however, that if admission fees are levied, residents of the State might be limited in their opportunity to visit the Palace. It is therefore the desire of this Committee that the Friends of Iolani Palace provide opportunities for State residents to visit the Palace on a free admission basis.

In testifying at a public hearing on this Concurrent Resolution the Friends of Iolani Palace indicated that there would be free admission for students up through high school throughout the school year, and that they are planning for special visiting hours for residents of Hawaii one Sunday a month initially. In addition they testified that there will be a variety of activities, concerts, fetes and other events of particular interest to Hawaiians, as well as evening concerts free to the public.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of this Concurrent Resolution and recommends its adoption.

Signed by all members of the Committee except Senators Hulten and Ching.

SCRep. 1270 (Majority) Ecology, Environment and Recreation on H.C.R. No. 141

The purpose of this Concurrent Resolution is to request the Hawaii Bicentennial Commission to coordinate efforts to develop flags for the islands of Kauai, Niihau, Oahu, Molokai, Lanai, Kahoolawe, Maui and Hawaii. The commission is requested to emphasize widespread public participation, particularly encouraging the efforts of its various island committees, groups of Hawaiian peoples, school children, artists and senior citizens to develop suitable island flags for display during the 1976 and 1978 Bicentennial celebrations.

Your Committee finds that as each of these islands has its own historical tradition and each differs from the others in natural features. The process of developing flags could help citizens of each island examine the history and culture of their own islands.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 141 and recommends its adoption.

Signed by all members of the Committee.
Senators Hulten and Ching did not concur.

SCRep. 1271 Economic Development on S.C.R. No. 150

The purpose of this concurrent resolution is to provide a mechanism by which the State can work with the visitor industry in coordinating and implementing policies to achieve desired goals and objectives by establishing an office of tourism headed by a single director appointed by the Governor.

Your Committee notes that the visitor industry is a major component of the economic base of our State and makes a significant contribution to income and employment within our community. Over the past ten years, tourism has replaced agriculture as the State's number one industry. Thus, your Committee feels that we are entering a period

when the need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and segments of the industry. Your Committee feels that this concurrent resolution is aptly addressed to this issue.

Your Committee feels that the growth of the visitor industry must take into consideration not only the needs of the community, but the ability of the public sector to provide these necessary services. Your Committee strongly believes that there is a special need for the State government to take a more active role to require integration of both public and private sectors of the visitor industry and to set directions and standards to preserve our unique quality of life in Hawaii.

Your Committee notes that the concurrent resolution specifically encourages the development of educational, training and counseling programs in tourism. On Oahu, for example, there already exists a training program for tour bus drivers covering the history and Hawaiiana of the area. Your Committee feels that this is a most worthwhile venture and would like to see similar programs established on the Neighbor Islands to aid in the promotion of tourism and the aloha spirit.

Your Committee is cognizant of the many problems related to the visitor industry which have been dealt with in the past on an "ad hoc" basis. Specifically, your Committee notes the recent overbooking problems in hotels in Waikiki which create detrimental publicity to the industry as well as alienate prospective visitors to Hawaii. Also, your Committee is alarmed at the recent increase in the number of tourists who are victims of crime in Waikiki. This is a problem which needs immediate attention. Furthermore, there is the problem of congestion of tour buses and cars in Waikiki, as well as the lack of overall planning which is manifested in the overburdened sewers and electric facilities of the area. The areas of foreign ownership and the question of the training and counseling of visitor industry employees are also subjects which could be explored. Your Committee strongly feels that a director is needed to coordinate and review the overall or "big picture" of the tourism industry to lend a new and enlightened perspective to the many challenges at hand. Thus, your Committee finds that it has more questions than answers; it fervently hopes that the new office of tourism will be able to come up with some new and viable alternatives and that it will provide the industry with a more comprehensive and coordinated basis for direction.

Your Committee on Economic Development is in accord with the intent and purpose of S.C.R. No. 150 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1272 Economic Development on H.C.R. No. 54

The purpose of this concurrent resolution is to request the President of the United States to support Senator Daniel Inouye's bill, S. 116, providing for the return of Kahoolawe to Hawaii.

Kahoolawe is located near populated areas on the island of Maui, and the people of Maui have long endured the effects of the aerial and shore bombardment. It is rapidly being rendered unfit for human or animal habitation, which is a vast waste of resources in a state where land is at a premium.

Your Committee feels that Kahoolawe has a potential for development as a resort area with its scenic beaches, valleys, cliffs and ravines.

Your Committee on Economic Development, concurs with the intent and purpose of H.C.R. No. 54 and recommends its adoption.

Signed by all members of the Committee except Senators Toyofuku, Yamasaki, Yim and Rohlfing.

SCRep. 1273 Economic Development on H.C.R. No. 60

The purpose of this concurrent resolution is to request the Hawaii State congressional delegation to support the passage of a sugar act.

After carefully studying the matter contained in this resolution, your Committee has found that the erratic price fluctuations of sugar in recent months was partly due to the failure of foreign sugar producers to supply the usual amount of sugar to the United States market. This failure resulted from the expiration of the U.S. Sugar Act of 1948, as amended in 1971, which established quotas for foreign sugar producers.

By adopting a Sugar Act, Congress would help stabilize prices to the consumer and returns to the producers. Moreover, such an act would encourage the further development of the sugar industry in Hawaii, a major contributor to Hawaii's economy in 1974.

Your Committee on Economic Development concurs with the intent and purpose of House Concurrent Resolution No. 60 and recommends its adoption.

Signed by all members of the Committee except Senator Toyofuku.

SCRep. 1274 Economic Development on H.C.R. No. 105

The purpose of this concurrent resolution is to request hearings and the release of 1,324 acres of ceded land to the State.

The Department of the Army advised the Armed Services Committees of the Congress on June 28, 1974 of its plans to dispose of 1,324 acres of ceded land in Disposal Report No. 495. However, due to a lengthy agenda and the reluctance of the Chairman to consider any FRESH projects, Disposal Report No. 495 was not taken up.

Your Committee on Economic Development is in accord with the intent and purpose of H.C.R. No. 105, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senators Toyofuku, Yamasaki, Yim and Rohlfing.

SCRep. 1275 Economic Development on S.C.R. No. 104

The purpose of this Concurrent Resolution is to request that the Hawaii Congressional Delegation ascertain and advise the legislature of the nature and status of actions by the federal government relating to release of unused federal lands on Oahu.

Your Committee concurs with the intent and purpose of S.C.R. No. 104 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1276 Economic Development on S.R. No. 435

The purpose of this resolution is to provide a mechanism by which the State can work with the visitor industry in coordinating and implementing policies to achieve desired goals and objectives by establishing an office of tourism headed by a single director appointed by the Governor.

Your Committee notes that the visitor industry is a major component of the economic base of our State and makes a significant contribution to income and employment within our community. Over the past ten years, tourism has replaced agriculture as the State's number one industry. Thus, your Committee feels that we are entering a period when the need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and segments of the industry. Your Committee feels that this resolution is aptly addressed to this issue.

Your Committee feels that the growth of the visitor industry must take into consideration not only the needs of the community, but the ability of the public sector to provide these necessary services. Your Committee strongly believes that there is a special need for the State government to take a more active role to require integration of both public and private sectors of the visitor industry and to set directions and standards to preserve our unique quality of life in Hawaii.

Your Committee notes that the resolution specifically encourages the development of educational, training and counseling programs in tourism. On Oahu, for example, there already exists a training program for tour bus drivers covering the history and Hawaiiana of the area. Your Committee feels that this is a most worthwhile venture and would like to see similar programs established on the Neighbor Islands to aid in the promotion of tourism and the aloha spirit.

Your Committee is cognizant of the many problems related to the visitor industry which have been dealt with in the past on an "ad hoc" basis. Specifically, your Committee notes the recent overbooking problems in hotels in Waikiki which create detrimental publicity to the industry as well as alienate prospective visitors to Hawaii. Also, your Committee is alarmed at the recent increase in the number of tourists who are victims of crime in Waikiki. This is a problem which needs immediate attention. Furthermore,

there is the problem of congestion of tour buses and cars in Waikiki, as well as the lack of overall planning which is manifested in the overburdened sewers and electric facilities of the area. The areas of foreign ownership and the question of the training and counseling of visitor industry employees are also subjects which could be explored. Your Committee strongly feels that a director is needed to coordinate and review the overall or "big picture" of the tourism industry to lend a new and enlightened perspective to the many challenges at hand. Thus, your Committee finds that it has more questions than answers; it fervently hopes that the new office of tourism will be able to come up with some new and viable alternatives and that it will provide the industry with a more comprehensive and coordinated basis for direction.

Your Committee on Economic Development is in accord with the intent and purpose of S.R. No. 435 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1277 Higher Education on S.R. No. 438

The purpose of this resolution is to request the Board of Regents to consider appointing one of its members to participate in the decision making process of the Medical School and the Law School.

Your Committee has found that the operations, policies and procedures of both the Medical School and the Law School of the University of Hawaii have been of continuous and ardent concern during the course of this session.

Your Committee feels that, because both of these professional schools are relatively new, the Board of Regents should play a more active role in monitoring these programs.

Your Committee on Higher Education is in accord with the intent and purpose of S.R. No. 438 and recommends its adoption.

Signed by all members of the Committee except Senators Chong, King and Yee.

SCRep. 1278 Judiciary on S.R. No. 399

The purpose of this resolution is to request the Real Estate Commission to continue its review of problems relating to the Horizontal Property Regimes law, and to enact necessary rules and regulations and to recommend corrective legislation.

Your Committee believes that such a review is necessary, particularly relating to such areas as conflicts of interest of condominium association board members, solicitation of proxies, initial maintenance fee proposals to be certified in public reports, and guidelines for incremental development.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 399 and recommends its adoption.

Signed by all members of the Committee except Senators Takitani and George.

SCRep. 1279 Judiciary on H.C.R. No. 139

The purpose of this concurrent resolution is to request a study of the "time sharing" concept of condominium ownership.

Attempts have been made to give legal recognition to the "time sharing" ownership of condominiums through the introduction of legislation during the Seventh and Eighth Legislatures. Under this type of ownership, a number of persons may own a single condominium unit during different periods of time. For example, one owner may have ownership of a unit for six months of a year, another for two and another for the remaining four months.

Concern has been expressed by members of the Legislature as well as the public as to the economic impact of "time sharing" on the hotel industry, the construction industry, on State taxes, and State administrative costs. Various methods of "time sharing" or "vacation ownership" based on the concept of time period use of apartments are being conceived and marketed at present in the absence of any laws or regulations to protect the consumer.

Your Committee finds that a study is needed to determine the impact of "time sharing" and the need for regulation of "time sharing" ownership of condominiums, such study

to be conducted by the Real Estate Commission.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 139, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senators Hara, Kawasaki, Taira, Takitani and George.

SCRep. 1280 Consumer Protection on S.R. No. 109

The purpose of this resolution is to request your Committee to conduct a detailed and comprehensive study and analysis of the Uniform Consumer Credit Code during the 1975 session.

As stated in the resolution, the Uniform Consumer Credit Code is a measure which consolidates and revises laws relating to the entire spectrum of consumer credit.

Your Committee finds that the comprehensive nature of the Code warrants complete and thorough consideration and therefore the resolution was amended to request an interim study. Your Committee will report its findings and recommend whether the Code should be adopted before the start of the Regular Session of 1976.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 109, S.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Leopold.

SCRep. 1281 Health on S.R. No. 447

The purpose of this resolution is to request the Senate Committee on Health together with the House Committee on Health to monitor the implementation of H.B. 999, H.D. 1, S.D. 1, C.D. 1.

Your Committee finds that PL 93-641, a significant and far-reaching health legislation enacted by the 93rd Congress, requires complex and detailed procedures in the establishment of new health planning agencies. H.B. No. 999, H.D. 1, S.D. 1, C.D. 1 is the enabling legislation to meet the requirements of PL 93-641.

Your Committee further finds that it is necessary for the Senate Committee on Health and the House Committee on Health to jointly conduct an interim monitoring of H.B. No. 999, H.D. 1, S.D. 1, C.D. 1 and, if necessary, prepare proposals of modification for presentation to the next regular session of the Legislature.

Your Committee on Health concurs with the intent and purpose of S.R. No. 447 and recommends its adoption.

Signed by all members of the Committee.

THE SENATE
THE EIGHTH LEGISLATURE
of the
STATE OF HAWAII

March 21, 1975

Mr. Seichi Hirai
Clerk of the Senate
State Capitol
Honolulu, Hawaii 96813

Dear Mr. Hirai:

On March 11, 1975 Senator D.G. Anderson questioned the Chairman of the Judiciary Committee with respect to certain representations made regarding S.B. No. 537 and S.B. No. 1621.

On March 12, 1975 the undersigned asked for and received consent of the members

of the Senate to file with the Clerk of the Senate for inclusion in the Senate Journal committee reports on S.B. No. 537 and S.B. No. 1621 which had been signed by members of the Judiciary Committee.

I am transmitting herewith said committee reports for inclusion in the Senate Journal.

Sincerely yours,

/s/ Donald S. Nishimura

Donald S. Nishimura

DSN:rma
Enclosures

STANDING COMMITTEE REPORT NO. _____
Honolulu, Hawaii
_____, 1975

The Honorable John T. Ushijima
President of the Senate
Eighth State Legislature
Regular Session of 1975
State of Hawaii

Sir:

Re: S.B. No. 537

Your Committee on Judiciary to which was referred S.B. No. 537, entitled: "A BILL FOR AN ACT RELATING TO STATE PARKS AND RECREATION AREAS", begs leave to report as follows:

The purpose of this bill is to simplify the procedure under which conservation and parks personnel of the Department of Land and Natural Resources issue citations.

This bill amends Section 184-5.3, Hawaii Revised Statutes, by adding a paragraph which allows summons or citations to be subscribed under oath by an official within the Department of Land and Natural Resources, which would simplify the issuance of such summons or citations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 537 and recommends that it pass Third Reading.

Respectfully submitted,

/s/ Donald S. Nishimura
DONALD S. NISHIMURA, Chairman

/s/ Dennis O'Connor
DENNIS O'CONNOR, Vice-Chairman

/s/ Donald Ching
DONALD D. H. CHING, Member

/s/ Anson Chong
ANSON CHONG, Member

/s/ Stanley I. Hara
STANLEY I. HARA, Member

/s/ Duke T. Kawasaki
DUKE T. KAWASAKI, Member

/s/ Robert S. Taira
ROBERT S. TAIRA, Member

/s/ Henry T. Takitani
HENRY T. TAKITANI, Member

/s/ Francis A. Wong
FRANCIS A. WONG, Member

/s/ Mary George
MARY GEORGE, Member

/s/ John Leopold
JOHN LEOPOLD, Member

/s/ Patricia Saiki
PATRICIA SAIKI, Member

STANDING COMMITTEE REPORT NO. _____

Honolulu, Hawaii

_____, 1975

The Honorable John T. Ushijima
 President of the Senate
 Eighth State Legislature
 Regular Session of 1975
 State of Hawaii

Sir:

Re: S.B. No. 1621

Your Committee on Judiciary to which was referred S.B. No. 1621, entitled: "A BILL FOR AN ACT RELATING TO BISHOP MUSEUM", begs leave to report as follows:

The purpose of this bill is to reflect the changeover of Bishop Museum on February 7, 1975, from administration under a deed of trust to articles of incorporation. The bill amends section 6-4, Hawaii Revised Statutes by deleting reference to a Board of Trustees and substitutes Board of Directors.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1621 and recommends that it pass Third Reading.

Respectfully submitted,

/s/ Donald S. Nishimura
 DONALD S. NISHIMURA, Chairman

(Excused)

DENNIS O'CONNOR, Vice-Chairman

/s/ Donald Ching
 DONALD D. H. CHING, Member

/s/ Anson Chong
 ANSON CHONG, Member

/s/ Stanley I. Hara
 STANLEY I. HARA, Member

/s/ Duke T. Kawasaki
 DUKE T. KAWASAKI, Member

/s/ Robert S. Taira
 ROBERT S. TAIRA, Member

/s/ Henry T. Takitani
 HENRY T. TAKITANI, Member

/s/ Francis A. Wong
 FRANCIS A. WONG, Member

/s/ Mary George
 MARY GEORGE, Member

/s/ John Leopold
 JOHN LEOPOLD, Member

/s/ Patricia Saiki
 PATRICIA SAIKI, Member