

SPECIAL COMMITTEE REPORT

Spec. Com. Rep. 1

Your special interim committee on the investigation of juvenile offenders submits herewith its report on the work of the Committee.

The purpose of this special committee was to make an overall review of the existing delinquency prevention efforts in our community, as well as the existing problems and functions in the juvenile justice system. Some of the concerns which we reviewed include: (a) review of juvenile statutes; (b) review of juvenile justice system components and facilities; and (c) review of delinquency prevention efforts by public and private agencies, including the home, school, church, and social organizations. The Committee also reviewed the role of schools in the area of delinquency prevention.

Your Committee held several committee hearings and meetings and made several excursions, including visits to the Honolulu Police Department - Juvenile Bureau, the Family Court, the Detention Home, and the Hawaii Youth Correctional Facilities. During the course of our activities, we drafted extensive questionnaires and obtained detailed responses from various agencies in the juvenile justice system. We also discussed juvenile matters with many persons knowledgeable in the field and we obtained a greater insight in the complex and perplexing problems involved in this difficult area. This report is basically a preliminary report covering data that we have gathered and areas that need much further study and review.

THE FAMILY COURT

Your Committee posed various questions to the Family Court to gain information on the efficacy of the juvenile justice system in Hawaii. Much of the information sought was reported to be unknown to the Family Court, and there appears little compilation or analysis of available information to assist in the formulation of policies relating to the diversion of juveniles from, or the disposition of juveniles within, the juvenile justice system. Nevertheless, some information was gained by your Committee's efforts. The information primarily relates to the First Circuit, which encompasses the island of Oahu.

The average age of juveniles arrested during the five-year period 1972-76 was 14.67 years, based on statistics of the Honolulu Police Department Mini-studies conducted by the Family Court indicate that in 1973, the average age of juveniles referred to the court for felonies at first contact was 14.12 years, while the average age of juveniles referred for misdemeanors at first contact was 15.09 years.

For the year 1976-77, out of a total of 5,017 Family Court referrals, 4,649 referrals were for law violations and status offenses. Of these, 1,211, or 74 per cent were status offenses, and 3,438 or 26 per cent were for law violations. 2,771 juveniles accounted for the 4,649 law violations and status offenses referrals. There is no compilation of demographic information by the Family Court. Changes in the demographic profiles of the juvenile caseload population on a longitudinal basis, are therefore unknown.

Intake probation officer and probation officer caseload levels are reported to have increased over the past five years. The Family Court states, in addition, that there appears to be increasing seriousness of the offenses for which juveniles are brought before the court. Your Committee has no specific information from the Family Court which documents the conclusion of the increasing seriousness of juvenile offenses, and notes, moreover, that information apparently does not exist as to offense patterns or progressions. Speculation on these matters may be misleading, for the increasing seriousness of the reasons for referring juveniles to Family Court may be based on any number of phenomena, including increase in diversion away from the juvenile justice system, particularly in cases of lesser offenses. In such event, the increasing seriousness of offenses noted by the Family Court may in fact reflect underreporting of less serious offenses.

Your Committee in this report will focus largely on selected areas and will emphasize dispositional alternatives, since the utility of Family Court jurisdiction over juveniles can only be demonstrated through an examination of the net result and the impact of its work. The processes of adjudication result in either empowering the court to order services or supervision for juveniles, or ceasing jurisdiction of the court. Hence, the efficacy of the actions and orders of the court following adjudication (or its equivalent) are most pertinent to the legislature in its policy-making role.

INTAKE

Juveniles are brought to the attention of the Family Court through referral and by self-referral. Primary sources of referrals to Family Court are the police, social agencies, the Department of Education, and court workers.

Most juveniles are referred to the Family Court, and of these, 95 per cent are referred by the police. Most of the status offender referrals derive from the police, because parents report their children as runaways or incorrigibles to the police.

Private and public social agencies sometimes petition the court seeking its intervention in instances where the behavior of a juvenile is detrimental to the juvenile's well-being. Specific information on the numbers of juveniles being referred by each social agency is unavailable.

Upon referral to the Family Court, juveniles and their parents are interviewed. Information relating to the amount of time between the referral of a juvenile and the initial contact between the case manager assigned by the Family Court and the juvenile is unavailable. Parents are ostensibly first notified of a child being taken into custody by the police officer who takes the child into custody. For status offense referrals, the referring party notifies the parents and the child of the Family Court referral.

Not all referrals to the Family Court, whether for law violations or status offenses become the subject of petitions which will bring the juvenile before a judge. The decision on whether or not to file a petition is vested in the probation officer assigned to the juvenile. Factors considered in determining whether a petition is filed or not include: (1) the alleged offense; (2) the juvenile's adjustment within the community; (3) the parent-child relationship, and the ability, interest, and concern of the parents in assisting the juvenile; (4) the juvenile's attitude toward the alleged offense; (5) circumstances of the offense; and other available information. Petitions may be filed by other agencies and persons as well, but generally only law enforcement agencies, public and private social agencies, the Department of Health, the Department of Education, and Family Court workers do so.

The appropriate prosecutor determines whether there will be any prosecution when a minor denies the alleged offense. Where a juvenile admits to the offense, the probation officer must then decide whether or not to bring the matter before the judge through a petition, although the Family Court has administratively determined that all felony offenses must be presented to the court, in the absence of extenuating circumstances precluding the filing of a petition. Your Committee is unaware of what types of circumstances may be considered extenuating circumstances sufficient to justify the non-filing of a petition in the case of a felony level offense.

In 1976, 56 per cent of all felony referrals were subject to court hearing, and 44 per cent were disposed of by counseling services. There is no information or analysis indicating the existence of any impact of hearing/no hearing on recidivism rates of juveniles. The Family Court, however, believes that recidivism rates are not indicated by the number of petitions filed. No information was offered by the court which would relate recidivism rates to any variable, regardless of the nature thereof.

STATUS OFFENSES

Status offenses are statutory offenses which, but for the fact that the person committing the alleged act is a minor, would not be considered violations of law. Therefore, acts by juveniles such as curfew violations, are classed as status offenses, because if the same acts were performed by adults, no law would be violated.

As mentioned elsewhere, the federal government has adopted a policy which essentially seeks to prohibit the institutionalization of status offenders, and has conditioned the receipt of certain federal funding upon such cessation of institutionalization. The Family Court of the First Circuit currently maintains one detention facility for minors. In the past, the facility has been utilized to hold juveniles who are under the jurisdiction of the court for either law violations or status offenses, but this utilization has undergone change, particularly since the emergence of community resources capable of meeting such needs. There are problems which arise occasionally in the placement of juvenile runaways, however, particularly where the parents of the juvenile refuse to receive the juvenile back into the family home, and the Family Court similarly refuses placement at the detention facility. This particular problem has not been resolved, and it appears that the welfare of juveniles must be considered in the adoption of any policy by a public agency.

Girls constitute a decided minority of law violations referrals, but constitute a majority

of status offenses referrals. This striking difference may be indicative of certain circumstances either within the community or within the juvenile justice system, and further exploration of this phenomenon appears warranted. If there are significantly different reasons bringing boys and girls before the courts, it may be a reasonable contention that separate program thrusts with regards to male and female juveniles are most appropriate to reduce overall justice system involvement, or to assure that the justice system addresses only those problems and circumstances which are generally "criminal" in nature. Similarly, further study appears warranted to assure that the differences in reasons for referral of girls and boys to the Family Court system do not reflect other variables unrelated to the actions of juveniles.

DISPOSITION--IN GENERAL

Your Committee made inquiry as to which of the various dispositional alternatives utilized by the Family Court is the most successful, and the criteria for such a determination, but was informed that the Family Court has not identified any dispositional alternative as being the most successful. According to the Family Court, cases are handled under a theory of individualized justice, and therefore, disposition is addressed accordingly. Yet, it would appear reasonable to analyze the nature and impact of the various dispositional alternatives utilized by the court, for as with adult crime, the availability of a broad range of alternatives to the courts demands not only that the most appropriate alternative be selected for each individual before the justice system, but also demands that the overall need to examine the effectiveness of alternatives be fulfilled.

Your Committee does not believe that a formula type of disposition should be arbitrarily applied in the selection of dispositional alternatives for juveniles, however, it is inescapable that in selecting a disposition for a juvenile, the court must evaluate information about the juvenile as well as about the selected alternative. The nature of each alternative does not, it would appear, change with each juvenile, and the differing factors are therefore attributable to each juvenile. The process of matching juveniles with appropriate dispositional alternatives, therefore, should take into consideration all known factors about the juvenile, and equally importantly, about the dispositional alternative.

Reliance upon speculations about the relative success of various alternatives and programs, or presumed experience may be insufficient to implement truly individualized justice. If, for example, a particular alternative has a strong success rate with certain types of juveniles, then this should be known to the Family Court as a factor to be considered in handling juvenile cases. The Family Court in selecting dispositional alternatives obviously is applying some sort of criteria to the selection process, and it appears that analysis of the effectiveness of dispositional alternatives in relation to juveniles may enhance the overall effectiveness of juvenile justice in Hawaii.

The most profound effects, of course, of augmenting the overall effectiveness of juvenile justice by the application of the most appropriate dispositions in juvenile cases, coincides with a basic premise of the Family Court system--meeting and securing the best interests of the juvenile.

Your Committee accordingly believes that justice, for the child and for the community, will be enhanced through consideration and analysis of the efficacy of dispositional alternatives relied upon by the courts. Without such consideration and analysis, there appears to be little basis on which to ensure optimum benefits from the justice system, or any accountability of that system.

Procedurally, probation officers are responsible for presenting the court with an assessment of the juvenile's total situation, and also to present a recommendation to the court as to disposition of the juvenile. While the court generally accepts and orders the recommendation of the probation officer, that does not always occur. There does not appear to be any consistent criteria used by the court in rejecting the recommendations of the probation officer. The extent of judicial selection of a dispositional alternative not recommended by the probation officers is unknown, as no statistics are maintained on this point. The relative efficacy of the dispositional selections consistent with and contrary to probation officer recommendations is similarly unknown.

Factors considered in the selection of dispositional alternatives include the nature of the matter for which the juvenile is before the court, the juvenile's adjustment in the community the extent of familial disorganization, the juvenile's relationship to the parents, school reports, mental health reports, assessments and recommendations of the juvenile's attorneys, and the kind of treatment the juvenile and the juvenile's family need.

DISPOSITION--DIVERSION

One of the major areas of concern relating to juvenile justice in recent years has been the appropriateness of the disposition of juveniles by the juvenile justice system in relation to the reduction of juvenile crime. The federal efforts to reduce institutionalization of minors who are status offenders have contributed to the interest in assessing the relative preventive aspects of dispositional alternatives, and this interest has been heavily felt in terms of criminal-types of activity of juveniles.

A frequently mentioned alternative to reducing juvenile criminal activity (non-status offenders) is that of diversion from the juvenile justice system. Diversion in effect prevents the entry of the juvenile into the Family Court, and would rely primarily upon non-judicial agencies or other non-compulsory community resources in seeking to prevent the juvenile from committing further criminal acts. The hypothesis of diversion as a dispositional alternative, therefore, is based upon an assumption that contact between a juvenile offender and the justice system will increase the likelihood of repeal criminal actions by the juvenile.

The Family Court reports that it has arrived at no conclusive findings on this matter of the preference of diversion from the justice system in reducing juvenile recidivism, although the results of Project 75 which was undertaken by the Family Court in 1975 indicate that early diversion from the juvenile justice system was an efficacious mode of handling juveniles. The recidivism rates measured by the Family Court of juveniles whose contact with the Family Court consisted of a letter to the juvenile's parents that no action be taken to the court were lower than those juveniles in which mandatory filing of petitions was required or where the court's staff was to determine whether to file a petition or to enter an informal adjustment of the matter. Juveniles with no contact whatever with the Family Court had the lowest recidivism rates consistent with diversion theory. It should be noted that Project 75 did not involve all juveniles in the juvenile justice system, nor subsequent follow-up on a longitudinal basis, and any conclusions drawn on the basis of that experiment must be made in light of these limitations. However, the relative results of the court's project are noteworthy in that there is measured documentation, however limited, which supports a theory which has been consistently advanced by many juvenile justice specialists and authorities in recent years.

The importance of this result, although labeled inconclusive by the Family Court, must be weighed in consideration of the implications of future planning and policy postures to be assumed by the State in its efforts to achieve reduced juvenile crime rates. It appears, therefore, that further analyses of this nature should be undertaken to ferret out the most efficacious modalities of reducing juvenile crime.

A further ramification of such study and findings may be felt in the evaluation of the need and appropriateness of a youth service center system, which would essentially perform referral and related functions for juveniles, and which has been discussed in the context of enlarged diversionary programs to keep juveniles out of the justice system to the greatest extent possible. While this theory relies upon the assumption that non-judicial intervention is more effective for many juveniles than judicial intervention, if experience suggests that the assumption may be valid, then certainly further work should be undertaken to further explore its validity for the purpose of future planning and development of the juvenile justice system.

DISPOSITION--NONRESIDENTIAL DISPOSITION

Various nonresidential dispositions are utilized by the Family Court with regard to juveniles: probation, protective supervision, legal custody or protective supervision to a private or public agency; counseling, nonresidential programs, counsel and release, and unsupervised probation. No specific information on the efficacy of the alternatives used is available. Factors considered by the court in selecting a nonresidential as opposed to a residential disposition include the concern and willingness shown by the parents and the juvenile to work with the court; whether the offense/behavior profile of the juvenile is not violent, aggressive, or dangerous; and whether the influence of the juvenile's peer group can be counteracted.

There is no maximum on the number of nonresidential dispositions which a juvenile may have, nor any apparent limit upon the number of any particular nonresidential dispositions which a juvenile may have, as the Family Court premises removal of the juvenile from the home on the basis of the needs of the juvenile rather than on the juvenile's age or number of offenses. The factor of dangerousness to the community is generally also considered by the court, and nonresidential dispositions are more likely to be ordered in cases where juveniles are not deemed dangerous to the community. Specific types of offenses which the Family Court categorizes as generally not justifying residential dispositions on the

basis of the not dangerous to the community criteria are gambling, liquor violations, minor vandalism, third degree theft, and promoting detrimental drugs in the third degree.

Counsel and Release

The counsel and release alternative for juvenile case disposition involves the counseling of the juvenile by the judge. Generally, this involves a judge counseling a juvenile as to the seriousness of the behavior which brought the juvenile before the court, and informing the juvenile that further referrals to the court will result in more severe consequences. The Family Court views the counsel and release alternative as a mode of supporting the ability of the juvenile and the juvenile's family to solve their problems without court supervision, and that, in fact, it challenges them to address their problems. No follow-up is involved or ordered in a counsel and release disposition. Your Committee received no information relating to whether counsel and release dispositions are meeting their goals.

Restitution

Restitution has been an alternative which the court has had occasion to utilize, and the ordering of restitution is based on several factors, including the ability of the juvenile to make whole or partial restitution, whether or not the juvenile is working for compensation and the dependence of the juvenile's family on that income, and the potential learning experience. The efficacy of restitution as a disposition has not been analyzed by the court. ●

DISPOSITION--PROBATION

Probation is the most widely used disposition alternative in juvenile cases, according to the Family Court, accounting for 25.8 per cent of law violations dispositions by the Family Court in fiscal year 1976-77. Probation, which involves the assignment of a juvenile offender to a professional probation officer, is premised upon the assumption that redirection, control, and, finally, rehabilitation, are best achieved within the juvenile's community. Reportedly, the probation disposition is regarded as desirable for a large majority of juvenile offenders because of various reasons, among them that probation enables the provision of services to ameliorate problems which brought the juvenile to the attention of the court, promotes successful reintegration into the community, avoids negative confinement effects, and costs less than institutionalization.

Penologists, jurists, and correctional workers view probation as a successful alternative. However, with regard to juveniles in Hawaii, empirical data either supporting or disproving this view has not been compiled.

The Family Court states that its professional staff feels that supporting a juvenile in the juvenile's own environment is more beneficial in the long run than removal and placement elsewhere. No comment, however, as to the particular behavior/ offense pattern influencing the use of residential placements as opposed to the use of nonresidential dispositions (including probation), was made.

DISPOSITION--RESIDENTIAL (NON-HYCF)

Residential placement of a juvenile is ordered by the Family Court in cases where (1) the juvenile's behavior, mental or physical health requires specific treatment programs available only in a residential setting; (2) the juvenile's family situation is disorganized so as to contribute to deviant behavior or is detrimental to the welfare of the juvenile; (3) the parent-child relationship is such that the parents have no control and supervision over the minor; (4) the juvenile's environment and peer relationships are detrimental to the juvenile; and (5) a suitable placement resource is available.

Residential placements tend to be in the range of six months to two years. In December of 1977, the Family Court had current placements with foster homes, Habilitat, Inc., Hale Kipa, Hale Opio, Palama Settlement Kaulani Hanau Hou, Palama Girls Home, Salvation Army Residential Treatment Facility for Children and Youth, Teen Challenge, Alcoholism Treatment Facility, and the Salvation Army Booth Home.

Recidivism rates for adjudicated juveniles placed in residential programs are unknown. Nor is any analysis available on demographic and juvenile history of juveniles who are placed in residential facilities.

Placement in residential facilities generally does not entail the Family Court ordering or prescribing treatment plans for a juvenile, on the assumption that the selection of the residential program is made on the basis of the needs of the juvenile. Intake criteria

of the facility are complied with by the court. Once a juvenile is placed at a facility, a probation officer serves as a liaison between the court and the residential program, and to supervise the juvenile.

There is no systematic evaluation of any of the residential programs utilized as dispositional alternatives by the Family Court. The court does attempt to monitor the program and the progress of the juveniles in placement, and suspension or termination of placements are possible where a program does not provide services to the juveniles, or where the placement is deemed detrimental to the juvenile. No records of an evaluation or assessment of the residential programs are maintained by the Family Court.

Upon termination of a placement in a residential program, the court and the program provide follow-up to the juvenile during the phasing-out or termination period. The probation officer of the court continues follow-up with the juvenile to assist in the adjustment of the juvenile back in the community, and according to the court, until the juvenile no longer needs court services. The attainment of goals of the follow-up program have not been statistically measured, however, the court reports that it believes that the goals are being met.

There is no systematic evaluation of the Family Court's goals, which include strengthening and reestablishing the juvenile's relationships with family members, improving peer relationships, and enhancing the ability of the juvenile to cope with problems which may arise in the home, school, employment, and in the community.

DISPOSITION--HAWAII YOUTH CORRECTIONAL FACILITY

Commitment to the Hawaii Youth Correctional Facility (HYCF) is ordered by the Family Court based on the following criteria: need for control of the juvenile, the safety of the community, whether the juvenile is a chronic offender, whether the juvenile's offenses are serious, whether other residential programs are unsuitable, inappropriate, or have failed with regard to the juvenile, and whether the juvenile is within the 12-17 age group. No minimum number of contacts is required prior to such commitment, nor must there be a showing that all other alternatives have been exhausted with regard to the juvenile.

An older juvenile is more likely to be committed to HYCF than a younger juvenile, and according to a mini-study by the Family Court, HYCF commitments during fiscal years 1973-76 were most frequently in the 15-17 age group, with the greatest number being at age 16. Fiscal year 1976-77 statistics show that approximately 83 per cent of HYCF commitments involved juveniles in the 15 to 17 age group.

In 1976-77, 127 juveniles were committed to the facility, ranging from ages 12 through 17, with 17-year-olds constituting the largest number of commitments, followed by the 15-, 16-, and 14-year olds, respectively.

With the recent amendment of the Family Court Act which allowed the extension of Family Court jurisdiction over persons until they attain age 19, the Family Court has extended its jurisdiction to age 19 over four individuals. Two persons have been held at the HYCF beyond their 18th birthdays, on the basis of the safety of the community. The particular offenses involved were stated by the Family Court as "forgery and including other adult type of offense and robbery".

Unlike Family Court placements in private residential facilities, the Family Court in many instances, and on an increasing basis, retains control over the formulation of the treatment and services plans for the juveniles placed at HYCF. This practice reflects a continuation of a problem which was identified several years ago with regard to the Family Court's retaining jurisdiction over some juveniles and not over others, creating a dual class of residents at HYCF. The Family Court is actively involved in the treatment and services plans for juveniles over whom jurisdiction is retained in which case a judge must approve the plans, but as for those over whom jurisdiction is not retained, the court reports that it gives input only when consulted, and especially where the juvenile commits further offenses.

The goals of the Family Court in committing juveniles to HYCF are to protect the community and to teach the juvenile behavior modes which do not endanger either the juvenile or the community.

No longitudinal studies have been performed to examine recidivism rates of individuals committed to HYCF, either as to recidivism during minority or following the attainment of the age of majority. No records are maintained to provide this information.

There is no compiled data on the prior records of persons committed to HYCF relating the number of prior offenses, prior residential dispositions, and the number of Family Court contacts with the persons.

DISPOSITION--REFERRAL TO ADULT CRIMINAL COURT

A provision of the Family Court Act allows the Family Court, under certain circumstances, to waive its jurisdiction over a minor in favor of an adult criminal court. In the event of such a waiver, the minor is then subject to the jurisdiction of the criminal court system, and is prosecuted as if an adult. The practical effect of this provision is to enable the justice system to maintain jurisdiction over the minor beyond that allowable under the Family Court Act.

The Family Court in reaching any decision about such waiver of jurisdiction considers the seriousness of the alleged offense, whether the protection of the community requires a waiver of jurisdiction, and whether the alleged offense was committed in an aggressive, violent, premeditated, or wilful manner. In addition, the court considers whether the crime was against persons or property, with crimes against persons being considered more serious especially in cases where an injury resulted from the alleged act. The sophistication and maturity of the minor are also considered, in addition to the record and previous history of the minor. The prosecutor is requested to determine the prosecutive merit of a case in which the court is considering waiver of jurisdiction. These various factors are then weighed by the Family Court in deciding whether or not to retain jurisdiction over the juvenile.

Although the Family Court could not report on the number of juveniles who are potentially eligible for such adult court referral, during the years July 1970 - June 1976, 67 petitions for waiver of jurisdiction were filed, 32 of which were granted. Of such individuals, 88 per cent had prior Family Court referrals. Their average age was 17.5 years.

A more detailed Family Court analysis, in addition, of 15 of the 67 cases, showed that 55 per cent had a history of violent behavior, and 47 per cent had been institutionalized for 6 months or more.

While firm conclusions cannot be drawn from information and data available to your Committee, there are extreme cases of recidivism which indicate that the juvenile justice system may not be achieving a goal of reduced juvenile crime. As an example of extreme recidivism, in one calendar year, one juvenile is reported to have had 43 referrals to the family court for alleged law violations. Another juvenile, which the Family Court reports it selected from its files at random, in one year had 6 referrals for alleged law violations, and the following year had 13 referrals, 10 for law violations, and 3 for status offenses. While referral to adult criminal court for prosecution may not be the solution to such recidivism, these statistics bear persuasive witness to a conclusion that the juvenile justice system either lacks the tools with which to curb juvenile crime, or has embarked upon a course of action which fails to address the problem directly. The unavailability of data and analyses severely cripples the Family Court's as well as the State's ability to rectify this situation.

RELEASE OF IDENTIFY OF JUVENILES TO VICTIMS

The Family Court currently releases names of juveniles allegedly involved in criminal types of acts to victims, based upon the right of victims to seek legal action against the parents of the juveniles. Names are not released without a determination that a report/complaint has been filed with the police. Names are made available whether or not the juvenile admits to a charge, or found responsible for the charge. Your Committee notes that criminal responsibility and civil responsibility are not required to coincide under the law.

No information exists as to any difference in recidivism rates of juveniles whose names are released and those whose names are not released by the Family Court, nor is there information maintained which indicates the recovery rates by victims who do pursue legal action. No information is available as to the proportion of victims of juveniles who request the release of the juveniles' names. In 1975, 98 inquiries for juveniles' names were received, and 145 names were released. In 1976, 76 inquiries were received, and 61 names released.

TENTATIVE CONCLUSIONS ON FAMILY COURT

As repeatedly mentioned in the foregoing, there appears to be little compilation and analysis of information with regard to the impact of the services, treatment, and other support and dispositions ordered by the Family Court with regard to juvenile offenders. There are various other areas in which your Committee sought information which was either

unavailable or uncompiled, including data analysis to determine whether there is any progression of seriousness of criminal-type activity in which juveniles are involved; offense pattern differences based on the nature of a juvenile's initial contact with the Family Court; victimization data; disposition by offense; offense/history disposition patterns; recidivism; and other areas. Because of the heavy involvement of the Family Court in services to juveniles, and the role it is assigned by statute, understanding and assessment of the impact and efficacy of the Family Court's activities is required. The noncriminal classification of juvenile offenders is premised upon the desirability and capability of "rehabilitating" juveniles without necessity of labeling them as criminals, and as such, the role of the Family Court in fulfilling this intent is critical. Greater efforts should be made by the Family Court to analyze the impact of its dispositions to ensure that the special treatment and status afforded juvenile offenders is of true value both to juveniles and to society.

DEPARTMENT OF SOCIAL SERVICES AND HOUSING

On December 7, 1977, the joint interim Committee on Juvenile Offenders visited the Hawaii Youth Correctional Facility (HYCF), which is the State's only long-term juvenile offender facility. Juveniles are committed to HYCF by the Family Court and become the responsibility of the Department of Social Services and Housing (DSSH). The services provided offenders and the length of a juvenile's placement are determined jointly by the Family Court and DSSH, with the court retaining final jurisdiction.

A total of 84 juveniles were under HYCF supervision on December 7, 1977, with 66 minors, 58 males and 8 females, under close supervision at the facility and 18 on furlough. During the calendar year 1977, 201 juveniles were committed by the Family Court to DSSH supervision at HYCF. Approximately one-third of the juveniles were on short-term commitments of thirty days or less and on probation. HYCF provides custodial and educational services for such short-term commitments, who remain on probation until discharged by the court.

The remaining two-thirds of the juveniles are regular commitments by the Family Court, who remain under DSSH supervision until reaching the age of majority. The court may extend the period of a juvenile's placement in HYCF, however, all juvenile offenders must be discharged prior to their nineteenth birthday. Although no statistics are available, the court does release some juvenile offenders from HYCF on parole, and after one year of satisfactory behavior in the community as determined by the court, such an offender can be discharged from parole. While on parole from HYCF, juveniles remain under HYCF supervision.

According to DSSH, the court and DSSH jointly determine a treatment program for each HYCF juvenile based on age, scholastic achievement, intelligence quota, psychological and psychiatric evaluation, and on availability of appropriate programs and activities at HYCF or in the community which are within security requirements. However, budgetary cuts and union job descriptions have severely limited the development of plumbing, carpentry and automobile mechanics programs for male offenders. Vocational programs for female offenders, other than sewing, have also not been seriously attempted.

HYCF administrators noted that juveniles committed to HYCF are all law violators who have a history of long-term involvement with Hawaii's juvenile justice system and have not responded to diversionary programs, such as those developed by the Salvation Army and Habilitat. The Committee was also informed that no juvenile is committed to HYCF solely for status offenses, such as truancy or curfew violations, although many law violators committed to HYCF have also been charged with status violations. Status offenses relate to activities which if committed by an adult would not be prohibited. Statistical data is unavailable to determine which diversionary programs have been successful in preventing status offenders from becoming law violators.

DSSH supplied the Committee with the following list of agencies and programs which accept referrals from the Family Court as alternatives to or in conjunction with a juvenile's placement in HYCF: Hawaii State Hospital Adolescent Care Unit; Waianae Group Home; Boys' Group Home; Child and Family Services; Palama Settlement; Salvation Army House; Habilitat; Job Corps; Foster Parents; Teen Challenge; and Vocational Rehabilitation Division of DSSH. DSSH officials stated that although these agencies accept referrals from Family Court, they lack sufficient resources to help both Family Court referrals and the non-adjudicated juveniles who are the primary force of these programs. No statistics are available on the total number of juveniles who can be placed in these programs but HYCF administrators stated that many juveniles, particularly females, are sent to HYCF because there is no other place for them to go.

The lack of space in these alternative programs is of particular concern to your joint

interim committee because HYCF's poor physical condition may be hindering efforts to help juveniles residing at the facility. HYCF's physical plant is in dire need of repair, with broken windows and cut screens readily apparent. Juveniles who could be discharged must often remain at the facility because of the lack of alternatives. Placement at HYCF also occurs in cases where parents are unwilling to assume responsibility for their children or in cases where juveniles would encounter problems such as physical or sexual abuse if they were returned to their parents, guardians or custodians.

Your Joint Interim Committee, in the belief that deinstitutionalized treatment of juvenile offenders through diversionary, in-community programs is the most promising state policy to follow for juvenile offender treatment, recommends the following:

Alternatives to HYCF Incarceration

Deinstitutionalized treatment of juvenile offenders means that juveniles should not be placed in settings that are more restrictive than absolutely necessary. The development of a range of alternative programs is needed with increasing levels of physical supervision commensurate with a juvenile's inclination to commit violence against himself or others. A closed facility, such as HYCF, would still be needed to provide a secure setting for those troubled youths who have not responded to other less controlled programs. Further, total deinstitutionalization should not be considered until the adequate numbers and types of alternative programs are developed. However, current state and federal budget restrictions have severely hampered the development of alternative diversionary juvenile offender programs, which has consequently restricted the number of juveniles eligible for deinstitutionalized treatment. Funds for alternative programs should be increased and not cut-back as the State attempts to implement deinstitutionalized treatment.

Status Offenders

Although no juvenile is committed by Family Court to HYCF solely on the basis of status offenses, a policy should be adopted to ensure the transfer of juveniles charged with status violations from Family Court jurisdiction to an agency other than HYCF. The court should concentrate its efforts on juveniles charged with serious offenses and in the case of status offenders, establish guidelines, in consonance with social services agencies, to prevent these offenders from becoming law violators. Fiscal and personnel resources at the Family Court should be improved as necessary to facilitate diversion of status offenders. Status offenders require different programs from law violators. Such differential treatment is currently not as prevalent as it should be and is in need of expansion and improvement.

HYCF

There will always remain a need for a closed facility, such as HYCF, to maintain supervision over serious juvenile law violators. Sufficient funds should be appropriated to improve physical security and amenities at HYCF and to develop programs, such as vocational education to reintegrate at least a portion of the facility's juvenile offenders into society.

Your Committee has been impressed with the many dedicated individuals working in the field who are selflessly giving of their efforts towards the juvenile offender problem. However, your Committee is deeply concerned with the many problems of juvenile offenders, as exemplified by school vandalism, violence at schools and athletic contests, increasing delinquency rates, the trend towards more serious offenses, the trend towards more youthful offenders.

Your Committee firmly believes that a more comprehensive study and review and critical analysis of the whole problem of juvenile delinquency and the juvenile justice system should be conducted. The youth of today represent our hopes for the future. We cannot afford to stand by as this perplexing and difficult matter grows and becomes more difficult to resolve. Your Committee firmly recommends that further studies in this area be developed.

Signed by Senators Nishimura, Hara, Toyofuku, Yamasaki, George and Henderson.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1-78 on H.B. No. 2166-78

The purpose of this bill is to transfer the functions of the Energy Resources Coordinator from the office of the Governor to the Department of Planning and Economic Development and, further, to provide the Energy Resources Coordinator with rule-making powers.

Your Committee has amended the bill to provide that the rules be submitted for legislative review.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2166-78, 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. 2166-78, H.D. 2, S.D. 1, C.D. 1.

Senators Yim, Kuroda and George
Managers on the part of the Senate

Representatives Cayetano, Dods, Say and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 2-78 on H.B. No. 3012-78

The purpose of this bill is to require returning United States citizens who have resided five or more years in a foreign country, territory, or possession of the United States with high occurrence of communicable diseases to submit an examination report to the Department of Health.

Presently, individuals who are citizens by birth but have lived abroad for several years and individuals who were born abroad but attain citizenship through United States parentage can enter or re-enter this State without going through the visa process which requires a health examination, including a chest x-ray. The Department of Health testified that when these individuals are screened by the department's tuberculosis screening program, the rate of incidence of this communicable disease was found to be similar with that of the immigrants.

This bill will help safeguard the health of our people by requiring certain individuals who have lived abroad in areas of high occurrence of communicable diseases to submit a medical examination report to the Department of Health.

Your Committee on Conference has amended this bill to require the submission of a tuberculin skin test or a chest x-ray to the Department of Health. In the event that the skin test is positive, a chest x-ray report shall be required.

Your Committee on Conference feels that the Department of Health should request a chest x-ray report whenever possible.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3012-78, 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. 3012-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Segawa, Aki, Shito and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 3-78 on H.B. No. 2054-78

The purpose of this bill is to require the tenant, in any legal dispute over the payment or nonpayment of rent, to pay into a special court-administered fund any rent as it becomes due, pending final determination of the dispute.

Your Committee finds that this bill would give the courts the power, in any lawsuit where the payment or nonpayment of rent is an issue, to order, at the request of either party, that the tenant make rental payments into a fund. When a final decision has been reached, the rental moneys in the fund will be paid out by the court.

At the present time, if a dispute regarding rent arises and the tenant refuses to pay

all rents, the landlord has no recourse but to commence lengthy eviction proceedings. However, eviction will not compensate the landlord for rent accrued while the tenant was in possession.

Under this bill, if a tenant does not have the money to pay rent into the fund as it becomes due, the landlord is entitled to immediate judgment for possession and execution of the eviction order.

The bill also provides for the payment of interest if the court determines that the issue of nonpayment was raised in bad faith.

Your Committee has amended H.B.No. 2054-78, H.D. 1, S.D. 1, to delete the phrase "either is precluded from raising the issues under subsection (b) or" from Section 2 (c), as this phrase is inconsistent with the bill in its present form.

Your Committee upon further consideration has also amended H.B. No. 2054-78, H.D.1, S.D.1 by deleting Section 3 and Section 4 of the Senate draft. Section 3, which provided statutory authority for counterclaim by the landlord, was found to be unnecessary by your Committee, as case law already has clarified this point. Your Committee deleted Section 4, which withheld the right of trial by jury from landlord-tenant actions arising under Chapter 521, Hawaii Revised Statutes, on the grounds that such denial is unconstitutional.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2054-78, 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. 2054-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Shito, Aki, Nakamura, Segawa, Ueoka and Narvaes
Managers on the part of the House

Conf. Com. Rep. No. 4-78 on S.B. No. 2005-78

The purpose of this bill is to provide supplementary loans to be expended by the department of agriculture to independent sugar growers by amending Act 19, Special Session Laws of Hawaii 1977. However, no appropriation has been made and the determination of appropriation has been left to the Committee on Ways and Means, as a part of the supplemental budget.

Your Committee has amended this bill to provide for an appropriation of \$750,000 for the purposes of making farm loans to independent sugar growers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2005-78, 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. 2005-78, S.D. 1, H.D. 1, C.D. 1.

Senators F. Wong, R. Wong and Soares
Managers on the part of the Senate

Representatives Uechi, Caldito, Inaba, K. Yamada and Poepoe
Managers on the part of the House

Conf. Com. Rep. No. 5-78 on H.B. No. 2689-78

The purpose of this bill is to provide needed flexibility for proper land utilization within agricultural use districts by permitting the counties to allow exceptions to the minimum lot size specified by law.

Your Committee is of the opinion that providing the counties with the power to allow lot sizes less than the legal minimum lot size, as a result of a consolidation and resubdivision under certain conditions, will permit more flexibility and insure the proper and optimum utilization of our agricultural lands. However, your Committee further finds that it is the intent of this Legislature that conforming agricultural lots remain conforming. Accordingly, your Committee has amended the bill by the inclusion of the following proviso on page 2, line 4: "provided further, that in no event shall a lot, which is equal to or exceeds the minimum lot size of one acre be less than that minimum after the consolidation and resub-division action".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2689-78, 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. 2689-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Kawakami, Carroll, Inaba and Larsen
Managers on the part of the House

Conf. Com. Rep. No. 6-78 on H.B. No. 2756-78

The purpose of this bill is to provide a more flexible and efficient method of processing special permits by county planning commissions pursuant to Section 205-6, Hawaii Revised Statutes, and to avoid unnecessary delays by allowing each county to establish its own time requirements for processing and acting upon special permits.

Your Committee has amended the bill to mandate the planning commission, rather than the central coordinating agency, of each county after consultation with the central coordinating agency of said county to establish rules setting time limits upon the hearing and action on special permit petitions. In the case where the county planning commission is an advisory body then the central coordinating agency of said county shall establish said rules.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2756-78, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2756-78, S.D. 2, C.D. 1.

Senators F. Wong, Hulten and Soares
Managers on the part of the Senate

Representatives Kawakami, Lunasco, Uechi and Fong
Managers on the part of the House

Conf. Com. Rep. No. 7-78 on H.B. No. 2170-78

The purpose of this bill is to (1) consolidate funds by function and source; (2) standardize terms; (3) add new funds as a depository for interest charges, borrowed money and gifts bequeathed to the Department of Hawaiian Home Lands; (4) define parameters of use; and (5) increase the loan guarantee amount.

Seven revolving funds and seven special funds are established. These changes will facilitate efforts to maintain orderly and accurate accounting; establish a framework for mortgage financing without cost to the State to pursue private moneys; and enable maximum use of all moneys of the department.

The existing ceiling of \$5 million on funds from state cane and water leases transferred into the additional receipts account was reached in May, 1976. Your Committee on Conference has amended this bill to raise the ceiling on additional receipts to \$7.5 million. The increase of \$2.5 million shall take effect on July 1, 1979, with the additional provisions in the bill to take effect upon approval. The maximum amount shall not be construed to mean \$12,500,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2170-78, 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. 2170-78, H.D. 2, S.D. 1, C.D. 1.

Senators R. Wong, Yim, Young and Soares
Managers on the part of the Senate

Representatives Kawakami, Caldito, Morioka and Poepoe
Managers on the part of the House

Conf. Com. Rep. No. 8-78 on H.B. No. 3046-78

The purpose of this bill is to increase the examination fee of psychologists.

Your Committee has made a technical amendment not affecting the bill's substantive provision.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3046-78, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3046-78, S.D. 2, C.D. 1.

Senators R. Wong, Nishimura and Soares
Managers on the part of the Senate

Representatives D. Yamada, Baker, Cobb and Uwaine
Managers on the part of the House

Conf. Com. Rep. No. 9-78 on S.B. No. 2386-78

The purpose of this bill is to establish and maintain a state comprehensive emergency medical services system by providing a framework for the implementation of a fully integrated, cohesive network of components designed to assure the provision of emergency medical services consistent with the needs of the people of this State.

Your Committee upon further consideration has amended the bill to insert an appropriation for a grant-in-aid of \$687,000 to the Hawaii Medical Association for the continuation of the HMA/EMS program in 1978-79, including a statement of required components for the HMA/EMS program to ensure continuation of training, continuing and public education, evaluation, data collection, and research and development. The effective date of the bill has also been amended to reflect the appropriation.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2386-78, 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. 2386-78, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Segawa, Aki, Nakamura, Narvaes and Peters
Managers on the part of the House

Conf. Com. Rep. No. 10-78 on S.B. No. 2436-78

The purpose of this bill is to permit the sale of beverages in containers using pressure sensitive tape to cover the opening of the container and further requires at the time of purchase a deposit and a refund value of not less than 5 cents on each plastic beverage container.

Your Committee finds that a resolution is being adopted this session which calls upon the Department of Planning and Economic Development to study the impact of deposit legislation and your Committee feels that a better decision as to requiring deposits can be made after the results of the study are available.

Your Committee, therefore, has deleted subsections (b) and (c) in lines 10 through 18 on page 1, which refer to deposit and refund requirements for plastic beverage containers and penalties for violations of those requirements.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2436-78, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2436-78, H.D. 1, C.D. 1.

Senators King, Chong and Soares
Managers on the part of the Senate

Representatives Blair, Caldito, Larsen and Poepoe
Managers on the part of the House

Conf. Com. Rep. No. 11-78 on H.B. No. 2293-78

The purpose of this bill is to delineate more clearly the authority and responsibilities of the Office of Environmental Quality Control.

Your Committee has amended this bill to remove, from the Director of Environmental Quality Control, the responsibility of arranging for and coordinating the monitoring of ecological, environmental, and social conditions in the State under Sec. 341-4(b), as it is already covered by Sec. 341-4(a).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2293-78, 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. 2293-78, H.D. 2, S.D. 1, C.D. 1.

Senators King, Hulten and George
Managers on the part of the Senate

Representatives Blair, Larsen, Lunasco and Poepoe
Managers on the part of the House

Conf. Com. Rep. No. 12-78 on H.B. No. 992

The purpose of this bill is to correct an inequity in the application of the general excise tax on commissions of insurance general agents, subagents, and solicitors by reducing the excise tax currently set at 4 percent for general agents and subagents and 2 percent for solicitors and by raising the rates for the premium tax payable by certain insurers to cover any loss in revenue.

Under present law, those in the insurance profession are taxed at similar rates as other occupations which operate on commissions. Unlike these other occupations, however, the insurance agent (including solicitors) is prohibited by State law from passing on the excise tax to his customer and is therefore liable for an actual tax burden of 4 percent while those other taxpayers who can and do pass on the excise tax are liable for an actual tax burden of only .15 percent. This .15 percent figure is obtained by determining the actual amount a taxpayer would have to pay (at 4 percent) after passing on most of the excise tax on to the customer.

This bill would (1) reduce the excise tax for insurance agents and solicitors from 4 and 2 percent to .15 percent, (2) increase the premium tax rates for certain types of insurance, and (3) require the Insurance Commissioner upon proper application therefor, to increase the rate of premium for each authorized insurer to include a tax increase whenever the premium tax rates are increased.

Your Committee finds that this bill would effectively correct the inequities in the application of the general excise tax vis-a-vis insurance agents and solicitors while at the same time minimizing revenue loss to the State by raising the premium tax rates on insurance companies for certain types of insurance.

Your Committee finds, however, that the proposed amendment to chapter 431, Hawaii Revised Statutes, which would add a new section requiring the Insurance Commissioner to increase the rate of premium to include a premium tax rate increase and specifying the formula to be used to compute the increase in the rate of premium, is not necessary because present law provides for a procedure whereby an increase in the tax rate would be considered in an application to increase the rate of premium. Accordingly, your Committee has amended the bill by deleting the proposed section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 992, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 992, S.D. 2, C.D. 1.

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

Representatives D. Yamada, Suwa and Fong
Managers on the part of the House

Conf. Com. Rep. No. 13-78 on S.B. No. 1622-78

The purpose of this bill is to appropriate funds for the payment of claims filed for refund of taxes, court-approved judgments and settlements against the State, and other claims.

Section 37-77, Hawaii Revised Statutes, provides that claims for refunds, reimbursements, or other payments shall, as a condition to their being considered by the legislature, be filed with the director of finance. The director is required to refer claims to the agency concerned for investigation and recommendation. All claims and supporting data are then transmitted to the legislature in an appropriate bill form.

The director of finance has submitted this bill to provide for such payments of claims against the State.

Your Committee upon further consideration and on the recommendation of the director to make certain additions to this bill, has amended this bill to provide for such claim additions. As a result of these additions the bill now incorporates 64 claims totaling \$1,074,754.68. Your Committee has further corrected the date of judgment for the Blankenship claim on page 4 of the bill as received.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1622-78, 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. 1622-78, S.D. 1, H.D. 1, C.D. 1.

Senators R. Wong, Nishimura and Soares
Managers on the part of the Senate

Representatives Suwa, Kunimura and Narvaes
Managers on the part of the House

Conf. Com. Rep. No. 14-78 on H.B. No. 2185-78

The State of Hawaii maintains through payments to individuals and institutions a system of boarding and care homes for disabled and indigent persons who require residential or domiciliary care. These institutions consist of residences housing one to four persons and typically operated by the owner of the residence, although some chain operations are in existence. Over time, a variety of abuses and inequitable practices involving both home operators and the State government have grown up, now requiring correction by regulation and licensing.

It has come to the attention of your Committee that in certain homes patients are abused, being confined or mistreated. Such persons have little possibility of relief or assistance, as social workers responsible for them visit but infrequently, and such licensing operations as now exist are insufficiently supported by inspections or do not adequately cover operators.

At the same time, currently licensed care and boarding home operators themselves have compelling complaints against the State.

Persons are assigned to care and boarding homes by the Department of Social Services and Housing and are placed in one of several levels of care according to the severity of their condition. From time to time the Department of Social Services and Housing review these cases to determine whether the level of care is appropriate.

Information available to your Committee shows that the general trend is from less intensive to more intensive care. In other cases, however, the Department may downgrade care on the grounds that the individual no longer requires such intensive care.

Operators of homes justifiably complain that the latter case amounts to a disincentive for the improvement of the care or boarding home resident.

The purpose of this bill is to provide an initial framework for correcting the abuses incident to care and boarding home operation and to provide incentives for improving the conditions of individuals in domiciliary care.

Accordingly, the bill contains provisions establishing a requirement for licensing of all care and boarding homes, recognizing that particularly in rural areas, there may be need for temporary relief in the case of individual homes.

The bill also mandates minimum training requirements for care and boarding home operators, and charges the Departments of Health (which has the licensing responsibility for care homes) and Social Services and Housing (which has the responsibility for boarding homes) with providing such training.

The bill further establishes a system of visitations of care and boarding home residents by social workers not less frequently than each quarter, and provides incentives to operators and residents for improvement by permitting residents to remain at the rate of payment to which originally assigned.

Your Committee discussed this latter point extensively as to financial implications and concluded that there are no adverse implications. However, it does appear that there may be substantial savings available in the whole spectrum of care facilities, if the Department of Social Services and Housing will exert leadership and develop a completely integrated care system.

Although the subject of this bill is boarding and care homes, the full spectrum of care for indigent and disabled individuals actually extends to sophisticated care in skilled nursing facilities (SNF) and intermediate care facilities (ICF), which are subject to extensive regulation by the Federal government. The enforcement agency is the State Medicaid agency, located within the Department of Social Services and Housing.

There may well be individuals who are receiving care in SNF's or ICF's who actually should be placed in care and boarding homes, or who initially required SNF/ICF care, but subsequently should be placed in lesser level of care. Given the payment levels applicable

to SNF/ICF care, such transfers would result in quite substantial savings to the State. Furthermore, the State may become subject to Federal penalties if such transfers are not made.

This modality may be furthered by fuller use of other existing programs for the population at risk, namely home health care services, elderly day care programs and chore and homemaker services. These programs may serve as alternatives to care and boarding homes.

Your Committee therefore urges the Department of Social Services and Housing to exert itself to develop an integrated care system which minimizes referral to intensive care facilities, takes appropriate advantage of the strengths of care and boarding homes and increases use of in-home care arrangements through day care, home health care and homemaker services.

Your Committee is convinced that not only will this approach to care services yield better, more responsive and more humane system of care, but that significant financial savings will accrue.

Further toward this end, your Committee urges the Department of Social Services and Housing to speedily implement Federal regulations pursuant to the Keys amendment (PL 94-566), requiring adoption of standards for care facilities and delineation of relationships among facilities and standards. It is the intent of your Committee that the Department strive for comprehensiveness and integration of components of the care system, with a view to redressing abuses suffered by care facility residents and the adoption of regular procedures of inspection and visitation to achieve this goal.

Your Committee has amended the bill in the following ways:

(1) The Department of Social Services and Housing is required to provide for quarterly visits to persons placed in adult family boarding homes and care homes.

(2) The Department of Social Services and Housing and the Department of Health are required to provide training to operators and staff of adult family boarding homes and care homes where the placement was made by the State or paid for under a program administered by the State, including as a minimum, first aid and cardiopulmonary resuscitation. All training required of operators shall be at the expense of the State.

(3) The rate of payment at which level a recipient enters an adult family boarding home or care home licensed pursuant to the provisions of this bill shall remain the same for as long as the recipient resides in that adult family boarding home or care home. As an example, a resident who improves from a Level III to a Level II level of care shall remain at the Level III level of payment. This removes the disincentive that now exists where an operator improves a resident's condition. There are safeguards written into the amendment to prevent operators from abusing the rate structure as provided in this bill as amended. Where an operator does not provide the level of care consistent with the needs of the individual as determined by the Department of Social Services and Housing, the Department may reduce the rate of payment, adjust the level of care or remove the recipient to another facility in accordance with rules promulgated pursuant to Chapter 91.

(4) The director of social services is prohibited from removing a recipient from an adult family boarding home or care home when the recipient and operator both disagree to such removal, except when the recipient requires a higher level of care than provided in the facility (an example being as described in the paragraph above regarding abuse of the rate structure, or where there is need for SNF or ICF, and so on), or when the recipient no longer needs domiciliary care.

(5) Section 321-15.5 of the Hawaii Revised Statutes is repealed to conform with the mandatory licensing provisions of the bill.

(6) "Other similar institutions" has been included in the definition of adult family boarding homes in Section 346. And as defined means "any family home operated as a business providing twenty-four hour living accommodations to one to three adults unrelated to the family, who are in need of minimal assistance and supervision in their living activities".

(7) The appropriation has been increased by \$16,000 to cover the personnel cost for two social worker aides to handle the additional resident visitation workload as required by the bill.

Your Committee notes that consideration of the possibility of future integration of functions in the Department of Social Services and Housing and the Department of Health has been

made in provisions of responsibility for training programs in this bill, and that the issues of integration will be before the 1979 Legislature through the findings of the Legislative Reference Bureau as specified by Senate Resolution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2185-78, 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. 2185-78, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Aki, Baker, Mina, Shito and Narvaes
Managers on the part of the House

Conf. Com. Rep. No. 15-78 on S.B. No. 893

The purpose of this bill is to provide for a system of state pilotage in order (1) to provide maximum safety for vessels navigating in state waters; and (2) to maintain a state pilotage system of the highest standard of efficiency; and (3) to insure an adequate supply of qualified pilots for the discharge of their duties in aid of commerce and navigation.

Your Committee finds that the present system, under which the pilots are civil servants, subject to civil service regulations, has proved awkward in practice and does not utilize the highly trained pilots effectively.

This bill establishes a state pilotage system in Hawaii, utilizing state licensed pilots to provide pilotage services as private contractors, regulated by the State through a Board of Pilot Commissioners. This would establish a pilotage service in Hawaii ports similar to the services being provided in ports of all the other coastal states of the United States and on the Great Lakes.

The bill further requires that the pilot association maintain liability insurance coverage for acts or omissions of an association pilot and to clarify the department of transportation's responsibility for the safety of all ports and shore waters in the state.

The Hawaii Port Pilots Association, in compliance with Chapter 26H, Hawaii Revised Statutes, as amended, ("Sunset Law") has submitted a lengthy and detailed "regulatory impact statement" which supports the need for creating a regulatory board of pilot commissioners to be placed within the department of regulatory agencies.

Your Committee notes that the creation of a regulatory board is a necessary complement to the transfer of regulatory functions from the department of transportation to the department of regulatory agencies. The board of pilot commissioners will continue the regulation and supervision of pilots now being provided by the department of transportation.

Your Committee has also considered the statutes of some twenty-three states and federal regulation of the Great Lakes region. At present, Hawaii is the only state which requires pilots to be state employees. Only the City of Los Angeles has pilots who are civil servants at present.

Thus, your Committee upon further consideration of the bill, the impact statement, and the legislative policies set forth in the Sunset Law has made the following amendments to S.B. No. 893, S.D. 2, H.D. 1:

(1) The broad power of the board to establish rates of pilotage has been replaced with a detailed new section providing for an administrative hearing in accordance with chapter 91 before rates can be increased, lowered or altered.

(2) The limitation of licenses section has been modified to require a chapter 91 hearing before the number of pilots can be increased or decreased.

(3) The board's power to hear and decide pilots' complaints against vessel personnel has been deleted.

(4) The provision which would allow a pro-ratio of the licensing fees has been deleted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 893, 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. 893, S.D. 2, H.D. 1, C.D. 1,

Senators R. Wong, O'Connor and Anderson
Managers on the part of the Senate

Representatives Suwa, Peters and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 16-78 on H.B. No. 514

The purpose of this bill is to provide that the rate and tax for a truck shall be the same as provided for a passenger motor vehicle, if the truck has a gross weight of 5,000 pounds or less and if proof is submitted that the truck is not operated for compensation or commercial purposes. The bill also provides that false submittal of proof of noncommercial use is a petty misdemeanor.

Under present tax law, each county is empowered to set the motor vehicle tax rate. The rate is set on a cost per pound basis and differentiates between categories of motor vehicles. For example, a truck is assessed at a higher rate than a passenger motor vehicle.

Your Committee finds that there is no compelling reason for taxing noncommercial trucks at a different rate from passenger motor vehicles under the motor vehicle weight tax law. This bill amends the present law accordingly.

Your Committee finds that in recent years there has been increasing use of enclosed vans for personal, noncommercial purposes. "Vans" are not separately defined in this Chapter, but, rather, are included in the definition of "trucks" or "motor vehicles."

To ensure that vans are included under the provisions of this bill, your Committee has amended the bill to apply to trucks and noncommercial motor vehicles and has changed the maximum weight requirements from a gross weight of 5,000 pounds or less to a net weight of 6,500 or less.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 514, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 514, S.D. 1, C.D. 1.

Senators R. Wong, O'Connor and Henderson
Managers on the part of the Senate

Representatives Cayetano, Dods, Machida, Say and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 17-78 on S.B. No. 2464-78

The purpose of this bill is to amend the Hawaii Revised Statutes so that noise pollution caused by boats and ships will be regulated.

Your Committee finds that boats are not subject to the noise controls contained in Part IV of Chapter 342, Hawaii Revised Statutes.

Under the present law, the Director of Health has the power to control vehicular noise and to establish other specific areas for control of excessive noise. This bill clarifies the authority given to the Director of Health to include the control of noise emitted by boats and ships by adding a definition of "vehicle" to include boats and ships in Section 342-41, Hawaii Revised Statutes.

It is the intent of your Committee that the Department of Health, in cooperation with the Department of Transportation, develop regulations governing boat noise emissions that are as close as practicable to the limits in the Community Noise Code for Oahu.

This bill also amends Section 342-42 to allow the Director of Health to commission, in addition to actually conducting, state educational and training programs on noise prevention, control, and abatement, including the preparation and distribution of information relating to excessive noise and its effect on people.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2464-78, 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. 2464-78, S.D. 2, H.D. 1, C.D. 1.

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

Representatives Blair, Caldito, Larsen and Fong
Managers on the part of the House

Conf. Com. Rep. No. 18-78 on H.B. No. 1937-78

The purpose of this bill is to establish statutory guidelines aimed at simplifying the procedure for reconsideration or rehearing of a Public Utilities Commission's (PUC) decision and order in a motor carrier matter and insuring that such a motion for reconsideration or rehearing is affirmatively determined by the PUC.

The present reconsideration procedure has certain cumbersome features contained therein and allows the PUC's non-determination of a pending matter to be taken as a final decision thereof. Your Committee is in agreement with the testimony received that, with a full-time Commission, a simple procedure that can dispose of a motion for reconsideration or rehearing expeditiously and completely is not only desirable but feasible and essential. Your Committee finds that this bill effectively simplifies the application for reconsideration or rehearing process by deleting superfluous provisions currently in the statute.

Your Committee on Conference is in agreement with the intent and purpose of H.B. No. 1937-78, H.D. 1, S.D. 1, but finds upon review of the bill that an automatic stay provision should be provided when a motion for reconsideration is filed from a final decision and order granting a rate increase or decrease.

Accordingly, your Committee on Conference has made the following amendment:

In Section 1, page 2, section 271-32(b), lines 3 through 5, have been deleted and an automatic stay provision has been added.

Your Committee wishes to note that H.B. No. 1938-78, H.D. 1, S.D. 1, and H.B. No. 1939-78, H.D. 1, S.D. 1, before the Senate, are bills which are attempting to establish uniform appeal procedures for water carriers and public utilities that are contained in Section 271-32 of the Motor Carrier Law. Under existing law, the requirement of filing a motion for reconsideration prior to taking an appeal is applicable only to motor carriers. To this end your Committee is revising these bills so that the procedures will be uniform.

One of the reasons this bill was introduced was to remove the ambiguity raised by a Supreme Court's order to the Commission in In re Hawaii Electric Light Company, Inc., No. 6111 filed February 19, 1976. The order stayed a Commission's order granting a rate increase until the motion for reconsideration was disposed of. Since that time, the Commission's final orders relating to rate cases have been given an effective date in excess of ten days from the date the decision and order is served. This permits any party to file, if he chooses to, a motion for reconsideration before the decision and order takes effect.

Your Committee believes that when a party files a motion for reconsideration from a final decision and order granting a rate increase or decrease, the decision and order should be automatically stayed so that the Commission must review its final decision once more before permitting the change in rates to take effect. This automatic stay provision has been limited to rate cases because they have the greatest impact to the consuming public. We believe the automatic stay provision is not unreasonable to the motor carriers or the consumers since, for good cause shown to the Commission, the stay may be set aside. Further, the Commission must dispose of the motion for reconsideration within twenty days from the filing date of the motion, otherwise the motion is deemed denied.

Your Conference Committee is in accord with the intent and purpose of H.B. No. 1937-78, 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. 1937-78, H.D. 1, S.D. 1, C.D. 1.

Senators Taira, Takitani and Anderson
Managers on the part of the Senate

Representatives D. Yamada, Blair, Uechi, K. Yamada and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 19-78 on H.B. No. 1938-78

The purpose of this bill is to require a party in cases involving a public utility to file a motion for reconsideration stating all of the points of error committed by the Public Utilities Commission (PUC) in its initial decision prior to taking an appeal to the Supreme Court.

Presently, there are no provisions in the public utility laws allowing parties affected by a decision and order to file a motion for reconsideration or rehearing with the PUC. Your Committee finds that by providing for a reconsideration or rehearing and requiring it prior to a judicial appeal, the PUC is given an opportunity to correct any deficiencies

or errors it may have made in its initial decision, and the parties and the PUC are allowed to concentrate on major areas of disagreement in what usually are voluminous records. Also, the moving party is forced to exhaust all administrative remedies and the Supreme Court is assured that the record below is as complete as possible with the issues as sharply defined as possible.

Your Committee on Conference is in agreement with the intent and purpose of H.B. No. 1938-78, H.D. 1, S.D. 1, but finds upon review of the bill that an automatic stay provision should be provided when a motion for reconsideration is filed from a final decision and order granting a rate increase or decrease.

Accordingly, your Committee on Conference has made the following amendment:

In Section 2, 269- (a) the sentence beginning on line 12 has been deleted and an automatic stay provision has been added.

One of the reasons this bill was introduced was to remove the ambiguity raised by a Supreme Court's order to the Commission in In re Hawaii Electric Light Company, Inc. No. 6111 filed February 19, 1976. The order stayed a Commission's order granting a rate increase until the motion for reconsideration was disposed of. Since that time, the Commission's final orders relating to rate cases have been given an effective date in excess of ten days from the date the decision and order is served. This permits any party to file, if he chooses to, a motion for reconsideration before the decision and order takes effect.

Your Committee believes that when a party files a motion for reconsideration from a final decision and order granting a rate increase or decrease, the decision and order should be automatically stayed so that the Commission must review its final decision once more before permitting the change in rates to take effect. This automatic stay provision has been limited to rate cases because they have the greatest impact to the consuming public. We believe the automatic stay provision is not unreasonable to the utility or the consumers since, for good cause shown to the Commission, the stay may be set aside. Further, the Commission must dispose of the motion for reconsideration within twenty days from the filing date of the motion, otherwise the motion is deemed denied.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1938-78, 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. 1938-78, H.D. 1, S.D. 1, C.D. 1.

Senators Taira, Takitani and Anderson
Managers on the part of the Senate

Representatives D. Yamada, Blair, Uechi, K. Yamada and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 20-78 on H.B. No. 1939-78

The purpose of this bill is to require a party in cases involving a water carrier to file a motion for reconsideration stating all of the points of error committed by the Public Utilities Commission (PUC) in its initial decision prior to taking an appeal to the Supreme Court.

Presently, there are no provisions in the water carrier laws allowing parties affected by a decision and order to file a motion for reconsideration or rehearing with the PUC. Your Committee finds that by providing for a reconsideration or rehearing and requiring it prior to a judicial appeal, the PUC is given an opportunity to correct any deficiencies or errors it may have made in its initial decision, and the parties and the PUC are allowed to concentrate on major areas of disagreement in what usually are voluminous records. Also, the moving party is forced to exhaust all administrative remedies and the Supreme Court is assured that the record below is as complete as possible with the issues as sharply defined as possible.

Your Committee on Conference is in agreement with the intent and purpose of H.B. No. 1939-78, H.D. 1, S.D. 1, but finds upon review of the bill that an automatic stay provision should be provided when a motion for reconsideration is filed from a final decision and order granting a rate increase or decrease.

Accordingly, your Committee on Conference has made the following amendment:

In Section 1, 271G- (a), page 1, the last sentence beginning on line 15 has been deleted and an automatic stay provision has been added.

Your Committee notes that this bill and H.B. No. 1938-78, H.D. 1, S.D. 1, are to provide

uniform appeal procedures for parties in water carrier and public utility cases before the PUC. In essence, these bills require that a motion for reconsideration must be filed prior to taking an appeal to the Supreme Court. Under existing law, only motor carriers are required to file a motion for reconsideration prior to taking an appeal.

One of the reasons this bill was introduced was to remove the ambiguity raised by a Supreme Court's order to the Commission in In re Hawaii Electric Light Company, Inc. No. 6111 filed February 19, 1976. The order stayed a Commission's order granting a rate increase until the motion for reconsideration was disposed of. Since that time, the Commission's final orders relating to rate cases have been given an effective date in excess of ten days from the date the decision and order is served. This permits any party to file, if he chooses to, a motion for reconsideration before the decision and order takes effect.

Your Committee believes that when a party files a motion for reconsideration from a final decision and order granting a rate increase or decrease, the decision and order should be automatically stayed so that the Commission must review its final decision once more before permitting the change in rates to take effect. This automatic stay provision has been limited to rate cases because they have the greatest impact to the consuming public. We believe the automatic stay provision is not unreasonable to the water carriers or the consumers since, for good cause shown to the Commission, the stay may be set aside. Further, the Commission must dispose of the motion for reconsideration within twenty days from the filing date of the motion, otherwise the motion is deemed denied.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1939-78, 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. 1939-78, H.D. 1, S.D. 1, C.D. 1.

Senators Taira, Takitani and Anderson
Managers on the part of the Senate

Representatives D. Yamada, Blair, Uechi, K. Yamada and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 21-78 on S.B. No. 1643-78

The purpose of this bill is to enable the Department of Health to issue certified copies of vital records by whatever system appears simplest and least expensive in cost and clerical time.

Your Committee amended the bill by making technical changes to line 13, page 1, which do not affect the substance of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1643-78, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1643-78, H.D. 2, C.D. 1.

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

Representatives Segawa, Baker, Campbell and Narvaes
Managers on the part of the House

Representative Baker did not sign the report.

Conf. Com. Rep. No. 22-78 on S.B. No. 2523-78

The purpose of this bill is to maximize the visitor satisfaction by clarifying the relationships between guests and keeper of hotels.

The bill clarifies the relationships between guests and keepers of hotels by repealing existing provisions of the Hawaii Revised Statutes relating thereto and adding a new chapter containing more comprehensive and expansive provisions relating to the rights, liabilities and responsibilities of keepers of hotels and guests thereof.

Your Committee upon further consideration has made the following amendments to S.B. No. 2523-78, S.D. 2, H.D. 2:

1. Sec. -1 Definitions

Expanded definition of "guests" and "valuables".

2. Sec. -2 Hotelkeepers lien on baggage, etc., of guests; summary ejection of delinquents.

Eliminate requirements for a two day written notice to eject all parties indebted for rooms or board in a hotel.

3. Sec. -4 Safe for valuables; limitation of liability for deposited valuables.

Eliminate all references to "or traveler", and have updated the term "railroad or steamship tickets" to "transportation tickets".

4. Sec. -5 Hotelkeeper's liability for personal property.

Eliminate all references to "or traveler".

5. Sec. -6 Hotelkeeper's responsibility in case of fire, etc.

Eliminate reference to "or traveler", and update term referring to "railroad or steamship tickets".

6. Sec. -7 Posting copy of law; damages recoverable by guests.

Eliminate requirements to post all meal charges and have added the term "intentional" referring to the violation of this provision.

7. Sec. -8 Extension of stay provision.

Amended this section to read as follows: "Any guest who intentionally continues to occupy an assigned bedroom beyond the scheduled departure without the prior written approval of the keeper, shall be deemed a trespasser".

8. Sec. -9 Valuation of property.

Adding a new section relating to "Valuation of property" to be determined under sections -4 and -5.

9. Sec. -10 Registration required.

Adding a new section relating to maintenance of a register for a period of not less than six months.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2523-78, 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. 2523-78, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Machida, Blair, Dods, Mizuguchi, D. Yamada and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 23-78 on H.B. No. 227

The purpose of this bill is to amend and clarify the existing Hawaii Franchise Investment law and to bring it more in line with the laws of other states on this subject.

Your Committee has proposed the following amendments to the existing Hawaii Franchise Investment law:

1. Section 482E-2, Hawaii Revised Statutes, has been amended to clarify which activity will bring a franchise offering within the jurisdiction of the State of Hawaii.

Your Committee has amended this bill by deleting the requirement of the payment of a \$100 or more franchise fee from the definition of "franchise". Your Committee has also amended this bill by deleting the reference as to what constitutes a sale of a franchise within this State in lines 12-23 on page 2 and in lines 1-8 on page 3. Your Committee feels that the existing definition "sale or sell" should remain intact.

2. Section 482E-3, Hawaii Revised Statutes, has been amended by deleting the requirement that a franchise offer be registered. Instead, this Section makes it unlawful to sell a franchise unless the seller has presented to the prospective franchisee a detailed offering

circular at least seven days prior to the date the sale is consummated. The offering circular for the most part must contain the same information presently required to be set forth in the application for registration. Your Committee feels that the requirement that the offering circular be submitted to the franchisee is sufficient and that registration is not required for his protection since individual notice of all relevant information will still be made in the offering circular.

This bill also authorizes the Director of Regulatory Agencies to accept circulars from other jurisdictions which substantially meet the requirements of the Hawaii law.

Your Committee has amended this bill by including in the offering circular a statement of the number of franchise businesses which has been cancelled or terminated or has not been renewed by the franchisees. A new subparagraph E has been added to disclose the number of franchises sold or transferred by franchisees during the preceding three years.

The bill has been amended to include within the offering circular the list of names and addresses of all franchisees of the franchisors situated within the State of Hawaii.

The bill has also been amended to provide that a copy of the offering circular or amended offering circular shall be on file with the Director of Regulatory Agencies at least seven days prior to the date of the sale of a franchise.

3. Section 482E-4, Hawaii Revised Statutes, which presently sets forth exemptions from the registration requirements of the Hawaii Franchise Investment law, has been extensively revised to reflect the repeal of the registration requirement. As amended by your Committee, this Section provides that Sections 482E-3, 482E-5(a), and 482E-5(c), Hawaii Revised Statutes, shall not be applicable to the exemptions enumerated therein.

4. Section 482E-5, Hawaii Revised Statutes, has been amended to delete the requirement that any advertisement offering a franchise be filed with the Director of Regulatory Agencies. Since registration is no longer required, review of advertising offering does not appear necessary.

5. Section 482E-6(2), Hawaii Revised Statutes, which governs the relationship between franchisors or subfranchisors and franchisees, has been amended. Franchisors have long argued that Hawaii current law is vague and invites litigation and introduces into the franchise relationship much uncertainty as to the legal rights of the parties. Because of ambiguities, harsh penalties for violation, and general unfairness to franchisors, many substantial and reputable franchisors have refrained from franchising in Hawaii since the law became effective. The proposed amendments clarify many of the ambiguities in the law and eliminate many of the provisions that franchisors consider to be unfair, without depriving franchisees of the protections already provided them under the Hawaii Franchise Investment law.

As amended by your Committee, this bill provides that it shall be an unfair or deceptive act or practice or an unfair method of competition for a franchisor or subfranchisor to:

"(A) Restrict the right of the franchisees to join an association of franchisees."

This amendment removes the liability of a franchisor for actions or words which might subjectively "inhibit" a franchisee from expressing his right to join an association.

"(B) Require a franchisee to purchase or lease goods or services of the franchisor or from designated sources of supply unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds. Suppliers suggested or approved by a franchisor as meeting its standards and requirements shall not be deemed designated sources of supply."

This amendment clarifies the right of franchisors to maintain standards of quality through systems of suggested or approved suppliers. It also removes the burden of proof from the franchisor.

"(C) Discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that any classification of or discrimination between franchisees is:

(i) based on franchises granted at materially different times, and such discrimination is reasonably related to such differences in time;

- (ii) is related to one or more programs for making franchises available to persons with insufficient capital, training, business experience, education or lacking other qualifications;
- (iii) is related to local or regional experimentation with or variations in product or service lines or business formats or designs;
- (iv) is related to efforts by one or more franchisees to cure deficiencies in the operation of franchise businesses or defaults in franchise agreements; or
- (v) is based on other reasonable distinctions considering the purposes of this chapter and is not arbitrary."

This amendment enumerates some of the conditions under which discrimination may be permitted.

"(D) Obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless the franchisor advises the franchisee in advance of the franchisor's intention to receive such benefit."

This amendment allows the franchisor to derive commissions or any other benefits from vendors dealing with franchisees; provided that he advises the franchisee of the relationship before the franchisee enters into such transaction. The existing subparagraph (D) has been repealed which prohibits the sale or offer of products or services at more than a fair and reasonable price. The term "fair and reasonable" may be vague and ambiguous.

"(E) Establish a similar business or to grant a franchise for the establishment of a similar business at a location within a geographical area specifically designated as the exclusive territory in a franchise previously granted to another franchisee in a currently effective agreement, except under the circumstances or conditions prescribed in such agreement. The fact that other franchisees or the franchisor may solicit business or sell goods or services to people residing in such geographical territory shall not constitute the establishment of a similar business within the exclusive territory."

This amendment clarifies the prohibition against a franchisor, competing in a franchisee's exclusive territory, and removes the franchisor's potential liability from advertising and transshipping activities which franchisors are forbidden to control by the Federal antitrust laws. The existing subparagraph (F) has been repealed.

"(F) Require a franchisee at the time of entering into a franchise to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter. Any condition, stipulation or provision binding any person acquiring any franchise to waive compliance with any provision of this chapter or a rule promulgated hereunder shall be void. This paragraph shall not bar or affect the settlement of disputes, claims or civil suits arising or brought under this chapter."

This amendment clarifies the prohibition of a franchisor from requiring franchisees to waive their rights under the Hawaii Franchise Investment law as a condition to entering a franchise relationship. It does not prohibit a franchisor and a franchisee from settling or arbitrating lawsuits brought under the Hawaii Franchise Investment law or any other law.

"(G) Impose on a franchisee by contract, rule, or regulation, whether written or oral, any unreasonable and arbitrary standard of conduct."

This amendment eliminates the franchisor's burden of proving the reasonableness and the necessity of his contractual and other business requirements.

"(H) Terminate or refuse to renew a franchise except for good cause, or in accordance with the current terms and standards established by the franchisor then equally applicable to all franchisees, unless and to the extent that the franchisor satisfies the burden of proving that any classification of or discrimination between franchisees is reasonable, is based on proper and justifiable distinctions considering the purposes of this chapter, and is not arbitrary. For purposes of this paragraph, good cause in a termination case shall include, but not be limited to, the failure of the franchisee to comply with any lawful, material provision of the franchise agreement after having been given written notice thereof and an opportunity to cure the failure within a reasonable period of time."

This amendment states that a franchisor may not terminate or fail to renew a franchise without good cause or in accordance with the terms and standards established by the franchisor

then equally applicable to all franchisees. This bill defines "good cause" in a termination case. The existing subparagraph (I) has been repealed and combined with the new subparagraph (H).

"(I) Refuse to permit a transfer of ownership of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, except for good cause. For purposes of this paragraph good cause shall include, but not be limited to:

- (i) the failure of a proposed transferee to meet any of the franchisor's or subfranchisor's reasonable qualifications or standards then in effect for a franchisee or subfranchisor;
- (ii) the fact that the proposed transferee or any affiliated person of the proposed transferee is a competitor of the franchisor or subfranchisor;
- (iii) the inability or unwillingness of the proposed transferee to agree in writing to comply with and be bound by all lawful obligations imposed by the franchise, including without limitation all instruction and training obligations, and to sign the current form of franchise agreement used by the franchisor or subfranchisor; and
- (iv) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor and to cure any default in the franchise agreement or other agreements with the franchisor existing at the time of the proposed transfer.

A franchisor or subfranchisor shall have thirty days after being notified in writing of a proposed transfer to approve or disapprove in writing a proposed transfer of ownership or control of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, stating its reason for disapproval. If a franchisor or subfranchisor fails to approve or disapprove a proposed transfer in writing within such period, the franchisor or subfranchisor shall be deemed to have approved such transfer."

This amendment enumerates the conditions under which a transfer of ownership may be permitted.

6. Section 482-6, Hawaii Revised Statutes, is amended by adding a new paragraph (3) to read as follows:

"(3) Upon termination or refusal to renew the franchise the franchisee shall be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement and may offset from such compensation any moneys due the franchisor."

This amendment provides the conditions under which the franchisor must compensate the franchisee upon termination or refusal to renew a franchise.

7. Section 482E-7, Hawaii Revised Statutes, has been repealed because the registration requirement under said Section 482E-3 has been eliminated.

8. Section 482E-8, Hawaii Revised Statutes, has been amended to grant the Director of Regulatory Agencies more discretionary powers to issue stop order prohibiting the sale of a franchise.

9. Section 482E-9, Hawaii Revised Statutes, has been amended for technical reasons without affecting any of the substantive provisions therein.

10. Section 482E-10, Hawaii Revised Statutes, enumerates the penalties which may be imposed for violation of certain provisions of Chapter 482E, Hawaii Revised Statutes. Your Committee has amended this bill by deleting the word "wilfully" from Section 482E-10(b), Hawaii Revised Statutes.

11. Section 482E-11, Hawaii Revised Statutes, relating to fees, has been amended by providing that there shall be a filing fee of \$50 whenever an offering circular or amended offering circular is filed with the Director of Regulatory Agencies. All other fees have

been eliminated.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 227, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 227, S.D. 1, C.D. 1.

Senators Nishimura, O'Connor, Ching, F. Wong and Leopold
Managers on the part of the Senate

Representatives D. Yamada, Cobb, Ueoka, K. Yamada and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 24-78 on H.B. No. 425

The purpose of this bill is to allow a homeowner to personally perform certain emergency repair work on his plumbing system in his principal place of residence.

After due consideration and full discussion, your Committee has amended the bill to allow any person to perform emergency repair work in a plumbing system in his principal place of residence, thus, allowing a person renting or leasing such residence to also perform such work. Your Committee feels that given the intent and purpose of this bill, a differentiation between one who owns his home and one who rents or leases his home is irrelevant.

In addition, your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 425, 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. 425, H.D. 1, S.D. 1, C.D. 1.

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

Representatives D. Yamada, Cobb, Naito, Uwayne and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 25-78 on H.B. No. 429

The purpose of this bill is to increase the maximum amount of the estimated cost of a privately owned or controlled residential building which may be constructed without a stamp of certification by an architect or engineer from \$35,000 to \$50,000 for such a building of one story and from \$30,000 to \$45,000 for such a building of two stories.

Under present law, both residential and nonresidential privately owned or controlled buildings, the estimated cost of which does not exceed \$35,000 and \$30,000, respectively, are exempt from the provisions of chapter 464, Hawaii Revised Statutes. This bill would increase the exempted estimated cost limits only for residential buildings.

After much discussion, your Committee finds that while the rising costs of construction suggest raising such limits to align them with current cost factors, the exemption itself should be limited only to residential buildings. Your Committee feels that, for safety and other reasons, builders of nonresidential structures be required to obtain a stamp of certification notwithstanding the estimated cost of construction.

Accordingly, your Committee has amended the bill by raising such estimated cost limits from \$35,000 to \$50,000 and \$30,000 to \$45,000 and making clear that the exemption itself applies only to residential buildings.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 429, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 429, S.D. 1, C.D. 1.

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

Representatives D. Yamada, Baker, Cobb, Uwayne and Fong
Managers on the part of the House

Conf. Com. Rep. No. 26-78 on H.B. No. 491

The purpose of this bill is to hold students and their parents responsible for the students' acts of vandalism against any public school building, facility, or grounds. This bill provides a legal framework for the enforcement of responsibility and restitution on the part of the student and his or her parents.

Your Committee finds that the public schools have been experiencing a large number of acts of vandalism. Last year, nearly \$425,000 worth of school property was damaged by acts of vandalism and if current trends continue this year's total will exceed that amount. Therefore, your Committee feels that proper legislation is necessary to deter willful destruction of school property.

Under current statutes, the State can pursue claims against any person responsible for damages to school property in a court of proper jurisdiction. However, many times these cases are not pursued because of the long, cumbersome, and costly process involved in a court settlement. This bill provides for a hearing procedure to settle contested cases involving a student accused of committing an act of vandalism against school property. Your Committee feels that this bill sets forth another means in which a settlement can be reached that is fair, expedient, and enforceable.

Your Committee has made several amendments to the bill to protect the rights of pupils and to avoid a possible violation of the thirteenth amendment to the U. S. Constitution. A thirteenth amendment violation may result from requiring the pupil to make restitution for destruction to school property through a work program. The work program alternative was therefore deleted and the provision was amended to permit restitution in any manner, including monetary restitution. The amendment will also permit the school principal greater flexibility in designing restitution programs for specific cases and pupils. A work program may be used, but only if the pupil and parents agree to such a program.

To protect the rights of students, your Committee has amended the bill by requiring that the pupil and his or her parents be given notice and an opportunity to be heard on any charges of vandalism against the pupil without regard to the amount of damages involved. The distinction between vandalism involving less than \$100.00 and vandalism involving more than \$100.00 but less than \$2,000.00 is deleted. The \$2,000.00 maximum amount of liability to which the parties can agree is retained. The notice and hearing requirement is intended to be less formal and expensive than a contested case hearing under Chapter 91, but sufficient to protect the rights of the student with minimal administrative cost.

The bill is further amended to provide that in the event that the pupil and parents cannot reach agreement as to the manner of restitution, the matter may then be submitted to the district superintendent for further action. The amendment permits the superintendent to take any appropriate action, including the conducting of a hearing on the matter as a contested case pursuant to Chapter 91.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 491, 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. 491, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Mizuguchi, Campbell, Mina, Say, Shito and Poepoe
Managers on the part of the House

Conf. Com. Rep. No. 27-78 on H.B. No. 1838-78

The purpose of this bill is to amend the Hawaii Penal Code by making it a felonious crime to promote child abuse. The bill makes it a Class B felony for one to "produce, direct or participate" in the preparation of proscribed material or to engage in a proscribed performance and a Class C felony for dissemination of proscribed material.

Your Committee finds that the new section will fill a void in the criminal laws which has existed since the Hawaii Penal Code became effective in 1973. Your Committee believes that exploitation of children as objects of sexual avarice must be curbed. The bill places the offense under Chapter 707 of the Hawaii Revised Statutes relating to offenses against the person rather than Chapter 712 relating to pornography since this bill is directed toward action which involves sexual conduct by a minor and does not attempt to define the offense in terms of pornography. This bill makes it a criminal offense to engage in such conduct where the material or performance involves a minor engaging in sexual conduct whether or not the material or performance is also pornographic.

The bill provides that a person falls within this law when he knows or has reason to know the character and content of the material and performance, and engages in the proscribed conduct for compensation.

"Sexual conduct" is defined as acts of masturbation, bestiality, homosexuality, lesbianism, deviate sexual intercourse, sexual intercourse, and sadomasochistic abuse.

"Minor" is defined as any person less than sixteen years old.

The bill provides that the fact that a person engages in the proscribed conduct is prima facie evidence that he did so with knowledge of the character and content of the material or the performance produced, directed, or participated in, and further that the fact that the person employed, used or otherwise contained in the material or performance was in fact a minor, is prima facie evidence that the defendant knew the person to be a minor.

Your Committee upon further consideration has made the following amendments to H.B. No. 1838-78, H.D. 2, S.D. 1:

1. The term "wire" recording has been substituted for "live" recording, on line 1 of page 2, and line 18 of page 3, to make the section consistent with use of this term in Section 712-1210 of the Hawaii Revised Statutes.
2. The definition of "disseminate" has been amended by placing a period after the word "same" on line 12 of page 3, and by deleting the rest of the sentence, because your Committee believes that the exemption provided for was too broad.
3. The definition of "performance" on line 20 of page 3 has been deleted, as the term is not used in this section.
4. The words "for compensation" have been deleted from the bill on line 8 of page 1 and line 5 of page 3. It is the intent of your Committee that the coverage of this bill not be limited only to persons who engage in the proscribed conduct for compensation, but also include those who do it for any other reasons as well. Your Committee further believes that inclusion of the phrase would seriously hamper prosecution of this offense.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1838-78, 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. 1838-78, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Aki, K. Yamada, Baker, Cobb, Garcia, Shito, Ikeda, Medeiros
and Sutton
Managers on the part of the House

Representative Baker did not sign the report.

Conf. Com. Rep. No. 28-78 on H.B. No. 1879-78

The purpose of this bill is to decriminalize traffic offenses, other than those of a serious nature, to the status of violations.

The bill reserves the criminal penalties of imprisonment, probation and restitution for traffic offenses such as those concerning accidents involving death, personal injury or property damage, failure to give information and render aid, making false reports, improper overtaking and other offenses enumerated in Section 291C-161(c).

The bill also decriminalizes offenses contained in other traffic-related statutes, deleting provisions relating to imprisonment from Chapter 286, Highway Safety; Chapter 286G, Driver Education and Training Fund; and Chapter 291, Traffic Violations.

The bill further amends Section 291C-23 relating to "obedience to police officers" by making it a misdemeanor for any person to wilfully fail or refuse to comply with lawful orders or directions of police officers.

Your Committee upon further consideration has amended the penalty provision of Section 291C-23 by making it a petty misdemeanor and has made technical, non-substantive amendments to the bill which do not affect its intent and purpose.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1879-78, 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. 1879-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Garcia, Nakamura, Uwaine and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 29-78 on H.B. No. 1920-78

The purposes of this bill are (1) to clarify the definition of boards which regulate professions and businesses and to allow such boards to initiate their own complaints against licensees and to take further disciplinary action against a licensee who fails or refuses to comply with an order of a board, including suspending or revoking a license or seeking injunctive relief; and (2) to extend the effective date of repeal of chapters 438 (relating to the Practice of Barbering) and 452 (relating to Massage and Hawaiian Lomilomi), Hawaii Revised Statutes, to December 31, 1984.

Your Committee has amended the bill for the purpose of limiting the extension of the effective dates of repeal for Chapter 438 (Board of Barbers) from December 31, 1984 to December 31, 1980 and for chapter 452 (Board of Massage) from December 31, 1984 to December 31, 1979.

Act 70, Session Laws of 1977, the "Sunset Law", provides for the repeal of chapter 438 (Board of Barbers) and chapter 452 (Board of Massage) in 1978. However, your Committee feels that further studies should be made to determine whether the public interest will be affected detrimentally by the repeal of these chapters before they are repealed.

For instance, with respect to the Board of Massage, your Committee finds that chapter 452, Hawaii Revised Statutes, contains provisions relating to the Department of Health and health laws. Since it not being your Committee's intention to repeal such laws, your Committee feels that any repeal of such chapter cannot be effected unless and until a determination is made as to the possible deleterious impact upon the public health and welfare.

In addition, with respect to the Board of Barbers, a recommendation was made that one board be authorized to regulate both barbers and cosmetologists. Accordingly, your Committee feels that this recommendation may be potentially meritorious and that the Legislature should consider such a recommendation before repealing either of the individual boards.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1920-78, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1920-78, S.D. 1, C.D. 1.

Senators Nishimura, Hara, Taira, Takitani and George
Managers on the part of the Senate

Representatives D. Yamada, Blair, Cobb, Ueoka and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 30-78 on H.B. No. 2085-78

The purpose of this bill is to curb unlicensed contracting activities by requiring counties to follow stricter procedures in issuing a building permit to any contractor.

Your Committee has amended the bill for the purposes of providing that if an applicant for a building permit claims to be exempt from the provisions of chapter 444, Hawaii Revised Statutes, by reason of the exemption contained in section 444-2(7), Hawaii Revised Statutes, he shall be required to certify that the building or structure which he is building or improving is for his personal use and not for use or occupancy by the general public.

It is the concern of your Committee that this particular exemption to said chapter 444 and the provisions contained therein, the so-called "homeowner/builder" exemption, has been abused to the extent where individuals are applying for building permits and claiming such exemption notwithstanding the fact that the buildings involved are large condominiums, office buildings, and structures otherwise frequented by the public. Your Committee feels that the exemption needs to be clarified and is of the opinion that the foregoing amendment will effectively make clear the intent and purpose of such exemption.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2085-78, 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. 2085-78, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, Kawasaki, Taira and Saiki
Managers on the part of the Senate

Representatives D. Yamada, Cobb, Nakamura, K. Yamada and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 31-78 on H.B. No. 2118-78

The purpose of this bill is to provide that a person commits the offense of disorderly conduct if the person impedes or obstructs any person in any public place or in any place open to the public with the intent to cause physical inconvenience or alarm by a member or members of the public, or recklessly creating a risk thereof.

This bill also provides that each council shall adopt ordinances not inconsistent with any law regulating the conduct of business of all persons licensed to peddle merchandise, prohibiting the "impeding, obstructing, or otherwise inconveniencing the general public or any member thereof in any public place or in any place open to the public".

This bill further provides that no person shall, in soliciting contributions or the sale of goods for a charitable organization or other entity governed by this chapter, impede, obstruct, or otherwise inconvenience the general public or any member thereof in any public place or in any place open to the public.

Your Committee on Conference upon further consideration amended the bill by adding the phrase "for the purpose of begging" on page 2 to clarify the conduct which is to be regulated. The conduct which your Committee believes should be regulated is the impeding and obstructing while begging in a public place or place open to the public. Your Committee does not find that the specific conduct of begging alone is offensive but begging done in the specified manner which is offensive to the public and should be regulated.

Your Committee further amended the bill by adding the phrase "with the intent to physically inconvenience" on page 2 and page 5 so as to be more specific in the intent needed and the type of inconvenience that results from the prohibited conduct. This amendment also makes the provisions consistent with the type of inconvenience in the existing disorderly conduct statute.

Your Committee recognizes the First Amendment rights of an individual to freedom of expression and religion. The intent of this bill is not to infringe unreasonably on these constitutionally protected rights. However, in the public interest, the welfare of others is equally important and your Committee recognizes that reasonable regulations may be imposed to preserve that right.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2118-78, 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. 2118-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Garcia, K. Yamada, Nakamura, Ueoka and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 32-78 on H.B. No. 2248-78

The purpose of this bill is to amend Section 4617, Hawaii Revised Statutes, relating to regulation of certain public nuisances to clear up an apparent conflict in the statutes. A further purpose of this bill is to amend the existing statutes relating to parks and playgrounds for subdivisions.

In 1972, the Legislature enacted Chapter 342 to regulate activities affecting environmental quality, which among other things, granted to the Department of Health authority to promulgate rules and regulations regulating conduct of activities that affect the environment and authority to grant permits to conduct such activities under controlled conditions.

In 1974, Section 4617 was enacted providing authority to the counties to adopt ordinances regulating or prohibiting noise, smoke, dust, vibration or odors which constitute a public nuisance. The section provided that no ordinance would be held invalid on the ground

that it was covered by other statutes or rules, and that in case of conflict, the law which afforded the most protection to the public should apply.

The last proviso is too restrictive and places unreasonable constraints on cane field burning, and the bill therefore provides that permit for agricultural burning granted by the Department of Health or to the extent it subjects to fine or injunction, or declares to be a public nuisance any agricultural burning being conducted in accordance with such a permit.

The bill would also limit the amount of money required to be contributed by a subdivider for park or playground purposes to a maximum of \$500 per dwelling or lodging unit. The maximum limit set by the bill reflects a concern that one of the many factors contributing to the high cost of housing in the City and County of Honolulu is the park dedication ordinance, and also reflects concern because of the apparent disparity in the amount of cash contributions required by each county under the various park dedication ordinances, and also because of the great disparity in required contributions between different developments.

Your Committee believes that the matter of requiring subdividers and developers to contribute to playground and park development is a complex one which requires further study. It is the understanding of your Committee that H.R. No. 34, H.D. 2, Requesting the House Committee on Water, Land Use, Development, and Hawaiian Homes, and the House Committee on Housing to review the park dedication statute, the county park dedication ordinances, and the rules and regulations implementing the county park dedication ordinances is to be adopted. The resolution requests the counties to reevaluate their duties under Section 46-6 so as to ensure that the park dedication statute is being implemented equitably and efficiently in each county. The counties are also requested to forward their reevaluations to the House committees, and the committees are required to hold a joint public hearing to review the park dedication problems. The committees are required to submit a report containing findings and recommendations to the Legislature at least 20 days prior to convening of the next Legislature. It is the further understanding of your Committee that the resolution is to be amended to invite participation by the Senate committees on Housing and Hawaiian Homes, on Ecology, Environment and Recreation, and on Inter-Government Relations.

Your Committee upon further consideration has amended H.B. No. 2248-78, S.D. 2, by deleting Section 2 in its entirety, and by renumbering Sections 3 and 4.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2248-78, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2248-78, S.D. 2, C.D. 1.

Senators Nishimura, Hulten, Taira, Takitani and Saiki
Managers on the part of the Senate

Representatives Garcia, K. Yamada, Blair, Cobb, Nakamura, Uechi, Uwaine,
D. Yamada, Medeiros and Fong
Managers on the part of the House

Conf. Com. Rep. No. 33-78 on H.B. No. 2312-78

The purpose of this bill is to clarify certain ambiguities in the Uniform Probate Code (Chapter 560, Hawaii Revised Statutes) and to increase the jurisdictional limits for certain expedient methods for the collection of a decedent's property. The specific purpose of the amendment of each section is set out below:

1. Section 1 amends Section 560:3-1201 so as to increase the jurisdictional limit for affidavit collection of a decedent's personal property and debts owed to a decedent without court supervision from \$100 to \$500.
2. Section 2 amends Section 560:3-1213 so as to increase the jurisdictional limit for estates where circuit court clerks are authorized to collect and distribute assets of a decedent's estate without court supervision from \$700 to \$2,000. The \$700 figure has been the limit for over a decade, and its relevance has been significantly reduced by inflation.
3. Section 3 amends Section 560:1-201(24) to merely clarify the point in time at which a person ceases to have any interest in a decedent's estate and, for instance, ceases to have the right to demand notice of pleadings and hearings.
4. Section 4 amends Section 560:2-201(b) to clarify that Hawaii law governs all interests in Hawaii realty. This has always been the intent of the Legislature, but attorneys for title companies have expressed the concern that the present language of 2-201(b) could be construed to have title to Hawaii realty affected by the law of the decedent's domicile at death.

5. Section 5 amends Section 560: 2-401 to clarify that the homestead allowance may be paid in cash rather than in property. Again, this has always been the Legislature's intent.

6. Section 6 amends Section 560: 2-504 to clarify that the self-proving affidavit used for the purpose of proving the validity of the execution of a will need not be exactly in the statutory form. In addition, certain grammatical changes are made in the suggested form of affidavit. These changes should permit greater use of out-of-state self-proving affidavits.

7. Section 7 amends Section 560: 3-204 to require that a person demanding copies of probate pleadings must reimburse the estate for its costs actually incurred in making the copies. Your Committee wishes to make clear, however, that a person entitled to copies under Section 560: 1-401 is not required to pay for the cost thereof.

8. Section 8 amends Section 560: 2-801 so as (a) to permit the renunciation of non-testamentary transfers of property, (b) to extend the period within which renunciations must be made from six to nine months so as to conform to the amendments to the Internal Revenue Code by the Tax Reform Act of 1976, and (c) to permit a surviving joint tenant or tenant by the entirety to renounce any property or interest devolving to him by right of survivorship.

Permitting the renunciation of non-testamentary transfers of property (e.g. joint tenancies, trust payments, etc.) corrects a legislative oversight which occurred when the Uniform Disposition of Property Interests Act was repealed as duplicating Section 560: 2-801, when in fact the former included non-testamentary transfers while the latter did not.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 2312-78, H.D. 1, S.D. 1:

1. Section 1 has been amended to further increase the jurisdictional limits for collection by affidavit from \$500 to \$1,000. Your Committee believes that this will permit and expand the more expedient and less costly handling of very small estates.

2. Section 4 has been amended to specifically include interests under agreements of sale as being governed by Hawaii law.

3. Section 8 has been amended to permit the personal representative of a decedent to renounce the decedent's interest with the written consent of all persons affected by the renunciation. Your Committee was informed that the IRS has just recently announced that it will accept a renunciation by an executor under New York law, and your Committee believes that such an amendment is reasonable and appropriate. Language derived from Internal Revenue Code Section 2518(b)(3) was added to make clear that renunciation may not occur after the person renouncing has already accepted the property or interest to be renounced, but your Committee does not construe a person's mere occupancy of realty to be an acceptance which precludes renunciation. In addition, your Committee amended the section to require that the renunciation of an interest in realty must be made of record in the Land Court or the Bureau of Conveyances before it is effective so as to protect land titles.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2312-78, 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. 2312-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Garcia, K. Yamada, Ueoka and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 34-78 on H.B. No. 2319-78

The purpose of this bill is to repeal in its entirety the existing law relating to the county committees on the status of women. The bill would require each county to provide for a committee on the status of women to advise the county and the State commission on the status of women and to make recommendations on matters affecting the status of women. Each county would also be required to ensure the participation, involvement and input of governmental agencies and private individuals, and broad-based public participation. The repeal would take effect upon approval of the bill, provided that county committees already in existence may function until December 31, 1978, unless the committees provided for under the bill are appointed earlier.

Your Committee believes that each of the respective counties should be allowed to determine

for themselves whether or not to provide for a committee on the status of women.

Your Committee upon further consideration has made the following amendments to H.B. No. 2319-78, H.D. 1, S.D. 2:

- (1) Giving each county the option to provide for a committee on the status of women.
- (2) Amending the last sentence of Section 1 to provide that in the event that a county provides for a committee on the status of women, the county would be required to ensure participation, involvement and input as stated above.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2319-78, 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. 2319-78, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Garcia, Blair, Cobb, Lunasco and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 35-78 on H.B. No. 2403-78

The purpose of this bill is to simplify the language contained in section 514A-66, Hawaii Revised Statutes, relating to the right of a purchaser of a condominium apartment to a refund of moneys paid if the final public report is not issued within one year from the date of the preliminary report.

Your Committee finds that the bill (1) is unclear in that it does not specify when the thirty-day time period within which a purchaser seeking a refund must act begins to toll, and (2) reduces the protection afforded such purchasers because it eliminates the present requirement that the report be delivered to him and that he be notified in writing of his right to a refund and the consequence of failing to act within the thirty-day period.

Accordingly, your Committee has amended the bill for the purpose of specifying that the purchaser has thirty days from the date of delivery of the final report within which to exercise his right to a refund and requiring that the report be delivered and the purchaser notified in writing of such right and the possible waiver thereof.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2403-78, 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. 2403-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives D. Yamada, Cobb, Ueoka, Naito and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 36-78 on H.B. No. 2611-78

The purpose of this bill is to further improve and modernize selected provisions of the Hawaii Corporate Law.

After much discussion, your Committee amended the bill in the following manner:

- (1) Section 416-11, Hawaii Revised Statutes. The bill deleted this section in its entirety and substituted in lieu thereof a new section 416-11. Your Committee restored all existing provisions of the section except for the minimum number of persons required to form a corporation which your Committee reduced from three to one and deleted the new section 416-11.
- (2) Section 416-15, Hawaii Revised Statutes. The bill deleted this section in its entirety. Your Committee restored all existing provisions of the section.
- (3) Section 416-16, Hawaii Revised Statutes. The bill deleted this section in its entirety. Your Committee restored all existing provisions of this section.
- (4) Section 416-17, Hawaii Revised Statutes. The bill deleted this section in its entirety. Your Committee restored all existing provisions of this section.

Your Committee finds that present law contained in these sections effectively protect a corporation's and its shareholder's, as well as the public's, interests and that their repeal would, a fortiori, reduce the protection so afforded. Accordingly, your Committee instituted the foregoing amendments.

In addition, your Committee has made technical amendments for the purpose of achieving consistency in the phrases used within the various sections being amended without substantively affecting the provisions of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2611-78, 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. 2611-78, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, Ching, O'Connor, F. Wong and Leopold
Managers on the part of the Senate

Representatives D. Yamada, Naito, Nakamura, Ueoka and Fong
Managers on the part of the House

Conf. Com. Rep. No. 37-78 on H.B. No. 2764-78

The purpose of this bill is to allow the Office of the Lieutenant Governor to furnish session laws, supplements, and replacement volumes of the revised statutes free of charge to public officials. "Public officials" are defined as officials of the Hawaii Congressional delegation, of the United States District Court in Hawaii, of the United States Attorney's Office in Hawaii, and of the Legal Aid Society.

Your Committee upon further consideration has made the following amendments to H.B. No. 2764-78, H.D. 2, S.D. 1:

- (1) State and county officials were included in the definition of "public officials".
- (2) The officials of Legal Aid Society were deleted from the definition of "public officials".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2764-78, 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. 2764-78, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Garcia, Morioka and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 38-78 on H.B. No. 3049-78

The purpose of this bill is to transfer the functions of the State Fire Marshal to the respective counties, to abolish the Office of the State Fire Marshal, and to place all functions relative to the protection of persons and property from fire with the respective county governments.

This bill provides for the establishment of a State Fire Council comprised of the fire chiefs of the various counties and the Chief of the Fire Prevention Bureau of the City and County of Honolulu. The Fire Council is charged with the responsibility of adopting a State Fire Code which is then to be submitted to the various county councils for adoption by ordinance. The councils are given the latitude to adopt more stringent provisions relating to the protection of persons and property from fire but cannot adopt provisions less restrictive than those of the State Fire Code without the prior approval of the State Fire Council.

Your Committee has amended the bill for the purpose of clarifying and emphasizing the fact that the State Fire Code is to be used as a model for the counties, that it does not have the force and effect of law, and that it is given such force and effect in a county only when enacted by ordinance by the county council of such county.

In addition, your Committee has made minor technical amendments which in no way affect the bill's substantive provisions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3049-78, 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. 3049-78, H.D. 1, S.D. 2, C.D. 1.

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

Representatives D. Yamada, Cobb, Ueoka, K. Yamada and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 39-78 on H.B. No. 3060-78

The purpose of this bill is to improve the functioning of the Medical Claim Conciliation Panel by (1) allowing a licensed attorney experienced in trial practice to be a member thereof; (2) creating a separate panel for each case filed; and (3) increasing the number of days from the completion of a hearing in which such panel must file its decision.

Upon consideration of this measure, your Committee has made technical amendments for the purpose of attaining consistency between subsection (b) of section 671-11 and subsection (a) of section 671-15, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3060-78, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3060-78, S.D. 1, C.D. 1.

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

Representatives D. Yamada, Baker, Ueoka, Uwaine and Fong
Managers on the part of the House

Conf. Com. Rep. No. 40-78 on H.B. No. 2102-78

The purpose of this bill is to defray the administrative cost of collecting the state vehicle registration fee and the state vehicle weight tax, to eliminate inequities, and to provide for the imposition of penalties in relation to the collection thereof.

The bill provides that the state motor vehicle registration fee and the state motor vehicle weight tax shall be paid to the Director of Finance of the county in which the respective vehicle is registered, together with all other taxes and fees levied in Chapter 249, Hawaii Revised Statutes. This will result in the collection of sufficient revenues for the State Highway Fund in a timely and efficient manner. The bill also provides for penalties in case of failure or delinquency in paying the fee or tax levied.

The bill further provides that all vehicles shall be subject to a \$1 state vehicle registration fee, and that the vehicle weight tax is limited to a maximum of \$36 per vehicle.

The bill additionally provides that any vehicle with a net vehicle weight of 6,000 pounds or over used for agricultural purposes may be refunded all taxes imposed by section 249-33, Hawaii Revised Statutes, and for 1978 only, all gross weight fees.

The bill repeals the gross weight fee provision found in section 286-215, Hawaii Revised Statutes, which has been replaced by the state vehicle weight tax set forth in section 249-33, Hawaii Revised Statutes.

The bill also allows the Department of Transportation to expend funds from the State Highway Fund to defray the costs of the motor vehicle safety office.

The bill provides that exemptions for the state registration fee and the state vehicle weight tax are the same.

The bill has been amended to delete a partial exemption from the state vehicle weight tax for certain motor vehicles owned by handicapped persons. Your Committee finds that the Legislature has in this Session approved a measure increasing the income tax exemption for blind, deaf or totally disabled persons from \$5,000 to \$7,000 to compensate for loss of spending power due to inflation and that further exemption from the state vehicle weight tax is therefore presently unnecessary.

Your Committee has also amended section 3 of the bill to provide a rate scale for levying the state motor vehicle weight tax. Under current laws, motor vehicles, including trucks, weighing from 6,000 to 9,000 pounds net weight are taxed excessively compared to much heavier vehicles. Your Committee finds that implementation of a sliding scale of decreasing rates to increasing weights is fair and equitable.

Your Committee has also made other style and technical amendments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2102-78, 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. 2102-78, H.D. 2, S.D. 1, C.D. 1.

Senators R. Wong, O'Connor and Anderson
Managers on the part of the Senate

Representatives Cayetano, Mina, Peters, Say, Takamura and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 41-78 on H.B. No. 2895-78

The purpose of this bill is to further clarify the exemption provisions of the attachment and execution laws of the State of Hawaii and, in particular, to clarify that such exemption provisions apply only to attachment and execution.

Your Committee, while in agreement with the provisions of this bill, believes that the April 15, 1979 effective date for sections 11, 12 and 13 of the bill may provide an insufficient period of time within which to correct any problems in the interpretation or implementation of the amendments contained in these sections that may be pointed out in the 1979 Legislative Session.

Accordingly, your Committee has amended the bill for the purpose of changing the effective date for these sections from April 15, 1979 to July 1, 1979.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2895-78, 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. 2895-78, H.D. 1, S.D. 1, C.D. 1.

Senators Nishimura, Ching, Kuroda and George
Managers on the part of the Senate

Representatives D. Yamada, Cobb, Blair, Garcia, Nakamura and Fong
Managers on the part of the House

Conf. Com. Rep. No. 42-78 on S.B. No. 2332-78

The purpose of this bill is to clarify the statutory provisions of Hawaii law relating to the mandatory purchase of Hawaii products and to place on the bidder on a government project who intends to use non-Hawaii products in such project the burden of declaring his intentions thereto.

In comparing the selling prices of Hawaii and non-Hawaii products for the purpose of determining whether the purchase of the former is required, present law does not specify what such selling price means or is to include. This bill would specify that selling price is f.o.b. jobsite, unloaded including applicable general excise and use taxes. Your Committee finds that under present practice, the selling price is considered f.o.b. jobsite including duties, the latter being interpreted to include any applicable general excise and use taxes. Thus, this bill would statutorily incorporate the existing practice.

In addition, present statutes allow selling prices of "similar" non-Hawaii products to be compared with Hawaii products. This bill, as amended in S.D. 1, would have provided for "alternate or comparable" instead of "similar" products being compared to Hawaii products. The bill, as amended in H.D. 1, retained the comparison of the selling prices of "similar" products.

Your Committee agrees with the use of the word "similar" in section 103-43, Hawaii Revised Statutes, as provided on page 1 of the bill, as that word specifies the non-Hawaii product which is capable of meeting the same requirements as the Hawaii product.

Finally, current law only requires a government agency to describe Hawaii products which may be used in a public works or repair or maintenance contract. This bill as received would have required a description of both the Hawaii products as well as their "corresponding" classes. Your Committee has amended this bill by substituting the word "established" classes for "corresponding" classes on line 1 on page 4 of the bill, as received. These "established" classes refer to the class I, II, and III Hawaii products under section 103-43.

With respect to placing the burden of declaring his intention to use non-Hawaii products in a government project on the bidder thereto, your Committee finds that under present law the bidder who intends to use Hawaii products is forced to go through much paperwork

and red tape in order to receive a credit on the cost of such products on his bid. Your Committee believes that this tends to discourage bidders from using Hawaii products, or at best counteracts the incentive, the credit, to use Hawaii products, contrary to the general intent of the law. This bill would require persons submitting bids based on non-Hawaii, instead of Hawaii, products to specify such products and the values thereof.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2332-78, 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. 2332-78, S.D. 1, H.D. 1, C.D. 1.

Senators R. Wong, O'Connor and Anderson
Managers on the part of the Senate

Representatives D. Yamada, K. Yamada, Ueoka, Uechi and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 43-78 on H.B. No. 1987-78

The purpose of this bill, as received by your Committee, is to amend the provisions of chapter 516, Hawaii Revised Statutes, Residential Leasehold, to extend the applicability of the chapter to leases of terms of thirty-five years or more, for leases made prior to June 24, 1967, and to leases executed subsequently for terms of twenty years or more. The bill also makes substantive changes in the administrative procedures found in chapter 516.

At the present time, leases must exceed thirty-five years or exceed twenty years to fall within the purview of chapter 516. Your Committee finds that this creates an inequitable situation for those individuals holding leases for terms of exactly thirty-five or exactly twenty years, as they are deprived, by a day, of the benefits and protection accorded by law. This bill is intended to redress this inequity.

Your Committee on Conference has amended H.B. No. 1987-78, H.D. 1, S.D. 1, by deleting Sections 2 through 4 of the bill.

Your Committee on Conference has, upon further consideration, amended H.B. No. 1987-78, H.D. 1, S.D. 1 by amending Sections 5 and 6 as follows:

That portion of Section 5 which amends Section 516-33(2) Hawaii Revised Statutes is amended to read, "is a bona fide resident of the State [and] or has a bona fide intent to reside in the development tract if successful in purchasing the lot."

Your Committee believes this provision will permit owners of leasehold property in Hawaii to purchase the fee even if they are, as a result of employment or occupation, required to live outside the State.

That portion of Section 5 which amends 516-33(3) has been deleted, as have lines 8 through 10 on page 9.

That portion of Section 6 which adds a new section to 516 has been amended to require that no deposit need be made more than 180, rather than 30, days prior to the condemnation date.

Subparagraph (c) of Section 6 has been deleted.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1987-78, 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. 1987-78, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Shito, Aki, Nakamura, Segawa, Ueoka and Narvaes
Managers on the part of the House

Representative Nakamura did not sign the report.

Conf. Com. Rep. No. 44-78 on S.B. No. 782

The purpose of this bill is to provide for the definition and regulation of a device to be known as a "moped."

Your Committee finds that because of the increased popularity and use of mopeds, regulation and control is necessary in the interest of safety and traffic efficiency.

Your Committee has amended the definition of "moped" to provide that it is a "device" instead of a "vehicle". In your Committee's discussion, it was found that the use of the term "device" would distinguish " mopeds" as a classification distinct from "vehicle" and bicycle".

The bill, as received, provides for a new "moped" classification under motor vehicle, deleting existing language in the law relating to motor-driven bicycles; redefines the terms "bicycle", "vehicle" and "motor vehicle"; provides for registration and taxing of mopeds, seizure and sale of mopeds without the required tags or decals; and amends provisions of the traffic code relating to bicycles.

The bill also amends Chapter 291C, Hawaii Revised Statutes, by adding a new part to be entitled "Special Rules for Mopeds" and which makes the following provisions:

1. Provides a penalty for violation of the Rules and holds parents or guardians responsible for the actions of minors.
2. Subjects moped drivers to traffic laws applicable to motor vehicles, except as noted.
3. Requires a moped operator to have a valid driver's license which must be exhibited upon the demand of a police officer.
4. Establishes a minimum age of fifteen years for moped drivers; prohibits the carrying of passengers.
5. Regulates the driving of mopeds on roadways and prohibits driving of mopeds on sidewalks.
6. Requires mopeds to use bike lanes where provided unless prohibited by the Director of Transportation.
7. Establishes a maximum operating speed of 35 miles per hour.
8. Prohibits a moped operator from attaching himself or the vehicle to any other vehicle, bicycle, coaster, sled, toy vehicle or person on roller skates.
9. Prescribes lighting requirements for mopeds.
10. Provides requirements for renting or selling mopeds.
11. Sets equipment requirements for mopeds:
 - a. Motor having maximum power output of 1-1/2 hp measured at the motor output shaft in accordance with S.A.E. standards.
 - b. Maximum piston or rotor displacement of 3.05 cubic inches.
 - c. Direct or automatic power drive system which requires no clutch or gear shaft by the driver after the drive system is engaged with the power unit.
 - d. Provides that the Department of Transportation shall develop rules and regulations dealing with further equipment requirements.
12. Requires moped sellers to furnish a certification showing compliance with equipment requirements.
13. Provides penalty for the defacing, destroying, or altering of serial numbers or identifying marks on mopeds.
14. Prohibits the possession of a moped or moped part on which the serial number or identifying mark has been changed, altered, erased or mutilated.
15. Restricts the modification of a moped motor and makes violation a petty misdemeanor.

Your Committee has further amended the bill by inserting "moped" provisions to Section 249-16 and Section 249-17, Hawaii Revised Statutes, to conform these sections of the present law to the provisions of this bill.

Your Committee has amended Section 13 of the bill "Special Rules for Mopeds", as follows:

1. Page 16, lines 21-23:
Changed "misdemeanor" to "violation", except as otherwise provided by law to conform with other action taken by the Legislature this session;
2. Page 18, lines 1-3:
Provides that no more than one person at a time shall ride a "moped";
3. Page 18, lines 4-7:
Omits provision prohibiting operation of a "moped" while carrying bundles, or other bulky items;
4. Page 18, line 18:
Omits "or bicycles" - "mopeds" may use bikelanes under certain conditions;
5. Page 18, lines 19-21:
Omits 35 miles per hour roadway restriction provision;
6. Page 20, line 13:
Requires "moped" dealers to provide customers with rules for "mopeds" as approved by the State Department of Transportation;
7. Page 20, line 15:
Requires every person renting a "moped" to another person to keep registration records for two years;
8. Page 25, lines 5-10:
Omits certification requirement from an independent testing facility;
9. Page 25, line 14:
Provides that it is a petty misdemeanor to deface any manufacturer's identification mark on a "moped".

In addition, certain grammatical and style changes have been made.

Your Committee finds that the majority of "moped" accidents involve rented "mopeds", and therefore, your Committee has amended the bill by the inclusion of an additional requirement upon "moped" rental firms of maintaining in effect certain minimum amounts of property damage and liability insurance coverage.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 782, 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. 782, S.D. 1; H.D. 1, C.D. 1.

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

Representatives Cayetano, Takamura, Abercrombie, Blair, Cobb, Dods and Evans
Managers on the part of the House

Representative Takamura did not sign the report.

Conf. Com. Rep. No. 45-78 on H.B. No. 490

The purpose of this bill is to place the responsibility for the replacement of school books that are broken, damaged, lost, or destroyed with the responsible student or the student's parents.

Your Committee has found that the Department of Education's Rule 14.1 relating to school property damaged, destroyed, or lost provides for payment for damages or losses to be made by the responsible student or the student's parents. However, in many instances

the Rule is not enforced. This is primarily due to two reasons: 1) Rule 14.1 does not set forth a uniform procedure for all school administrators to follow; and 2) not all students can make monetary restitution.

This bill provides for a uniform procedure to settle cases involving a student that damages, loses, or destroys school books and allows students and their parents to work out a restitution program with the principal that is agreeable to both parties.

Your Committee has amended the bill by deleting provisions which limit restitution for loss, damage or destruction to school books to either payment of replacement cost, contribution of equivalent work time or a combination of both. The amendment permits the pupil to make restitution in any manner including payment of replacement cost and is intended to permit the school principals greater flexibility in designing restitution programs for specific cases and pupils.

The amendment also avoids a possible constitutional infirmity which may be involved in requiring a pupil to work to pay for the replacement cost of books.

The bill has been further amended to prohibit any action being taken against the pupil unless the pupil has been afforded notice and an opportunity to be heard on any charges of responsibility for the loss, destruction, breakage or damage to school books. The pupil's parents are included in any restitution program designed by the principal by requiring an agreement to make restitution in writing signed by the pupil and his or her parents or guardian.

If restitution is made, the bill requires that all records of the charges be destroyed and all information relating to the charges be kept confidential. If no restitution is made the matter is referred to the district superintendent for further action. The bill was also amended to permit the State to bring any other appropriate action to recover damages.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 490, 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. 490, H.D. 2, S.D. 1, C.D. 1.

Senators Hara, Yim and Anderson
Managers on the part of the Senate

Senator Yim did not sign the report.

Representatives Mizuguchi, Abercrombie, Aki, Dods, Kawakami, Toguchi and Evans
Managers on the part of the House

Conf. Com. Rep. No. 46-78 on H.B. No. 3039-78

The purpose of this Supplemental Appropriations Bill is to amend the General Appropriations Act of 1977.

FINANCIAL AND BUDGETARY OUTLOOK

In his budget message to the legislature the governor stated that a supplemental budget submission was considered necessary for the following purposes: to cover anticipated deficits in certain vital program areas; to continue to fund programs for which appropriations were not authorized for the fiscal year 1978-79; to cope with unforeseen program requirements; and to fund other urgent program requirements.

Your Committee agrees with the necessity for a supplemental appropriations bill for the purpose of considering and accommodating the governor's budgetary recommendations, reordering budgetary priorities, and amending appropriations previously made. Your Committee has analyzed the budget recommendations of the Governor, and, by and large, the recommendations have been incorporated in the Supplemental Appropriations Bill. One significant request for an additional appropriation to fund an extension of the State's comprehensive employment and training (SCET) program is being provided for through separate legislation. In addition to reviewing and incorporating executive budget recommendations, your Committee also reviewed existing appropriations for the current biennium. Where it seems reasonably clear that caseload or workload levels will not reach the levels originally anticipated, or where federal revenue sources are likely to exceed previous estimates, reductions in general fund appropriations have been made in order to accommodate the executive branch's request and to reorder other priorities. The amendments made by this bill to the regular program appropriations for the biennium include a number of special program appropriations. For convenience, these special program appropriations are identified in an attachment to this committee report. It is legislative intent that these special program appropriations will be implemented in the same manner as appropriations

which have been provided to fund the recommendations of the executive branch.

The revenue experience in the current fiscal year has been erratic, but the latest information on general fund tax collections provided to your Committee indicates that the cumulative tax receipts through March are now running slightly higher than the anticipated 8.3% growth rate for the current year. While this is a hopeful sign, your Committee believes restraint in making appropriations must still be exercised, and other noteworthy programs which have not been funded will need to be considered in the budget for the next ensuing biennium. Restraint also needs to be exercised in the authorization of debt. The appropriations which are to be made from the general obligation bond fund amount to \$117,211,000. This is to be compared with the official debt margin of \$371,739,625 reported to be available for additional authorizations.

In the remainder of this report, your Committee summarizes some of the program appropriations and expresses legislative intent, concern and direction to executive agencies.

ECONOMIC DEVELOPMENT

Aquaculture. Your Committee has provided \$750,000 to the department of planning and economic development, of which \$202,000 is intended for the Anuenue Fisheries projects for the development of the prawn industry, and the remaining \$548,000 for various other aquaculture research and development projects. Through these appropriations, it is hoped that new major industries, such as those for prawns and oysters, will expand so as to be able to meet local demand and to develop their potential as export products.

Energy. The development of Hawaii's energy resources to achieve greater energy self-sufficiency is a major legislative goal. As evidence of the legislature's commitment, your Committee has provided \$612,600 for energy research and development projects, and by a separate bill, an additional \$3.8 million in related capital improvement projects. In this bill, your Committee also has provided \$5 million for research facilities to develop alternative energy sources which may be matched with possible future federal and private funds. Funds have been provided for new facilities for research and development of the conversion of alga to fuel oil; non-electrical applications to deliver geothermal fluids in Puna, Hawaii; other alternative energy sources; the modification of plant facilities for the production of alcohol from sugar cane; and the construction of the natural energy laboratory at Ke-ahole Point, Hawaii, for the support of energy research projects.

Tourism. Your Committee has provided \$2.5 million for Waikiki improvements. This supplements \$9 million provided by the legislature in 1971. The additional funds are for such improvements as underground utility wiring, sidewalk development and beautification, mini-park acquisitions, and traffic improvements.

Manganese Nodules. Your Committee finds that there is great economic potential in the development of a manganese nodule processing industry in Hawaii. Funds have been provided to allow the State to promote itself and attract the various manganese consortia to the advantages of locating an environmentally clean industrial operation in Hawaii.

Kakaako Development Project. Your Committee has provided \$190,626 to administer the Kakaako Development Project and to implement various incremental phases of the project. The development of Kakaako represents a cornerstone in the development of central Honolulu, and the funds which have been provided are intended to implement the project in a planned and systematic manner.

HEALTH

Emergency Medical Services. It is a matter of great legislative concern that a fully integrated, comprehensive emergency medical services (EMS) system be established and maintained throughout the State. Funds are provided to the department of health designed to assist in the development of county EMS systems; in specific, by contracting for emergency ambulance services on Maui, developing a central dispatch on Maui, providing for the statewide maintenance of the Medicom system, and extending the "911" emergency phone system to Maui and Kauai. Inasmuch as a planned electronic switching center is yet to be implemented for Hilo, the extension of the "911" system to the County of Hawaii needs to await necessary network rearrangements.

Your Committee fully supports the continuation of the excellent and nationally recognized life-saving training services provided by the Hawaii Medical Association-Emergency Medical Services (HMA-EMS) program and concurs in the separate legislation appropriating a grant-in-aid to the HMA-EMS program.

Hawaii Medical Library. Your Committee recognizes the need of Hawaii's health professionals

for expanded current medical literature and has thus provided a grant-in-aid to the Hawaii Medical Library. It is legislative intent that these funds be used exclusively for library acquisitions.

Vision and Hearing Screening Program. Your Committee finds that in the past year of its operation, the vision and hearing screening program has demonstrated its effectiveness in identifying sensory deficiencies in Hawaii's school children and in providing prompt referral and follow-up services for the corrective medical treatment of such deficiencies, and, therefore, funds have been included for the program's continuation.

Hospital Care. The upgrading of state-administered hospitals has received special attention, and funds have been included to provide improved medical facilities. Hilo and Kona Hospitals, Kauai Veterans Memorial Hospital, and Samuel Mahelona Memorial Hospital have also been authorized additional positions required to further extend health care services in those areas. Maui Memorial Hospital has been the focus of a stepped-up recruitment program to meet the special needs in that community. In addition, \$2 million has been provided for the planning of a new Hilo Hospital facility to meet the health needs of that community.

Community-Based Services for Mental Health. Your Committee has provided additional funds to continue contracts with private providers who render services to that segment of the public suffering from alcoholism or drug abuse.

School Health Services. The provision of first aid and emergency care in the schools has been undertaken on a pilot basis since 1970, with gradual expansion in the number of schools with health aides. That expansion will now be completed, as your Committee has provided funds by a separate bill for the coverage of all schools.

SOCIAL PROBLEMS

Public Assistance. Additional funds to meet the anticipated needs in the income maintenance and medical payment programs have been appropriated by your Committee.

Your Committee fully supports a study of the public welfare program which is proposed to be conducted by the legislative auditor's office, and is hopeful that the major issues of the public welfare problem will be addressed and that viable cost containment alternatives will be analyzed.

Mindful of legislation enacted by the current session of the legislature limiting benefits to certain general assistance recipients and applicants, your Committee desires information as to the implementation of S.B. 1782-78, H.D. 1. The department of social services and housing shall report to the legislature on the numbers of individuals affected by the legislation, identified as to current caseload and new applicants, and savings from general assistance program current expenditure levels, not later than 20 days prior to the convening of the regular session of 1979.

Medicaid. The State's program for medical assistance has become the fastest-growing cost factor in public assistance, and your Committee supports stronger enforcement, closer controls, and implementation of alternative available strategies. A Medicaid fraud unit in the department of the attorney general has been provided for. In addition, the department of social services and housing is requested to implement such cost control measures as the adoption of a drug formulary, listing the prescription items and the specific over-the-counter (OTC) preparations covered by Medicaid. Such a formulary would list generic drugs and would include brand names only when the generic equivalent is not available.

It is timely and important for the department of social services and housing to review available strategies to control costs, including, but not limited to, appropriate transfers of individuals from skilled nursing facilities and intermediate care facilities to lesser levels of care, alternatives to use of hospital emergency rooms for illness amenable to outpatient treatment, and more extensive utilization of home health care and similar services. The department shall prepare recommendations for such alternative strategies and submit them to the legislature not later than 20 days prior to the convening of the regular session of 1979.

Information System. With respect to the modified management information system and data base mandated in Act 10 of the Special Session of 1977, the department of social services and housing and the department of budget and finance shall complete development of the MIS, amplifying information on medical insurance payments which take precedence over Medicaid payments.

Food Stamps. Your Committee requests the department of social services and housing

to provide the legislature with a status report on implementation of new federal food stamp legislation, including experience with emergency applications and mail delivery of benefits.

LOWER EDUCATION

Special Needs Funds. Your Committee has continued its focus on individual schools through the appropriations of \$1.6 million in special needs funds for individual school programs for the second year of this biennium. Strong support for this approach to recognizing the unique needs of each school and the effective use of funds by schools convinced your Committee that it should be maintained by the same formula as last year, with the addition of special education students in regular schools. From all reports, the decisions on the use of the special needs funds were made in accordance with legislative intent to minimize paperwork and to provide schools with latitude in determining their own needs, and your Committee maintains this intent.

Special Education. Hawaii has been in the forefront in providing educational services to handicapped children, but with the enactment of P.L. 94-142, which mandates equal educational opportunity for all handicapped children, the State must provide services at a faster rate than it has. Accordingly, your Committee has greatly expanded the appropriation for special education to comply with the federal mandate and to fulfill the State's own commitment to equal educational opportunity.

Counseling. Your Committee last year recognized the need for additional counselors, especially at the elementary schools, in order to take a more preventive approach to students' problems with personal adjustment. To give greater stability to the program, your Committee this year has again provided for the additional 35 elementary counselors.

Competency Testing. A great deal of attention has been focused during this session on the proposals of the department of education to require students to pass a minimum competency test as a condition for graduation from high school. A legislative established citizens' advisory committee reported, among other points, that the department's purpose for competency testing was not clear, the plans did not provide for sufficient test development, and there was not enough detail in the plans for helping those students who may not pass initially. The legislature agrees with the advisory committee that the potential implications of minimum competency testing have not been thoroughly thought through. While the legislature shares the department's concern that students become competent in the basic skills, it is not convinced that minimum competency testing for graduation is the appropriate means to bring about such competency. To prevent potential excesses in the conduct of competency testing, a specific provision has been included in the bill.

Improvements in Curriculum Planning and Management. In the hierarchy of the department of education, the state office is supposed to take the leadership in statewide curriculum improvements, the districts are to take a coordinative and management role, and the schools are to implement. However, delineation of the respective roles and responsibilities of each of the levels has not been clear, particularly with respect to the state program specialists. The extent to which they in fact determine curriculum weaknesses, initiate curriculum reform, and plan for curriculum change in a systematic manner has not improved, despite a dramatic increase in their numbers over the past decade--an increase disproportionate to the number of schools, students enrolled, and scope of curriculum. Program specialist positions have been created for every conceivable sub-specialty of a subject area without perceivable increases in services to schools.

Schools have been left to cope with curriculum changes without the support which should have resulted from the expansion of positions in the state office of instructional services. Decentralization of these positions to give direct support services to school personnel from school district levels would make these curriculum personnel more accessible than they are now, enable them to derive a more direct and realistic picture of what is going on in the schools, and place them in a position of providing direct support to school principals and teachers.

The redeployment of OIS positions to management and coordinative positions at the school district level does not mean that the department would be left without a mechanism for statewide curriculum planning. On the contrary, curriculum planning could be improved through the establishment of ad hoc curriculum commissions, a concept which was advanced by the DOE in its 1968 report, Toward a General Plan for Public Education in Hawaii. Under this approach, the exercise of curriculum review and formulations functions would not be done by state program specialists but by curriculum commissions, each commission consisting of specialists in the curriculum area under examination and drawn from the district and school levels and from outside the DOE. The role of the curriculum commissions, to be established as required, would be to review the ongoing programs, determine needs, consider new developments, in the field, analyze program options and recommend program

changes. Such curriculum groups are not expected to be continuous bodies but are to be convened on a periodic basis. They would make for a far more effective system of reviewing and recommending changes to the curriculum than the present virtually impossible task of single persons in OIS attempting to keep abreast with developments in any particular field.

Accordingly, the DOE shall submit a preliminary plan 20 days prior to the convening of the 1979 regular session of the legislature that shall include:

- (1) A decentralization of all positions in the office of instructional services to the seven district offices, identified by position title and number, with the following exceptions:
 - (a) Those federally funded positions required by federal regulations to be retained in the state office shall be identified by such regulation and placed temporarily in the office of the superintendent.
 - (b) Program specialist and clerical positions dealing with student athletics shall be placed in the office of business services.
 - (c) Those positions determined to be absolutely essential for statewide curriculum leadership on a sustained and continuing basis (but not those positions whose functions can be assumed by curriculum commissions). Full justifications for any state office retention of such positions shall be provided, and the provision of this exception shall not be used to circumvent the decentralization plan.
- (2) Clear statements which provide for the creation of curriculum commissions and task forces, as the need arises, to develop curriculum on a statewide basis. Membership on these commissions and task forces shall be drawn from district and school staffs as well as from non-DOE ranks.
- (3) Clear statements of roles and responsibilities in curriculum management and implementation by districts and schools.

HIGHER EDUCATION

Extended Degree Program. Funds have been provided for the establishment of an extended degree program which would offer educational opportunities to those who find it difficult to enroll at regular campus-based facilities. Your Committee believes that the delivery of educational programs from community-based facilities is a trend with such tremendous potential that it intends to closely monitor the university's efforts to develop and implement the program.

Other Programs. Other new programs funded at the level requested by the university and the governor include the Marine Option Program, the Center for Labor Education and Research, the Joint Tsunami Research Project, and the Demonstration Project on Kona Coffee.

Student Help. The employment of students on a part-time basis continues to be beneficial both to the students and the University of Hawaii. With the statutory raising of the minimum wage, your Committee did not want to jeopardize such employment of student help, and thus has provided additional funds to maintain these employees on the new wage scales.

Athletics. Your Committee supports the university's athletic program as an integral part of the total educational process. Funds have been provided to support current services and expand the women's athletic program. In addition, \$10.2 million has been included for physical education, intramural and athletic facilities at the Manoa campus, with the understanding that students will be given expanded opportunities to use the facilities. Your Committee notes that the construction of this facility will necessitate relocation of the ROTC and AFROTC buildings. It is your Committee's position that in the relocation of the buildings to the proposed isolated makai-Diamond Head corner of the quarry area, the university resolve the problem of potential dust and vandalism. Your Committee is aware of the proposed second relocation when the law school moves to permanent quarters. The university administration should begin planning for permanent quarters for the ROTC and AFROTC programs while considering expansion of the athletic facilities.

Selective Excellence. Your Committee agrees with the university that it cannot be "all things to all people" and recognizes the need for emphasis on areas in which the university has special competence or potential for excellence. However, with the exception of the possible development of the proposed institute of tropical agriculture as an area of selective excellence, your Committee wishes to express its concern with the progress being made in the implementation of the concept in other areas and requests that increased leadership be exerted.

Transfer of Center for Governmental Development. Your Committee recognizes the need for staff development and related in-service training programs but finds that there are currently three related in-service training units in state government. To avoid continuation of the duplication of functions, your Committee has included appropriate provisos to provide for the orderly transfer of funds should the legislature effect the transfer of the functions of the center for government development.

Additional Legal Services. Funds have been provided to pay for additional legal services supplied by the office of the attorney general to meet the emergency needs of the university. Your Committee believes that the circumstances warrant the provision of funds on a one-time-only basis, and it is not intended for such funds to be provided in the next fiscal biennium.

CULTURE AND RECREATION

Parks. Your Committee has provided funds for operation and maintenance of existing state parks and coordinating the acquisition, planning and development of additional parks. Included are funds for 12 park caretaker positions in parks which are newly developed.

A total of \$7.245 million in capital improvement program funds have been appropriated for the enhancement and expansion of our State's park system. This will not only provide for more recreational facilities but also ensure and enhance our open space.

Public Television. Your Committee recognizes the valuable service provided by public television and has appropriated funds for additional staff and for the refurbishment of the television tower in Hilo to improve reception.

Iolani Palace. Funds have been provided for the operations of Iolani Palace which has been restored and is scheduled to be opened shortly to the public for educational, historical, and cultural purposes.

PUBLIC SAFETY

Hawaii Commission on Crime. Funds have been provided by separate legislation to enable the crime commission to continue its operations.

Other Programs. Your Committee has also provided funds for Liliha House II, a program to assist inmates in making the transition to living in a community setting; the Furlough Release Program, which will permit inmates to participate in work and educational release programs; and temporary adult corrections officers, to operate the Hawaii State Prison Annex during the construction phase of the new correctional facilities and to staff several inmate residential modules that are scheduled for completion and occupancy in 1979.

GOVERNMENT-WIDE SUPPORT

Constitutional Convention. Your Committee has appropriated \$1.0 million to the office of the governor to meet the expenses of the 1978 constitutional convention. This appropriation is supplementary to the \$1.5 million provided by the legislature last year. Of the sum appropriated, \$240,547 may be contracted to the legislative reference bureau for the following purposes: \$200,000 for a citizen education program which will provide the public with objective information on the pros and cons of the various constitutional issues and \$40,547 for staff services for the constitutional convention delegates.

Overall State Planning. Funds to establish the Hawaii community development authority to administer and oversee all project activities have been provided. Funds have also been provided to implement the State Plan upon its enactment.

Taxation. Assessment of real property by a common base will provide relief to taxpayers who are currently being taxed at different bases. Accordingly, funds have been provided to bring together the different real property bases into one base for uniform building appraisal. Funds have also been provided for an annual update of chapter 235, Hawaii Revised Statutes, for the purpose of conforming to changes in the Internal Revenue Code.

Information and Delivery of Government Services. Your Committee feels that it is not enough that government establishes and maintains services to the public. It must also assure that citizens are made fully aware of the availability of the services, and that access to these services be made in such fashion as to be effective, efficient, and convenient to all who may need them.

To this end, the legislative auditor is requested to consider the conduct of a study of the present structure of the State's system or systems for informing the public of the

services available to them, and to determine alternatives for providing such assistance more effectively, efficiently, and conveniently, if such is found to be needed.

RECOMMENDATION

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3039-78, 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. 3039-78, H.D. 1, S.D. 1, C.D. 1.

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

Senator Yim did not sign the report.

Representatives Suwa, Caldito, Dods, Inaba, Kunimura, Lunasco, Mina, Morioka, Peters, Larsen, Takamura, Narvaes and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 47-78 on S.B. No. 2202-78

The purpose of this bill is to appropriate or authorize, as the case may be, funds for the financing of general public improvements for the fiscal year 1978-79.

The projects herein contained are believed to be adequate to accommodate the current capital improvement requirements of the State. We have reflected the legislature's continued commitment to projects which contribute to the educational, health, transportation, economic development, cultural and recreational goals of the State.

From all indications, the State is beginning to recover from a prolonged period of economic slowdown. Generally, the appropriate governmental response to such a condition is to speed the recovery by pursuing a counter-cyclical action of injecting additional capital investment funds to stimulate the economy. Through the supplemental budget, as well as this measure, the State is being authorized to undertake a wide range of projects, of value in themselves, but with the objective of having a healthy effect on the economy.

While capital investment expenditures can generally contribute to economic health, your Committee believes that attention should be directed particularly to those programs and projects which are directly designed to broaden the economic base of the State and contribute to economic development. Therefore, the principal component of this bill is a potentially far-reaching statewide economic development program of nearly \$4 million to be applied against a number of projects and programs designed to assist specific sectors of the economy. These authorized projects include the following:

- . Warehousing and manufacturing facilities to be leased to manufacturers of Hawaiian products.
- . A state fishery freezing and cooling facility for the Hawaii fishing industry.
- . Experimental cargo transport for interisland movement of agricultural, floral, and other Hawaiian products to establish methods of extending the shelf-life of such products.
- . Financing for economic development bonds to alleviate unemployment and to provide assistance for the development of the State's economy.
- . Foreign Trade Zone Annex facilities in the counties of Hawaii, Maui, and Kauai to facilitate the assembly operations of exported and imported goods and utilize the local labor market.

In addition to the projects which comprise the statewide economic development program, other capital investment needs to benefit the people of Hawaii have been provided. Projects of major statewide interest and significance include the following:

- . Grants-in-aid of \$2.3 million for the improvement of various hospitals on Oahu and the neighbor islands.
- . Funds totaling \$2.6 million for the development of water and irrigation systems and water treatment facilities throughout the State.
- . Nearly \$3 million for the development of state parks throughout the State to ensure our people recreational facilities and open space.

Your Committee has also provided for various projects of local and community interest throughout the State.

The total general obligation bond authorizations provided for by this bill is \$54.9 million. Your Committee recognizes the importance of preserving the favorable bond market rating of the State and controlling rising debt service costs. In this and other measures authorizing general obligation bonds, we have sought to maintain the authorization level well below the state debt ceiling.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2202-78, 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. 2202-78, S.D. 1, H.D. 1, C.D. 1.

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

Senator Yim did not sign the report.

Representatives Suwa, Peters, Caldito, Dods, Inaba, Kunimura, Larsen, Lunasco, Mina, Morioka, Takamura, Narvaes and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 48-78 on S.B. No. 2114-78

The purpose of this bill is to establish a pilot project within the Department of Education that will test the feasibility of job-sharing among certain classes of certified personnel in the public schools of Hawaii.

Your Committee finds that job-sharing, which would allow two half-time positions in place of one full-time position, is an innovation which will increase the available employment options so that people may have the opportunity to be employed on the basis of their financial and other needs, without, perhaps, the necessity of being employed on a full-time basis.

Your Committee further finds that the merits of job-sharing warrant systematic experimentation and that the Department of Education, due to the possibility of expanding the number of jobs and its possible impact upon the disproportionate numbers of unemployed teachers in the State, is an appropriate agency within which to initiate a job-sharing pilot project. Moreover, the implementation of a job-sharing pilot project in the DOE may create more stimulating environments for teachers in their professional capacities, and may also provide additional educational stimulus for students. The augmentation of teachers' skills may also be a result of job sharing in the Department of Education, since teachers would have greater time available to them to pursue additional training and education, further benefiting the educational system of the State.

Your Committee upon further consideration has made the following amendments to S.B. No. 2114-78, H.D. 1.

(1) The duration of the pilot project has been established at three years--1978-79, 1979-80, and 1980-81--provided that the department of education shall not implement the project without first carefully developing its plans, procedures, and guidelines and shall initiate the project to the extent practicable during the 1978-79 academic year. The date of commencement of the pilot project was of great concern to your Committee. There was a substantial interest in getting a very promising project started as soon as possible. However, there was equal concern that the necessary planning be under-taken. Your Committee consulted with representatives of the teacher's bargaining unit, the department of education, and interested teachers. All agreed that the above proviso allowed sufficient flexibility to ensure that the project would be begun at the earliest possible date consistent with adequate planning.

(2) The number of full-time participants eligible for the project has been set at no more than 100. There is no minimum number of full-time participants necessary for the program to commence once the requisite planning has been completed.

(3) Reference to a time limit within which the Superintendent of education must announce the pilot project to prospective participants has been deleted. It is the finding of your conference Committee that the previously stated time limit of thirty days had the potential of creating a hardship on the department and might result in a prematurely presented statement.

(4) Similarly, reference to a time limit within which the Department of Education must

formulate and adopt guidelines for the implementation of this Act has been deleted, for much the same reasons as stated in (3) above.

(5) The stipulation that in the event of a vacancy, a job sharer may be required to work on a full-time basis has been deleted.

(6) The office of the legislative auditor is requested to monitor and evaluate the pilot project. Because the length of the project has been extended, the legislative auditor has been asked to report on the status of the project to the regular legislative sessions of 1979, 1980, 1981, and 1982.

In addition to the amendments listed above, your Committee wishes to express its intent with regard to the following concerns.

(1) The benefits of each job sharer with regard to unemployment compensation shall be no different from those benefits afforded other employees in the Department of Education.

(2) It is the desire of your Committee that the job-sharing pilot project be included in the department's project management system that it might benefit from an orderly assessment procedure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2114-78, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2114-78, H.D. 1, C.D. 1.

Senators Hara, Yim and Anderson
Managers on the part of the Senate

Senator Yim did not sign the report.

Representatives Mizuguchi, Stanley, Kiyabu, Machida, Mina, Segawa, Uwaine,
Ikeda and Poepoe
Managers on the part of the House

Representative Poepoe did not sign the report.

Conf. Com. Rep. No. 49-78 on H.B. No. 2850-78

The purpose of this bill is to statutorily designate the Hawaiian language as the native language of Hawaii by amending Chapter 5 of the Hawaii Revised Statutes. Such a designation would encourage the use of the Hawaiian language on all emblems and symbols of the State and its political subdivisions.

The amendment made by your Committee clarifies the intent and purpose of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2850-78, 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. 2850-78, H.D. 1, S.D. 1, C.D. 1.

Senators Hara, Yim and Anderson
Managers on the part of the Senate

Senator Yim did not sign the report.

Representatives Say, Toguchi, Ushijima and Poepoe
Managers on the part of the House

Conf. Com. Rep. No. 50-78 on H.B. No. 1779-78

The purpose of this bill is to provide supplemental funding to the Judiciary for the fiscal biennium July 1, 1977 to June 30, 1979.

The bill represents the proposed supplemental budget of the Judiciary adjusted for salary turnover savings, deletion of non-essential positions, and other minor adjustments. Some of the more significant items are: two Circuit Court Judge positions to alleviate case backlogs accumulated from FY 71-72, funds for the Hawaii Criminal Justice Information System Data Center, the establishment of two additional circuit court divisions to cope with the increase in civil cases in the First Circuit, and a full-time District Court Judge for the Kona District. In addition, \$200,000 has been provided to finance the cost-sharing agreement between the Judiciary and Department of Budget and Finance for use of electronic data processing division computer resources.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1779-78, 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. 1779-78, H.D. 1, S.D. 2, C.D. 1.

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

Senator Yim did not sign the report.

Representatives Suwa, Caldito, Dods, Inaba, Kunimura, Lunasco, Mina, Morioka, Peters, Takamura, Larsen, Narvaes and Sutton
Managers on the part of the House

Conf. Com. Rep. No. 51-78 on H.B. No. 1998-78

The purpose of this bill is to amend Section 343-4, Hawaii Revised Statutes, by adding to the classes of action for which an environmental impact statement shall be required, a new subsection covering all actions by any State or county agency proposing any water development or diversion project.

Your Committee has amended this bill by changing subsection (F) of Section 2 to include only agency action proposals for water development or diversion which will probably have significant environmental effects.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1998-78, 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. 1998-78, H.D. 1, S.D. 1, C.D. 1.

Senators King, Hulten and George
Managers on the part of the Senate

Representatives Blair, Kawakami, Toguchi and Carroll
Managers on the part of the House

Representative Kawakami did not sign the report.

Conf. Com. Rep. No. 52-78 on H.B. No. 2827-78

The purpose of this bill is to establish a permanent statewide School Health Services Program within the Department of Health.

The School Health Services Program was initiated under a pilot project established by Act 130, Session Laws 1970 and expanded to all schools thereafter. This program has demonstrated its effectiveness during the past years in providing health care for students in public schools.

Your Committee on Conference has amended the bill in various ways.

Your Committee has amended the implementation of the School Health Services Program to service all public schools. Furthermore, your Committee has amended this bill that the school health aides may provide health related screening services at each public school.

Your Conference Committee recognizes the need for early detection of vision and hearing deficiencies and feels that health aides should assist in screening students in order that initial screening shall be completed by December 31 of each year.

This bill further amends the qualifications of nurses to any registered practical nurse at the entry level or next level that nurses shall be placed at school health complexes established by the Department of Health in consultation with the advisory committee.

The School Health Services Advisory Committee functions have been clarified to be more specific. The composition of the committee has been amended to consist of members from the counties of Hawaii, Kauai, Maui, Honolulu, and statewide members, and will make recommendations on health related services to the Department of Health.

The full-time school health aides compensation has been amended to provide that their salary should be based on a six and one-half hour work day, and the full-time school health aides shall have the same working schedule and leave allowance as school teachers in the Department of Education.

Your Committee has amended the bill by clarifying that those officers and employees

transferred to the School Health Services Program include full-time nurses and clerks.

Your Committee has amended the appropriation to \$653,179 and included the position count for the School Health Services Program to provide for 143.65 health aides derived by multiplying 221 health aides to .65, two Registered Professional Nurse V's, nine Registered Professional Nurse IV's, six Registered Professional Nurse III's, one Secretary II, one Account Clerk IV, one Clerk-Typist and 5.25 Clerk III's. The program presently provides 11 Registered Practical Nurse IV's, 1 Registered Practical Nurse VII, and 1 Account Clerk.

Your Committee has made technical and non-substantive changes to this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2827-78, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2827-78, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Segawa, Campbell, Machida, Mizuguchi, Peters, Shito, Poepoe
and Sutton
Managers on the part of the House

Representative Campbell did not sign the report.

Conf. Com. Rep. No. 53-78 on H.B. No. 2239-78

The purpose of this bill is to redesignate the Hawaii Commission on Crime as the Hawaii Crime Commission; to extend the life of the commission to June 30, 1980; to appropriate funds for its operation during the 1978-79 fiscal year; and to amend the statutes governing the operations of the commission.

The bill provides for the following:

- (1) Increases the membership of the commission from 11 to 12 members.
- (2) Provides for filling of any vacancy on the commission, except the chairmanship, for the unexpired term, by the Governor with the advice and consent of the Senate.
- (3) Provides for appointment of the chairman for a term commencing July 7, 1979, and ending June 30, 1980, by two-thirds vote of each house in joint session.
- (4) Allows the chairman serving as of the effective date of the bill to continue to serve until a successor is appointed.
- (5) Provides for removal or suspension of the chairman by two-thirds vote of each house in joint session for neglect of duty, misconduct or disability, and also authorizes the legislature to fill any vacancy.
- (6) Allows the chairman to vote only in case of a tie vote.
- (7) Provides for reimbursement of not only the members but also the chairman for reasonable expenses.
- (8) Provides for removal or suspension of any commission member for cause by the Governor after notice and hearing conducted under, rather than subject to Chapter 91.
- (9) Authorizes the commission to receive and use gifts, money, services or assistance from any source.
- (10) Requires the chairman to authorize preliminary inquiry into projects and investigations.
- (11) Provides for hiring of staff by the chairman.
- (12) Clarifies the right of the chairman or commission to contract independently for services.
- (13) Requires the commission to report to the legislature prior to each session on its activities for the past year, and program of action for the coming year.
- (14) Requires the commission to investigate and collect evidence necessary to study criminal activity or the operation of the criminal justice system.

- (15) Authorizes the commission to hold closed hearings when necessary to maintain effectiveness of a study or investigation.
- (16) Requires all other hearings to be held in accordance with Chapters 91 and 92.
- (17) Clarifies the power of the chairman to subpoena witnesses and to require production of documents.
- (18) Requires state and county governments to cooperate with the commission.
- (19) Provides for removal of any commission member who makes an unauthorized disclosure of any confidential information or matter.
- (20) Makes the wilful disclosure or dissemination of confidential information or matter by any commission member, chairman, staff member or employee a misdemeanor.
- (21) Defines "confidential information or matter."
- (22) Provides that attorneys employed by the commission would not become deputy attorneys general.
- (23) Appropriates \$165,000 for the fiscal year 1978-79.

Your Committee upon further consideration has made the following amendments to H.B. No. 2239-78, H.D. 2, S.D. 2:

(1) Section 843-6 has been amended by clarifying the power of the commission to subpoena witnesses and to require production of documents, etc., and by providing for enforcement of the subpoena powers by the circuit courts.

(2) Section 843-8 has been amended by making the unauthorized and wilful disclosure or dissemination of confidential information or matter a Class C felony because of the potentially grave consequences which might result if certain information is disclosed.

(3) Technical changes were made which do not affect the substance or intent of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. 2239-78, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. 2239-78, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Garcia, Blair, Takamura, Ueoka, Fong and Medeiros
Managers on the part of the House

Representative Fong did not sign the report.

Conf. Com. Rep. No. 54-78 on H.B. No. 1885-78

The purpose of this bill is to increase the number of circuit court judgeships in the first circuit from thirteen to fourteen, and to authorize an additional district court judgeship in the third circuit.

Your Committee was informed that in the last six fiscal years ending with fiscal year 1976-77, the number of cases filed in the First Circuit Court has exceeded the number of cases terminated, and that as a result, a backlog of cases has been steadily building from 10,835 cases at the end of fiscal 1971-72 to 14,297 cases at the end of fiscal 1976-77. During the latter fiscal year, 5,870 cases were terminated. However, the backlog is now over two times as large as the number of cases disposed of.

Your Committee upon further consideration has made the following amendments to H.B. No. 1885-78, H.D. 2, S.D. 2:

(1) The number of circuit court judgeships in the first circuit has been increased from thirteen to fifteen, because your Committee finds that the increasing caseload and backlog justifies creation of the additional positions.

(2) Section 604-1 has been amended to give the district courts in the first circuit greater flexibility by allowing any one of the district judges to be assigned to hear landlord-tenant

and small claims matters, rather than requiring the twelfth judge to handle such matters as is presently required. Your Committee finds that a situation existed at the time the position for the twelfth judge was authorized, in which there were numerous complaints as to the unevenness in the decisions rendered in landlord-tenant cases. At the time of the establishment of the twelfth judgeship, it was the intent of this legislature that written decisions be prepared in landlord-tenant matters. It is your Committee's understanding that a body of written decisions has been compiled supplementing the landlord-tenant code, and your Committee believes that the problem as it existed at the time of establishment of the twelfth judgeship has been substantially reduced. Your Committee is still cognizant of the fact that the small claims judge requires special skills in dealing with human problems, even more so than with legal problems. It is the intent of your Committee to continue to monitor the activities of the small claims court. Your Committee intends to see whether or not the rotation of the judges, as your Committee understands it, on a three month assignment, serves the public interest.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1885-78, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1885-78, H.D. 2, S.D. 2, C.D. 1.

Senators R. Wong, Nishimura and Soares
Managers on the part of the Senate

Representatives Garcia, K. Yamada, Blair, Morioka, Nakamura, Uechi and Ikeda
Managers on the part of the House

Representative Ikeda did not sign the report.

Conf. Com. Rep. No. 55-78 on H.B. No. 1803-78

The purpose of this bill is to extend the State Comprehensive Employment and Training component (SCET) of the State Program for the Unemployed (SPU) from June 30, 1978 to June 30, 1979 by appropriating \$2.5 million for statewide public service employment.

Your Committee upon further consideration has amended H.B. No. 1803-78, H.D. 2, S.D. 1 by increasing the appropriation for SCET to \$4 million and carrying over the unencumbered funds to June 30, 1979. This is to insure that the current level of 1,000 SCET participants can be sustained until June 30, 1979.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1803-78, 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. 1803-78, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Takamine, Machida, Mina, Peters and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 56-78 on S.B. No. 1820-78

The purpose of this bill is to amend Chapter 84, Hawaii Revised Statutes, to strengthen the financial disclosure provisions by identifying those State officers and employees whose powers most significantly and directly affect the operations of government and requiring that they file financial disclosure statements with the State Ethics Commission. In addition, the disclosures of the highest-ranking officers and employees will be made matters of public record.

Another purpose of this bill is to limit the application of Section 84-14, Hawaii Revised Statutes, the conflicts of interest provision, as it affects those members of boards and commissions who are appointed as experts. While these members will continue to be restricted from taking action that specifically affects their business interests they will be permitted to take action that generally affects the particular field they have been asked to represent.

This bill further proposes to amend the provision regulating contracts between businesses in which employees and legislators hold controlling interests and State agencies by substituting a more flexible procedure while at the same time making this process more public.

The bill strengthens the ethics code by improving the disclosure process as it affects the highest-ranking employees while at the same time lessening the code's impact on board and commission members who have been unfairly burdened by certain of its provisions.

Your Committee upon further consideration has made the following amendments to S. B. No. 1820-78, S. D. 2, H. D. 1:

(1) The words "any dependent" have been deleted from the definition of "financial interest" in Section 1 of the bill. To require the disclosure of the financial interest of all dependents is an unreasonable invasion of the privacy of those dependents. However, this Section has also been amended to require the disclosure of the financial interests of dependent children.

(2) Section 3 of the bill, amending the contracts provision, has been amended for clarity and will provide that contracts between State agencies and businesses in which an employee or a legislator holds a controlling interest must be awarded through an open, public process. To be open and public, a process need not include formal competitive bidding but must provide all qualified persons or businesses an equal opportunity to gain State contracts. State agencies may enter into contracts that are not susceptible of competition without adhering to the open, public process requirement but the agency's action must be justified in writing and must be filed with the State Ethics Commission.

(3) The subsections within Section 84-17 have been rearranged for clarity and have been amended as follows:

Your Committee was of the opinion that the delegates to the Constitutional Convention could not be required to file financial disclosure statements and this requirement has therefore been deleted from Section 84-17(c)(1), Hawaii Revised Statutes. Your Committee feels nevertheless that disclosure by all officials who exercise significant powers is essential if public confidence in government is to be maintained and promoted. Your Committee urges the Constitutional Convention to adopt a financial disclosure requirement for its members.

Section 84-17(c)(3), Hawaii Revised Statutes, has been amended to delete the requirement that all non-clerical employees of the legislature file financial disclosure forms. Part-time legislative employees work for short periods and do not have significant discretionary powers. Placing the burden of disclosure upon them would not be justified. Permanent employees of the legislature and its service agencies will be subject to the disclosure requirement.

To clarify Section 84-17(c)(4), Hawaii Revised Statutes, the administrative director of the State is specifically listed among those persons who must file disclosures.

The words "department of education" has been substituted for "schools" in line 17 on page 9 of the bill. This amendment clarifies that Subsection (7) is requiring the superintendent, the deputy superintendent, the assistant superintendents, and the district superintendents of the Department of Education to file an annual disclosure of financial interests. A conforming amendment was made on page 10 of the bill.

Section 84-17(b), Hawaii Revised Statutes, has been amended to delete the reference to the delegates to the Constitutional Convention.

Section 84-17(f), Hawaii Revised Statutes, has been amended to conform with the amendment to the definition of financial interest by deleting the reference to "other dependents".

Your Committee has added the words "and the value" to Section 84-17(f)(5), Hawaii Revised Statutes, to clarify that the value of interests in real property must be disclosed; this amendment also clarifies an intent of Section 84-17(f)(4), Hawaii Revised Statutes, to require the reporting of mortgages. The value of real property may be reported in any reasonable manner and the use of the assessed valuation of the property as a guide in determining value would be acceptable under the language of the bill.

Your Committee has further amended the disclosure provision to provide for public inspection of the statements of the following State officers and employees:

- (a) The governor, the lieutenant governor, and the members of the legislature.
- (b) The directors of the state departments and their first and second deputies.
- (c) The administrative director of the State.
- (d) The president, the vice-presidents and the chancellors of the University of Hawaii.
- (e) The superintendent and the deputy superintendent of the department of education.

The disclosure provision has been further amended by adding a new subsection to

provide that disclosure statements shall be confidential and shall not be made public except as permitted by Chapter 84, Hawaii Revised Statutes.

(4) Your Committee has amended the provisions of Section 5 of the bill by requiring the State Ethics Commission to maintain a list of all persons who examine the financial disclosure statements of any person enumerated in Section 84-17(g), Hawaii Revised Statutes, filed with the Commission. Such list shall specify the name of the person examining the record, the name of the person whose record was examined and the date of examination. Such list shall be confidential; provided that the commission shall notify the person whose financial disclosure statement was examined of the name of the person who examined the financial disclosure statement. The State Ethics Commission may adopt rules pursuant to Chapter 91 to implement this section. If the list were open to public inspection a group of persons could make repeated requests to review the financial disclosure statement of a legislator or employee and thereby create the appearance that the legislator or employee had done something improper. The amending language requires the State Ethics Commission to report to a legislator or an employee the names of those persons who have inspected his or her statement.

(5) Section 6 of the bill has been deleted. Your Committee firmly feels and advocates that each of the counties should adopt disclosure provisions that are substantially the same as that set out in the bill. Your Committee is of the opinion, however, that Article XIV, Section 5 of the State Constitution prohibits the legislature from applying the State ethics provisions to the political subdivisions of the State.

Your Committee on Conference is in accord with the intent and purpose of S. B. No. 1820-78, 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. 1820-78, S. D. 2, H. D. 1, C. D. 1.

Senators Nishimura, O'Connor, Ching, Chong, Hara, Kawasaki, Taira, Takitani,
F. Wong, George, Leopold and Saiki
Managers on the part of the Senate

Representatives Stanley, Garcia, Cayetano, Kunimura, Uwaine, D. Yamada, Fong
and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 57-78 on S.B. No. 2595-78

The purpose of this bill is to amend the Hawaii Penal Code by providing for a new offense known as "obstruction of justice" and clarifying said offense as a class C felony.

Your Committee upon further consideration has made the following amendment to S. B. No. 2595-78, S. D. 1, H. D. 1 by substituting the words "to testify or be qualified as a witness" for the words "so to do". This is a technical language change to clarify that the offense is a refusal to testify or be qualified as a witness after having been granted immunity pursuant to Chapter 621C.

It is the intent of your Committee that Section 710-1077(h), Hawaii Revised Statutes, shall apply only to situations involving a witness who refuses to testify or be qualified as a witness without a grant of immunity and shall not apply to a situation where a witness refuses to testify or be qualified as a witness after having been granted immunity. The latter situation shall be governed by "obstruction of justice".

Your Committee on Conference is in accord with the intent and purpose of S. B. No. 2595-78, 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. 2595-78, S. D. 1, H. D. 1, C. D. 1.

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

Representatives Garcia, K. Yamada, Blair, Uwaine and Medeiros
Managers on the part of the House

Conf. Com. Rep. No. 58-78 on S.B. No. 2581-78

The purpose of this bill is to amend the Horizontal Property Regimes Law to promote equitable condominium management and governance.

This bill proposes a change to Section 514A-82(12), Hawaii Revised Statutes. It provides that the first meeting of the association of apartment owners shall be held 180 days after the recordation of the first apartment conveyance, provided that 40 per cent or more of

the project has been sold and recorded. If the project is not 40 per cent or more sold and recorded at the end of one year, an annual meeting must be called if 10 per cent of the owners so request.

Your Committee has amended Section 514A-82(12), Hawaii Revised Statutes, for purposes of clarity without affecting any of the substantive provisions therein. Said Section 514A-82(12) reads as follows:

"...recording of the first apartment conveyance; provided forty per cent or more of the project has been sold and recorded. If forty per cent of the project is not sold and recorded at the end of one year, an annual meeting shall be called; provided ten per cent of the apartment owners so request."

Section 514A-82(14), Hawaii Revised Statutes, has been amended by inserting the words "or cast proxy" so that it would read: "A director shall not vote or cast proxy at any board meeting on any issue in which he has a conflict of interest." This amendment prevents a director from circumventing this paragraph which prohibits him from voting on any matter when he has a conflict of interest.

Section 514A-82(18), Hawaii Revised Statutes, has been amended to clarify that the apartment owner may designate any person as his proxy and may limit the powers of the proxy so long as the apartment owner desires and indicates.

A new paragraph (23) has been added to Section 514A-82 as follows: "(23) Notice of the annual board meeting shall be given in a reasonable manner at least fourteen days, if practicable, prior to such meeting." This provision will afford apartment owners reasonable notice of the annual board meeting.

The existing paragraph (23) has been renumbered as paragraph (24).

Section 514A-61(3) is amended to mandate that the developer must include on the abstract furnished to each prospective initial purchaser a statement that if no warranties exist, the developer shall state that no warranties exist.

Your Committee on Conference is in accord with the intent and purpose of S. B. No. 2581-78, 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. 2581-78, S. D. 2, H. D. 1, C. D. 1.

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

Representatives D. Yamada, Blair, Ueoka, Uwayne and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 59-78 on H.B. No. 2618-78

The purpose of this bill is to allow the Hawaii Housing Authority to issue revenue bonds for the financing of FHA-insured rental housing projects which the authority has received notification of selection of preliminary proposal under a federal rent subsidy program. The bill also establishes a revenue bond special fund for the use in conjunction with such bonds.

Your Committee finds that the Hawaii Housing Authority has been informed that unless it secures long-term financing for the rental projects it has proposed, the sums allocated for its use in the Section 8 program will lapse as of April 30, 1978. Accordingly, this bill is necessary to ensure the realization of such projects.

Upon full consideration of H.B. No. 261878, H.D. 1, S.D. 2, your Committee has made the following amendments:

- 1) page 2, line 7 - The sum of \$5,000,000 has been changed to \$22,500,000.
- 2) page 2, lines 8 and 9 The phrase, "which will be insured by the federal housing administration and" has been deleted.

It is felt that this phrase is contrary to Article VI, Section 3 of the State Constitution which reads: "...the term "revenue bonds" means all bonds payable solely from and secured solely by the revenues, or user taxes, or any combination of both, or a public undertaking, improvement or system."

- 3) A new Section 3 has been added to the bill.

This addition removes housing revenue bonds from the mandate of 103-7, Hawaii Revised Statutes, and permits bonds to be issued with the governor's approval. This provision is necessary to permit Hawaii Housing Authority to exercise maximum flexibility to take advantage of all Federal appropriations .

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2618-78, 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. 2618-78, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Shito, Aki, Nakamura, Segawa, Suwa, Ueoka and Ikeda
Managers on the part of the House

Conf. Com. Rep. No. 60-78 on H.B. No. 2173-78

The purpose of this bill is to establish a statewide planning process as a means toward setting a quality future for the State of Hawaii. Part I of the bill sets forth the overall theme, goals, and policies for Hawaii. Part II of the bill establishes the processes and components of the statewide planning system. Part III of the bill contains priority directions for the State.

After lengthy debate and discussion, your Conference Committee recommends that the overall statewide planning structure and system primarily consist of:

The State Plan

(1) Overall Theme, Goals, Objectives, and Policies. This part sets forth comprehensive long-range directions for the State.

(2) Priority Directions. This part sets forth what the Legislature believes to be the priority statewide concerns. Broad implementing actions to address these concerns are included in Part III, but are not listed in order of priority. The effective date of this Part has been set for May 1, 1979 in order to allow the State to gain further public input on this portion of the State Plan.

The Statewide Planning Components

(1) State Functional Plans. The bill requires that functional plans conform to the State Plan, be formulated using County General Plans as a basis, and be submitted to the Legislature for adoption by concurrent resolution.

(2) County General Plans. County General Plans are required to conform to the State Plan by 1982 and be formulated using State functional plans adopted by the Legislature as a basis.

(3) State Programs. All State programs are required to conform to the State Plan.

(4) Advisory Committees. Advisory Committees are established to assist respective state agencies in preparing functional plans.

(5) Policy Council. A Policy Council is established to advise the Legislature on overall planning concerns, the operational effectiveness of the overall planning system and any State and County planning conflicts. Staff assistance to the Policy Council will be provided by the Department of Planning and Economic Development.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2173-78, H.D. 3, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2173-78, H.D. 3, S.D. 3, C.D. 1.

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

Representatives Kiyabu, Abercrombie, Cayetano, Dods, Kunimura, Machida,
Mina, Mizuguchi, Peters, Suwa, Ikeda and Medeiros
Managers on the part of the House

STANDING COMMITTEE REPORTS

SCRep. 1-78 Legislative Management

Informing the Senate that S.C.R. Nos. 1 to 13, S.R. Nos. 1 to 49 and S.B. Nos. 1533-78 to 1612-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 2-78 Legislative Management

Informing the Senate that S.C.R. No. 14, S.R. Nos. 50 and 51 and S.B. Nos. 1613-78 to 1711-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 3-78 Legislative Management

Informing the Senate that S.R. Nos. 52 to 74, S.B. Nos. 1712-78 to 1735-78 and Gov. Msg. Nos. 1 and 2 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 4-78 Legislative Management

Informing the Senate that S.C.R. Nos. 15 and 16, S.R. Nos. 75 to 86 and S.B. Nos. 1736-78 to 1766-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 5-78 Legislative Management

Informing the Senate that S.R. Nos. 87 to 89 and S.B. Nos. 1767-78 to 1781-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 6-78 Legislative Management

Informing the Senate that Gov. Msg. Nos. 3 to 9, S.C.R. Nos. 17 to 28, S.R. Nos. 90 to 93 and S.B. Nos. 1782-78 to 1842-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 7-78 Ways and Means on S.B. No. 1736-78

The purpose of this bill is to provide funds for the expenses of the Legislature up to June 30, 1979 and for the expenses of the legislative support agencies during fiscal year 1978-79.

After consideration of this bill, your Committee is in agreement with the appropriation amounts specified therein.

We are fully aware of the tight fiscal situation the State is facing and -- mindful of that situation -- we have limited the total of the appropriations contained in this bill to the total amount that was authorized last year.

SENATE AND HOUSE OF REPRESENTATIVES

An appropriation of \$1,552,093 has been made for the expenses of the Senate and \$2,007,750 for the expenses of the House of Representatives. These amounts represent a 1.68% increase over the 1977 appropriations. We find that this modest increase is justifiable in order to cope with increased costs for equipment, supplies, staff services and other expenses of the Legislature.

LEGISLATIVE AUDITOR

The sum of \$973,680 has been appropriated to the Office of the Legislative Auditor. This is the amount requested by this office. Also, \$150,000 has been provided for the

conduct of legislatively-mandated special studies.

STATE ETHICS COMMISSION

The State Ethics Commission had requested \$93,500 and we have provided for this amount in this bill.

LEGISLATIVE REFERENCE BUREAU

We have provided \$916,935 for the Legislative Reference Bureau. Included in this total are funds for the statute revision program which under Act 8, Special Session of 1977, was integrated into the Bureau.

OMBUDSMAN

As requested by the Ombudsman, we have provided \$284,009 for the expenses of that office.

All unexpended or unencumbered balances of any appropriation made by this bill shall lapse on June 30, 1979.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1736-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 8-78 Legislative Management

Informing the Senate that S.R. Nos. 94 to 102 and S.B. Nos. 1843-78 to 1858-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 9-78 Legislative Management

Informing the Senate that S.R. Nos. 103 to 109 and S.B. Nos. 1859-78 to 1880-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 10-78 Legislative Management

Informing the Senate that S.C.R. Nos. 29 to 32, S.R. Nos. 110 to 112 and S.B. Nos. 1881-78 to 1922-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 11-78 Legislative Management

Informing the Senate that S.C.R. Nos. 33 to 36, S.R. Nos. 113 to 120 and S.B. Nos. 1923-78 to 1955-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 12-78 Legislative Management

Informing the Senate that S.R. Nos. 121 to 129, S.B. Nos. 1956-78 to 1980-78, Stand. Com. Rep. Nos. 13-78 to 16-78 and Gov. Msg. Nos. 65 to 89 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 13-78 Energy/Natural Resources on S.C.R. No. 2

The purpose of this report is to request the government of Hawaii, its officers and people to facilitate and encourage the development of closer ties between Alaska and Hawaii that will be of mutual social, economic and political benefit to both states. Recognizing the many similarities and problems the State shares with Alaska, the State of Hawaii would like to extend and develop a warm friendship and foster interactions between the governments and peoples of both states that will be of mutual interest as well.

Your Committee believes that an exchange and interaction of ideas, services and products between Alaska and Hawaii will assist in resolving some of the problems which affect both states and foster similar relationships between other states of the Union and Hawaii or Alaska.

In addition, there are complimentary differences in the natural resources, products, technologies and ideas of the two states that should be explored and exchanged. Further, means of facilitating communication and trade channels should be developed by the governments and private sectors of both states. Alaska and Hawaii, moreover, being the last two and only noncontiguous states in the Union and with sizable native populations, are exposed to many of the same elements and problems that are unique to both states.

Your Committee held a public hearing on this resolution with testimony from Mr. Hideto Kono, Director of the Department of Planning and Economic Development (DPED) and Ms. Claire Engle, Director of Committee Programs of the Chamber of Commerce of Hawaii. Both testimonies indicated support for S.C.R. No. 2. The Chamber of Commerce of Hawaii and Alaska State Chamber of Commerce have already, in recognition of the benefits of establishing closer ties, been in conversation on this matter. A delegation of the latter group consisting of its directors and leading businessmen will visit Hawaii on February 3, 1978, to explore mutual concerns with a group of Hawaii businessmen and government leaders.

Your Committee has invited this group to visit the Senate and it has graciously accepted. Your Committee would like to extend its and the State of Hawaii's fondest Aloha to this group and hope that their stay in our islands will be a warm and memorable one.

In view of this visit, your Committee would like to recommend the following additions to S.C.R. No. 2:

1. On page 2, between the fourth and fifth "Whereas" insert:

"WHEREAS, a delegation from the Alaskan State Chamber of Commerce is currently in Hawaii to explore the mutual ties that will benefit both states; and"

2. On page 2, between "Be it resolved" and "Be it further resolved" insert:

"BE IT FURTHER RESOLVED that this body conveys a warm Aloha to the visiting delegation from the Alaska State Chamber of Commerce and best wishes to the delegation and representatives of Hawaii for successful discussion of mutual ties and benefits between our sister states; and"

3. On page 2, last paragraph, add to ending "...State of Alaska; "

"and to each member of the delegation from the Alaska State Chamber of Commerce."

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.C.R. No. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 14-78 Energy/Natural Resources on S.R. No. 5

The purpose of this report is to request the government of Hawaii, its officers and people to facilitate and encourage the development of closer ties between Alaska and Hawaii that will be of mutual social, economic and political benefit to both states. Recognizing the many similarities and problems the State shares with Alaska, the State of Hawaii would like to extend and develop a warm friendship and foster interactions between the governments and peoples of both states that will be of mutual interest as well.

Your Committee believes that an exchange and interaction of ideas, services and products between Alaska and Hawaii will assist in resolving some of the problems which affect both states and foster similar relationships between other states of the Union and Hawaii or Alaska.

In addition, there are complimentary differences in the natural resources, products, technologies and ideas of the two states that should be explored and exchanged. Further, means of facilitating communication and trade channels should be developed by the governments and private sectors of both states. Alaska and Hawaii, moreover, being the last two and only noncontiguous states in the Union and with sizable native populations, are exposed to many of the same elements and problems that are unique to both states.

Your Committee held a public hearing on this resolution with testimony from Mr. Hideto Kono, Director of the Department of Planning and Economic Development (DPED) and Ms. Claire Engle, Director of Committee Programs of the Chamber of Commerce of Hawaii. Both testimonies indicated support for S.R. No. 5. The Chamber of Commerce of Hawaii and Alaska State Chamber of Commerce have already, in recognition of the benefits of establishing closer ties, been in conversation on this matter. A delegation of the latter group consisting of its directors and leading businessmen will visit Hawaii on February 3, 1978, to explore mutual concerns with a group of Hawaii businessmen and government leaders.

Your Committee has invited this group to visit the Senate and it has graciously accepted. Your Committee would like to extend its and the State of Hawaii's fondest Aloha to this group and hope that their stay in our islands will be a warm and memorable one.

In view of this visit, your Committee would like to recommend the following additions to S.R. No. 5:

1. On page 2, between the fourth and fifth "Whereas" insert:

"WHEREAS, a delegation from the Alaskan State Chamber of Commerce is currently in Hawaii to explore the mutual ties that will benefit both states; and"

2. On page 2, between "Be it resolved" and "Be it further resolved" insert:

"BE IT FURTHER RESOLVED that this body conveys a warm Aloha to the visiting delegation from the Alaska State Chamber of Commerce and best wishes to the delegation and representatives of Hawaii for successful discussion of mutual ties and benefits between our sister states; and"

3. On page 2, last paragraph, add to ending "...State of Alaska; "

"and to each member of the delegation from the Alaska State Chamber of Commerce."

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 5, S.D. 1.

Signed by all members of the Committee.

SCRep. 15-78 Energy/Natural Resources on S.C.R. No. 12

The purpose of S.C.R. No. 12 is to request the United States Congress to exempt the State of Hawaii from the federal mandatory requirement of converting new and existing power plants to coal and to provide the State of Hawaii with relief from the fuel oil penalty tax and other restrictive measures.

U.S. Senate and House conferees have agreed to exempt Hawaii from the mandate of converting new and existing power plants to coal-fired utility systems in recognition of Hawaii's unique energy situation. There are elements in H.R. 8444, however, that appear to be in direct contradiction to any benefits Hawaii may receive from the exemption.

In a public hearing held by your Committee, Peter Lewis, Vice-President of Hawaiian Electric Company testified that the exemption granted by congressional conferees was considered in light of Hawaii's unique geographic location and the excessive costs involved. The exemption, he added, is a special permanent territorial one without future requirements to convert from fuel oil to coal. The importance of the exemption is that if changing conditions make coal feasible, the State will be able to take the initiative and exercise control over the extent and timing of conversion to coal. Mr. Lewis noted, however, that under no set of circumstances does Hawaiian Electric Company foresee coal becoming competitive with fuel oil for a number of years.

In mention of H.R. 8444, Mr. Lewis stated that the concurrent resolution contains a provision requiring electric utilities in the state to pay a penalty tax of \$1.50 per barrel of fuel oil, adjusted upward by inflation factors, commencing in 1983. In consideration of escalation factor increases and estimates of 1982 fuel oil consumption, the tax rate will increase to \$2.15 per barrel. The total tax, therefore, for Hawaii's electric utilities will be in excess of \$30 million in 1983 and with increases likely each year thereafter. He noted that since the conferees have already agreed to exempt Hawaii from burning coal, it would be inconsistent for Congress to burden Hawaii's ratepayers with a multi-million dollar use tax, the primary purpose of which is to induce utilities to convert to coal.

Mr. Lewis additionally pointed out that the same inconsistencies exist in two other parts of H.R. 8444:

- (1) Requiring the loss of investment tax credit for all new boilers using fuel oil put into place after June 1977. This provision would affect Hawaiian Electric Company's Kahe 6 plant and would cost the Company \$1.9 million.
- (2) Denial of the use of accelerated depreciation for these same new boilers. This provision would cost the Company an estimated \$9 million over a period of 30 years for its Kahe 6 plant.

In additional testimony, Mr. Wallace Miyahara, Director and Chief Engineer for the City and County of Honolulu, indicated that while the exemption from the federal mandate is supported by the City, the retention of certain features in H.R. 8444 is directly contrary to the benefits provided by the exemption. Coal, he added, will perhaps be a viable alternative for the future if economic and environmental concerns can be met; however, for the foreseeable future, petroleum must continue to be the main fuel source.

Owing to the possible adverse impact on Hawaii and the potentially serious hardship to Hawaii's residents in much greater utility rates than presently being charged, your Committee is in support of S.C.R. No. 12.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.C.R. No. 12 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 16-78 Energy/Natural Resources on S.R. No. 41

The purpose of S.R.No. 41 is to request the United States Congress to exempt the State of Hawaii from the federal mandatory requirement of converting new and existing power plants to coal and to provide the State of Hawaii with relief from the fuel oil penalty tax and other restrictive measures.

U.S. Senate and House conferees have agreed to exempt Hawaii from the mandate of converting new and existing power plants to coal-fired utility systems in recognition of Hawaii's unique energy situation. There are elements in H.R. 8444, however, that appear to be in direct contradiction to any benefits Hawaii may receive from the exemption.

In a public hearing held by your Committee, Peter Lewis, Vice-President of Hawaiian Electric Company testified that the exemption granted by congressional conferees was considered in light of Hawaii's unique geographic location and the excessive costs involved. The exemption, he added, is a special permanent territorial one without future requirements to convert from fuel oil to coal. The importance of the exemption is that if changing conditions make coal feasible, the State will be able to take the initiative and exercise control over the extent and timing of conversion to coal. Mr. Lewis noted, however, that under no set of circumstances does Hawaiian Electric Company foresee coal becoming competitive with fuel oil for a number of years.

In mention of H.R. 8444, Mr. Lewis stated that the resolution contains a provision requiring electric utilities in the state to pay a penalty tax of \$1.50 per barrel of fuel oil, adjusted upward by inflation factors, commencing in 1983. In consideration of escalation factor increases and estimates of 1982 fuel oil consumption, the tax rate will increase to \$2.15 per barrel. The total tax, therefore, for Hawaii's electric utilities will be in excess of \$30 million in 1983 and with increases likely each year thereafter. He noted that since the conferees have already agreed to exempt Hawaii from burning coal, it would be inconsistent for Congress to burden Hawaii's ratepayers with a multi-million dollar use tax, the primary purpose of which is to induce utilities to convert to coal.

Mr. Lewis additionally pointed out that the same inconsistencies exist in two other parts of H.R. 8444:

- (1) Requiring the loss of investment tax credit for all new boilers using fuel oil put into place after June 1977. This provision would affect Hawaiian Electric Company's Kahe 6 plant and would cost the Company \$1.9 million.
- (2) Denial of the use of accelerated depreciation for these same new boilers. This provision would cost the Company an estimated \$9 million over a period of 30 years for its Kahe 6 plant.

In additional testimony, Mr. Wallace Miyahara, Director and Chief Engineer for the

City and County of Honolulu, indicated that while the exemption from the federal mandate is supported by the City, the retention of certain features in H.R. 8444 is directly contrary to the benefits provided by the exemption. Coal, he added, will perhaps be a viable alternative for the future if economic and environmental concerns can be met; however, for the foreseeable future, petroleum must continue to be the main fuel source.

Owing to the possible adverse impact on Hawaii and the potentially serious hardship to Hawaii's residents in much greater utility rates than presently being charged, your Committee is in support of S.R. No. 41.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 41 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 17-78 Legislative Management

Informing the Senate that S.C.R. Nos. 37 and 38, S.R. Nos. 130 to 135, S.B. Nos. 1981-78 to 2023-78 and Stand. Com. Rep. Nos. 18-78 to 38-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 18-78 Public Utilities on S.C.R. No. 11

The United States Congress currently has under consideration proposed legislation on a national energy policy which relates to the regulation of public utilities across the country. Many states have unique regulatory problems, particularly the State of Hawaii because of its geographic location and climatic conditions. State regulatory commissions across the country, in general, and the State of Hawaii Public Utilities Commission, in particular, appear to be doing competent jobs because they are able to adapt to the special regulatory problems of their respective geographic areas and one set of regulatory standards for the entire country would seem totally impractical. The U.S. Senate and House Joint Conference Committee has reached a tentative agreement on the Public Utility Energy Policies Act, which establishes a national energy policy relating to the regulation of public utilities. Under this Act, federal standards for electric utility rate structures are enumerated and the Act states that these standards must be considered by state regulatory commissions. Also, under the Act, the Secretary of Energy is authorized to intervene in state regulatory proceedings to raise the issue of one or more of the enumerated federal standards as well as other concepts which contribute to the purposes of the Act. This proposed Act, as agreed to by the U.S. Senate and House conferees, already represents a certain degree of federal preemption of state public utility regulatory authority.

We believe that further federal preemption would result in a serious infringement upon state legislative responsibility in matters which have historically been deemed best left to the attention of individual states and would completely undermine the rights currently reserved to the states, including the State of Hawaii.

The purpose of this concurrent resolution is to request that the United States Congress refrain from any further federal preemption of the regulation of public utilities in the State of Hawaii, thus allowing the Hawaii Public Utilities Commission to carry out the responsibilities delegated to it by the Legislature of the State of Hawaii.

Your Committee has amended the concurrent resolution to place the emphasis on future federal preemption of the regulation of public utilities in the State of Hawaii, rather than on actions which have already been taken by Congress.

Your Committee on Public Utilities is in accord with the intent and purpose of S.C.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 11, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 19-78 Public Utilities on S.R. No. 40

The United States Congress currently has under consideration proposed legislation on a national energy policy which relates to the regulation of public utilities across the country. Many states have unique regulatory problems, particularly the State of Hawaii because of its geographic location and climatic conditions. State regulatory commissions across the country, in general, and the State of Hawaii Public Utilities Commission, in particular, appear to be doing competent jobs because they are able to adapt to the special regulatory

problems of their respective geographic areas and one set of regulatory standards for the entire country would seem totally impractical. The U.S. Senate and House Joint Conference Committee has reached a tentative agreement on the Public Utility Energy Policies Act, which establishes a national energy policy relating to the regulation of public utilities. Under this Act, federal standards for electric utility rate structures are enumerated and the Act states that these standards must be considered by state regulatory commissions. Also, under the Act, the Secretary of Energy is authorized to intervene in state regulatory proceedings to raise the issue of one or more of the enumerated federal standards as well as other concepts which contribute to the purposes of the Act. This proposed Act, as agreed to by the U.S. Senate and House conferees, already represents a certain degree of federal preemption of state public utility regulatory authority.

We believe that further federal preemption would result in a serious infringement upon state legislative responsibility in matters which have historically been deemed best left to the attention of individual states and would completely undermine the rights currently reserved to the states, including the State of Hawaii.

The purpose of this resolution is to request that the United States Congress refrain from any further federal preemption of the regulation of public utilities in the State of Hawaii, thus allowing the Hawaii Public Utilities Commission to carry out the responsibilities delegated to it by the Legislature of the State of Hawaii.

Your Committee has amended the resolution to place the emphasis on future federal preemption of the regulation of public utilities in the State of Hawaii, rather than on actions which have already been taken by Congress.

Your Committee on Public Utilities is in accord with the intent and purpose of S.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCR Rep. 20-78 Energy/Natural Resources on S.B. No. 1567-78

The purpose of S.B. No. 1567-78 is to clarify the authority of the Public Utilities Commission to regulate rates for electricity generated by geothermal resources where a public utility and supplier fail to agree on rate. It emphasizes that the Public Utilities Commission shall not consider, or allow to be considered, as a factor in setting rates, the costs of fossil fuel generated electricity. It exempts from the definition of "public utility" producers of electricity from geothermal resources and which uses some electricity for its own use and sells the excess to a public utility.

As originally drafted, this S.B. No. 1567 also provided that facilities for the drilling, development, and transmission of geothermal resources be expressly permitted uses in both conservation and agricultural state land use districts. It was believed that this would save considerable time and costs and help expedite the much needed development of these vital resources to the benefit of Hawaii residents. However, your Committee feels this could better be achieved by developing more effective procedures in the land use laws and regulations. Accordingly, said provisions were deleted from the bill.

The Department of Planning and Economic Development testified in support of this bill but suggested that the term "geothermal steam", be added in addition to "geothermal electricity" which your Committee accepted.

Finally, the typographical error on page 11, (1) "excise" should read "exercise".

Your Committee has agreed with the foregoing recommended changes.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1567-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1567-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCR Rep. 21-78 Energy/Natural Resources on S.B. No. 1568-78

The purpose of S.B. No. 1568-78 is to provide a deferral of real property tax to owners (including lessees) of property classified as a geothermal well site. It provides that upon the production and sale of geothermal power for commercial purposes, the owners shall make annual payments until all taxes deferred are paid.

The potential of geothermal energy to Hawaii is great. Most people agree that the State should encourage expeditious development of this significant resource. However, there are many obstacles and considerable expense involved in developing this source of energy.

Often, a long period of lead time is required before the developer of this resource will see any income or positive cash flow. This deferral of real property tax to owners (including lessees) of property classified as a geothermal well site will help reduce the "up front" expenses of the energy developer. There will be no ultimate loss of income, other than possible interest income, and a relatively small cost to the county government to ensure rapid development of this resource which will in turn provide considerable income to the County as well as to the State.

The Board of Land and Natural Resources is designated as the administrator of the program. Eligibility requirements are specified as well as the application process. The Board is required to prepare, execute, and administer an agreement with the property owners. The bill further provides provisions for declassification of property and penalties therefor.

The Department of Planning and Economic Development testified in support of this bill and recommended that wording on page 5, line 1 read as follows: "Property classified as a geothermal well site shall be assessed under Chapter 246, but the taxes assessed thereunder shall be deferred until geothermal energy is produced from the well in commercial quantities."

The Hawaii County testimony also concurred, and recommended that wording be inserted in the same section to the following effect: "provided that the amount paid shall be treated, for purposes of collection and expenditures, as real property taxes, payable to the County."

The Department of Taxation had the following concerns: (1) tax deferral should be limited to the land, (2) deadline to file the application and the date the deferred tax becomes effective, (3) there is no restriction on the size of the area to be classified for development, and (4) there is no time limit for the land classified to be developed and the property taxes deferred.

Your Committee accepted the above recommendations and also included the following amendments: Page 4, line 13 read "five" years; page 4, line 15 read "five" years and add "unless a waiver is provided by department of land and natural resources for just cause."; and page 2, line 20 read "at least 30 days".

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1568-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1568-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 22-78 Energy/Natural Resources on S.B. No. 1570-78

The purpose of this bill is to establish the Hawaii Laboratory for Rift Zone Geothermal Reservoirs as a research unit at the University of Hawaii. It provides for a director appointed by the president of the University of Hawaii and an advisory committee appointed by the director. It further provides that the organizational structure and specific goals of the laboratory will be determined by the director and the advisory council with advice from State and County Governments. Finally, appropriates \$300,000 for establishing the laboratory, hiring of staff and consultants, and for studies.

With the successful drilling of the HGP-A geothermal well in Puna, the potential of geothermal energy to become a major source of energy not only for the Island of Hawaii, but for the entire State, has been provided with a forward thrust. However, the body of knowledge of geothermal energy found in an active volcanic rift zone is quite limited, as there is no other similar type rift zone in the world currently producing geothermal energy.

The Department of Planning and Economic Development, Hawaii County and Dr. Charles Helsley, Director of Hawaii Institute of Geophysics, testified in support of the Rift Zone Laboratory. It is hoped that there will be strong annual support by the U.S. Department of Energy as part of its ongoing program of research and development of geothermal energy in the range of \$100,000 to \$300,000. Hence, the requested level of support from the State can be reduced to \$100,000, and even some of this might be returned

to the general fund if not needed due to availability of federal funds.

In light of the anticipated federal funding and also the limited state resources available this year, your Committee has reduced the funding level for FY 1978-1979 to \$100,000.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1570-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1570-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 23-78 Energy/Natural Resources on S.B. No. 1572-78

The purpose of this bill is to authorize and fund a study of the non-electric applications of geothermal energy.

Testimony submitted by Dr. Robert M. Kamins, Professor of Economics, Emeritus and a member of the Hawaii Geothermal Program team, Dr. Charles Helsley, Director of Hawaii Institute of Geophysics, The Department of Planning and Economic Development and Geothermal Development Company. Generally all persons testifying were in favor of this measure. It was pointed out that there are many direct applications of geothermal heat which are more efficient than generating electricity and may be economically feasible. The main ones suggested are boiling of sugar in the processing operation, sterilizing or cooking papayas and other tropical fruits, processing wood and paper, air-conditioning agricultural "hothouses", freeze-drying coffee, and use in aquaculture. Due to the high cost of drilling geothermal wells, the high risk of the geothermal program, and the inefficient transformation of geothermal energy to electric energy, the non-electric applications may prove to be as valuable or more valuable than electric generation. Further the economics of electrical production alone may not result in desired electrical rates, whereas if other applications were found, the cost of the geothermal energy application could be shared, benefiting all.

To date, no study has been conducted to determine the feasibility of these suggested applications. The U.S. Department of Energy has proposed that the State fund a program for non-electric uses of geothermal energy.

The Governor's supplemental CIP proposal (PED 102) calls for a \$350,000 item for a physical facility for research in non-electrical uses of geothermal energy. Your Committee recommends that the Department of Planning and Economic Development be designated as the funding agency.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1572-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 24-78 Energy/Natural Resources on S.B. No. 1573-78

The purpose of this bill is to provide an incentive to landowners to plant energy crops, primarily trees and other energy crops that have a substantial lead time before there is any income or cash flow to the owner.

Biomass energy is one of Hawaii's chief potential sources of electrical, liquid or gaseous energy. The chief crop that would benefit from this tax incentive program would be trees which have a 5-8 year period of growth before they can be harvested. Presently, the current tax incentive for "forest crops" has a minimum period of 10 years and limited to marketable lumber.

The bill provides real property and general excise tax exemptions, (to be substituted by a "yield tax") to owners of property classified as biomass energy plantation property. It designates the Energy Resources Coordinator as the administrator of this program. It specifies eligibility requirements, the application process, and the conditions under which property can be classified as biomass energy plantation property. It requires the Department of Taxation to also participate in the classification of the property. The Energy Resources Coordinator is required to prepare, execute, and administer an agreement with the property owners.

The bill provides the manner in which the property shall be developed and maintained.

It also contains provisions for the declassification of biomass energy plantation properties. A key feature of the bill is a 5 per cent yield tax in lieu of all real property and general excise taxes upon the harvesting of the biomass energy crop for commercial purposes.

The Department of Planning and Economic Development supported in principle the concept of the tax incentive to promote biomass energy farms. The Department of Land and Natural Resources already administers a comparable program for the lumber industry and was the original source of this expanded program to apply to energy tree crops. The Department of Taxation recommended limiting the exemption to the land and not upon any improvements and setting for deadlines for filing. Your Committee accepted its recommendations.

The County of Hawaii requested that the County granting the real property tax exemption be provided an amount equal to two and one-half per cent of the standing value of the merchantable crop harvested. Your Committee also accepted that recommendation and included it in Section -9 under "yield tax". Your Committee also inserted the words "with just cause" under Section -8 on Declassification.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1573-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1573-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 25-78 Energy/Natural Resources on S.B. No. 1574-78

The purpose of S.B. No. 1574-78 is to require the installation of a waste heat recovery and/or solar energy heating or cooling system in any public buildings and facilities whenever the cost estimate for the installation and operation of the system does not exceed the cost estimate for the installation and operation of a conventional heating or cooling system by more than 10% over a 20 year period.

Your Committee has received testimony indicating that the State spends millions of dollars annually for electricity which is primarily generated by burning imported fuel oil. The cost of this fuel oil will continue to rise by 11% annually, according to a recent statement by the President of Hawaiian Electric Company. Further, according to estimates, 32% to 60% of the energy used in our buildings is "wasted".

The terms waste heat recovery and solar heating and cooling systems are intended to include, but not be limited to, any equipment that is employed to heat or to cool a building, to heat water used in the building, or to generate electricity for the building, by utilizing the sun, wind, oil, natural gas, or electricity as its power supply in whole or in part.

Your Committee amended the bill by adopting the recommendation of the U.S. Department of Energy to include a subsection to read:

"(b) The state energy resources coordinator's office shall prepare guidelines outlining a methodology by which other governmental agencies shall compare life cycle costs of various heating and cooling alternatives. The state energy resources coordinator's office shall monitor governmental agencies' compliance with this subsection."

Your Committee further amended this bill by adopting another recommendation of the U.S. Department of Energy to use the term "life-cycle cost estimate" (Page 1, lines 11, 14, 15 and 16; page 2, line 2) and to define this term by adding subsection (c) to read:

"(c) As used in this section, "life-cycle cost estimate" includes the cost of installing, financing, fueling, maintaining, and replacing an energy system including the cost of energy conservation measures to reduce an energy system's required capacity or fuel consumption and any other costs incidental to owning such energy system."

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1574-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1574-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 26-78 Energy/Natural Resources on S.B. No. 1575-78

The purpose of this bill is to provide increased tax incentives to Hawaii's residents to install solar water heating systems as well as a new tax incentive to individuals and corporate taxpayers to install wind energy systems.

Though the State is in a difficult position to have its tax revenues reduced, Hawaii's energy future is such that we must begin now to tap fully the great natural energy resources we have in abundance to replace imported oil as our principal energy source. Solar water heating is essentially cost effective today, provided that there is not unnecessary added costs built into commercial installations. This bill adds a new section providing a 10 per cent of cost income tax credit for the purchase and use of wind energy system erected and placed in use after December 31, 1977 and before December 31, 1984. It defines wind energy system as any new identifiable facility, equipment, apparatus, or the like which makes use of the wind to produce energy for heating, cooling, or reducing the use of other types of energy dependent upon fossil fuel for its generation. The bill also provides for a real property tax exemption for a wind energy system for the first 5 years after it is installed and placed in use.

The second part of the bill amends the income tax credit of solar energy devices by renaming them solar energy systems and including within the definition photovoltaic conversion systems. It further increases said tax credit from 10 per cent to 20% or a maximum credit of \$600 whichever is less. Further, the bill extends the period for claiming the credit from December 31, 1981 to December 31, 1984. It also extends the exemption for real property tax to December 31, 1984 from the present 1981 date. This Act shall apply to taxable years after 1977.

The reason why such tax credits are necessary is that the number one obstacle keeping Hawaii's residents from installing solar water heaters systems is the high initial cost of the systems. The combined state and the proposed federal tax credits that are now being developed by Congress, should reduce this initial cost to 50% of the first \$1500 or \$2000 investment, 40% of the cost up to \$3000 and 20% over this (by the federal tax credit).

Your Committee heard testimony from Guy Kittrell, President of Sunsource, that \$1,000,000 of tax revenue loss due to the foregoing solar water heating tax credit would have the following impact: At \$10,000,00 in sales volume for 5000 solar heating systems, the State would lose in revenue \$2,000,000 due to the income tax credit of 20%, but it would gain \$400,000 in general excise taxes. The State would also see \$4,000,000 worth of new jobs to the private sector which would result in \$288,000 additional income to the State. Further, the State would save considerable money by the creation of some 175 to 200 new jobs, new jobs in a new industry which would reduce the number of people presently collecting unemployment. This brings the total loss in dollars to the State to approximately \$1,312,000; not counting the savings in unemployment dollars.

In return, the State would gain a reduction in electricity by over 317 kwh per solar system per month or some 19,000 kwh per year reduction for those 5,000 solar systems. This investment would save some 33,000 barrels of oil each year. At the present cost, this would result in close to \$500,000 from flowing out of the State in the purchase of oil and provide more jobs in Hawaii.

A concern raised at the public hearing regarded the needed protection that consumers as well as the State should have so that both get their money's worth and that irresponsible persons or firms do not take undue advantage of the program.

Your Committee felt in order to respond to this concern, the Energy Resources Coordinator (ERC), or its designee, possibly the proposed Hawaii Solar Center, develop a program of standards and testing, as well as a listing of acceptable systems and dealers or distributors. Further, if possible, a rating system should be devised that would ascertain an acceptable level of cost-effectiveness for the amount of money expended. Due to the desire that this program continue to proceed expeditiously, the aforementioned efforts of protection should be developed by the ERC to be reported back to the 1979 Legislature, though the ERC may commence implementing reasonable requirements for both solar and wind systems immediately, and communicate his decision to the tax department for their use in granting the solar or wind systems tax credit.

The Department of Planning and Economic Development testified in support of this bill that the bill could be simplified by simply inserting the words "wind" after "solar" and deleting section 1 and 2. Your Committee accepted its recommendation.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. 1575-78, as amended herein, and recommends that it pass Second Reading in the

form attached hereto as S.B. No. 1575-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 27-78 Energy/Natural Resources on S.B. No. 1577-78

The purpose of this bill is to establish a Hawaii solar center to foster research, development, application and utilization of solar energy.

Solar is one of Hawaii most important energy sources that is just beginning to be developed. The average home could save up to 40% or more of its utility cost by installing a solar hot water system. But there are many obstacles, including high costs of systems, uncertainty as to what system provides the best value, possibility of irresponsible dealers or salespersons, the general lack of a single place where one can get needed and helpful information on solar energy systems and where to buy them. Further, no agency has the responsibility of promoting solar energy systems.

The proposed Hawaii Solar Center would provide a testing and certification program for evaluating and certifying solar energy systems and an information center on solar energy conduct a public education program and develop a program to aid low income families and the elderly.

The Department of Planning and Economic Development testified that solar energy use needs to be promoted. It stated further that it has sufficient funds from federal sources to carry out such a program and questioned the need for a separate entity. Other testimony from various citizens groups such as Common Cause, the Sierra Club and the Hawaii Solar Energy Association supported this program.

Your Committee has been concerned with the need for effective coordination of all energy programs which can be best provided by the Energy Resources Coordinator, but feels that there is a need for greater organizational strength in the Department of Planning and Economic Development. In view of the Department of Planning and Economic Development's testimony that it is receiving sufficient funds from federal sources, the need for state funding was deleted by your committee.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1577-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1577-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 28-78 Energy/Natural Resources on S.B. No. 1578-78

The purpose of this bill is to undertake a study of the problems, costs, and solutions to problems relating to the development of an underwater cable system connecting the Island of Hawaii with the other islands for the transmission of geothermally generated electric power.

Current expectation is that the additional increase and exploitation of geothermal wells along the rift zone and other promising sites may provide many hundreds of megawatts of power in excess of the amount needed by the Island of Hawaii. This surplus of electrical power could, by means of an underwater cable system, be made available to other islands. Information on the costs and feasibility of implementing such a cable system is lacking. The sum of \$50,000 or so much thereof as may be necessary is proposed to obtain this information. This sum shall be expended by the Energy Resources Coordinator for the purpose of this Act and will be appropriated out of the general revenues of the State of Hawaii.

Your Committee held a public hearing on this bill, and the discussion indicated the great cost of cable laying facilities and equipment, and of cable design, which is dependent on the type of bottom, currents and voltage, and current to be carried. Although a few locations in the world presently transmit electricity by means of an underwater cable, these applications are not similar to conditions present between the Hawaiian Islands, particularly between the Islands of Hawaii and Maui and Islands of Kauai and Oahu where depths and corresponding high pressures of over 6,000 feet exist. Additionally, the problems of unknown currents, bottom bathymetry and long distances need to be examined if a cable system is to be implemented.

Your Committee received testimony from Dr. Paul Yuen, Acting Dean of the University

of Hawaii's College of Engineering, who supported the need for the State to begin an applied study leading to the eventual implementation of a state-wide electrical grid system. He indicated the desirability of a comprehensive study to determine:

- (1) Characteristics of cables required for inter-island connection;
- (2) The present state-of-the-art of cable technology;
- (3) The economic feasibility of implementing an underwater cable system; and
- (4) The comparison of an underwater cable with alternative forms of energy transmission systems such as hydrogen.

Your Committee also received testimony from Dr. James Jones of the Natural Energy Laboratory of Hawaii who indicated some of the questions that need to be answered before an underwater cable system is implemented:

- (1) Details of cable construction, laying techniques and maximum power capacity;
- (2) AC-DC techniques, costs and efficiency;
- (3) Details of ocean bottom bathymetry and of depth profiles of ocean currents between the islands;
- (4) The feasibility of a submerged floating cable;
- (5) Considerations of electric field stresses in addition to the mechanical pressure on the insulation due to water depth;
- (6) Installation costs; and
- (7) Cable recovery, repair and splicing techniques.

Your Committee also received testimony from John A. Rolfing, Jr., Manager of Customer Engineering Department, Hawaiian Electric Company, Inc., who stated that cables and cable laying equipment for the installation of cables between Oahu, Molokai, Lanai, and Maui are presently available. The great depths, however, of the Alenuihaha Channel between Hawaii and Maui and the channel between Kauai and Oahu which are three to four times those of the other islands, present unknown problems in the development of a cable system. Mr. Rolfing suggested that the amount of money to be appropriated in a study of this scope is insufficient, that the cost of the study could be 20 or more times greater, and that supplemental federal assistance may be helpful.

Your Committee also received a suggestion on alternative use for surplus geothermal energy by the hydrolysis of water to produce hydrogen for use in a future hydrogen economy, which should also be explored by this study.

Your Committee recommends the following changes to S.B. No. 1578-78 on page 2:

- (1) Line 7, between the words "study" and "of" insert "by the Hawaii Natural Energy Institute".
- (2) Line 9, add "inter" to the word "connecting".
- (3) Line 9 & 10 delete "Island of Hawaii with the other".
- (4) Line 11, add "including cost comparison with hydrogen and other forms of transmission systems".
- (5) Line 13, delete "energy resources coordinator" and substitute "University of Hawaii".
- (6) Line 15, delete the first "the" and substitute "this".
- (7) Line 16, insert "79" into year.
- (8) Line 17 & 18, delete "upon its approval" and substitute "on July 1, 1978".

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1578-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1578-78, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 29-78 (Majority) Energy/Natural Resources on S.B. No. 1579-78

The purpose of S.B. No. 1579-78 is to appropriate funds for an engineering study of a proposed Molokai hydroelectric system.

A recent review of hydroelectric potentials in the State by a special task force has indicated that the possibility of the utilization of the Molokai reservoir/irrigation system to generate electricity is attractive.

A hydroelectric system utilizing the State's irrigation waterline and Kaulapuu reservoir could generate up to three hundred kilowatts of power supplementing Molokai's peak period requirement of 4.5 megawatts. Additionally, expansion of the 1.4 billion gallon reservoir may create a reservoir lake for recreation, create considerable flood protection and controlled flow to downstream areas and may increase ground water reserves due to recharging from the reservoir.

Your Committee held a public hearing on this bill with strong support indicated in testimony. Testimony provided by Ralph Masuda representing the County of Maui, fully supported S.B. No. 1579-78. It was indicated that the utilization of hydroelectric power would help reduce Molokai's complete dependance on diesel fuel oil, may reduce the high rates of electricity and may be a start for energy self-sufficiency for Molokai. He further requested that the Department of Land and Natural Resources (DLNR), coordinate this proposed project with the County of Maui. Additional testimony by Edgar Hamasu of the DLNR indicated the support of S.B. No. 1579-78.

Additional testimony also noted that Molokai Electric, being a small company, operates from a small capital base and currently purchases diesel fuel oil for about \$16.60 per barrel. This accounts for the high electric rates on Molokai and prohibits research and development engineering studies for the purposes of hydroelectric development by Molokai Electric although the company, in policy, supports this bill.

Your Committee agrees with the amendment of requiring DLNR as opposed to the Energy Resources Coordinator to coordinate its efforts with the County of Maui in the implementation of this study and the change of the effective date on page 2, line 21, to: "July 1, 1978".

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1579-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1579-78, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 30-78 Energy/Natural Resources on S.B. No. 1590-78

The purpose of S.B. No. 1590-78 is to enable the State to comply with Title III, Part C of the Energy Policy and Conservation Act of 1975 (PL 95-163) by requiring counties to incorporate energy efficiency standards in building codes, including energy efficiency standards for lighting.

The federal Energy Policy and Conservation Act of 1975 provides \$50 million per year to the states for energy conservation programs. Funds for Hawaii's energy conservation program have been approved for calendar years 1977 and 1978.

The State Energy Conservation Program (SECP) contains 13 program areas of which five are mandatory. These five are thermal energy efficiency standards, lighting efficiency standards, government procurement, transportation, and traffic practices (right turn on red). To insure continued federal funding of the SECP, the State must institute programs directed at effecting energy savings in these five areas.

This bill addresses the mandatory requirement for establishment by July 1, 1978 of energy and lighting efficiency standards in new buildings and existing buildings. Failure on the part of the counties to have such standards in place by July 1, 1978 could result in the loss of up to \$1.5 million in federal funding over the next biennium. However, the Department of Energy has indicated that conformance by the City and County of Honolulu by that date, plus assurance of similar conformance in the near term on the part of neighbor island counties would assure continued funding. Federal law mandates that the energy efficiency building standards be no less stringent than Standard 90-75 developed by the American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc. (ASHRAE).

This bill applies to all new buildings and structures, and to portions thereof undergoing such additions, repairs or alterations which require the building or portions thereof to conform to the requirements for new buildings. The building code states that when additions, alterations and repairs exceeding 50% of the value of an existing building or structure are made, the building or structure shall be made to conform to the requirements for new buildings or structures. The building code further states that when additions, alterations and repairs whose value range between 25% and 50% of the value of an existing building are made, that portion of the building which is thereby affected shall conform to the requirements for new buildings. The same holds true for structural additions, alterations, and repairs whose value is less than 25% of the value of the building, except when such additions, alterations and repairs are of a minor nature. When non-structural additions, alterations and repairs whose value is less than 25% of the building are performed, the portions of the building affected are not made to conform to the requirements for a new building.

This bill is further applicable to all existing buildings or structures with a gross floor area in excess of 10,000 square feet, whenever additions, alterations or repairs in excess of \$10,000 valuation, but less than the valuation which obliges them to conform to the requirements for new buildings or structures under the applicable section of the building code, are performed on such buildings or structures or portions thereof. Affected by this portion then, are buildings and structures or portions thereof which undergo repairs, alterations and additions in excess of \$10,000 valuation, but less than the valuation which obliges them to conform to the requirements for new buildings or structures.

The Department of Planning and Economic Development testified that they were preparing the correct language to meet the federal requirement and recommended that this be incorporated in any final legislation. The Department of Accounting and General Services provided similar testimony. Your Committee accepted the recommendation and has amended the bill to include the exact language requested.

The Hawaii Chapter of the American Institute of Architects testified that the following language be included: "At such time as performance standards that address the overall energy performance of buildings are promulgated pursuant to the Energy Conservation Standards for New Buildings Act of 1976, Title III of the Energy Conservation and Production Act, Public Law 94-385, such standards shall be considered for adoption by each county and such standards may be incorporated into its building code in lieu of the standard adopted pursuant to subsection (a) above." The Hawaii Chapter of ASHRAE supported the American Institute of Architects recommendation. Your Committee accepted this recommendation.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1590-78 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1590-78, S.D. 1, and be referred to the Committee on Intergovernmental Relations.

Signed by all members of the Committee.

SCRep. 31-78 Energy/Natural Resources on S.B. No. 1591-78

The purpose of this bill is to enable the State to comply with Title III, Part C, of the Energy Policy and Conservation Act of 1975 (PL 94-163) by requiring government agencies to institute energy efficiency standards and policies in procurement practices.

The Federal Energy Policy and Conservation Act of 1975 provides \$50 million per year to the states for energy conservation programs. Funds for Hawaii's energy conservation program have been approved for calendar years 1977 and 1978. Funding for future years is available but not yet committed.

The State Energy Conservation Program (SECP) contains 13 program measures, of which five are mandatory requirements. These five are thermal efficiency standards, lighting efficiency standards, government procurement practices, transportation, and traffic practices (right turn on red).

To insure continued funding of the SECP, the State must institute programs directed at effecting energy savings in these five areas. This bill addresses the mandatory requirement that State and county procurement procedures include, by July 1, 1978, energy efficient standards and policies, including life cycle costing analysis to insure that the most cost effective commodities are obtained. Failure to meet the July 1, 1978 deadline could result in the loss of up to \$1.5 million in the federal funding over the next biennium. However, the Department of Energy has indicated that conformance on the part of major

state and county departments, plus assurance of conformance in the near term on the part of the remaining departments, could result in continued funding, subject to actual conformance. Legislation on the establishment of energy efficient procurement practices was introduced as part of a larger bill during the regular session of 1977 but was not acted upon due to circumstances unrelated to the procurement practices section of the bill.

Upon passage of this bill, the Office of Energy Resources Coordinator will sponsor a series of workshops for state and county purchasing agents which will train the individuals affected in life cycle costing and related matters. Handbooks will be supplied to the trainees. The Office of Energy Resources will thereafter be available as a resource in the event that purchasing agents should encounter problems in the course of implementing life cycle costing.

Life cycles costing is a logical, simple and increasingly popular strategy, inasmuch as it saves both energy and money. It generally involves spending more money for the initial purchase (higher "first cost") in order to reap savings during the life of the item.

An example would be the purchase of watt-saving fluorescent lamps. The lamps cost slightly more than the standard lamps, would pay back the added cost in the form of reduced electrical consumption within two months and thereafter would save the State many dollars per lamp in electrical costs over its period of useful life. The watt-saving variety of fluorescent lamps shall be purchased except in the case of Specialty lamps or where lamps of standard wattage are specifically indicated. Air Conditioning systems are another area where a higher first cost would be quickly paid back in the form of energy savings.

Other items to be purchased via the life cycle costing method are automobiles, trucks, buses, furnaces and back-up generating plans, stoves, refrigerator, copying machines, air conditioning systems, lamps and ballasts, and hot water heaters. These items constitute the great majority of energy-consuming items purchased by the State and the counties.

The intent to limit the number of items to be purchased via the life cycle costing method is to allow the purchasing agents to focus their attention on the major energy using items rather than dissipating their efforts on such items as electric pencil sharpeners, whose energy usage is negligible. Fluorescent lamps and ballasts are included among the items to be purchased via the life cycle costing method because although they consume little energy individually, their total energy use accounts for some 40% of the electrical consumption of the State and counties.

In addition to sponsoring workshops for purchasing agents, the director of the Department of Planning and Economic Development will, through the Office of Energy Resources Coordinator, supply the firms which bid to supply the State and counties with items to be purchased through the life cycle costing method information concerning the projected yearly cost of electrical energy and petroleum products, and will, upon request, aid such firms in projecting yearly energy costs and total yearly cost of electrical energy and petroleum products, and further aid such firms in projecting yearly energy costs and total yearly costs of the items to be placed for bid.

It is anticipated that sophisticated life cycle costing standards which include calculation of the amount of energy used in the production of items, their useful life and salvage value will be developed on the national level in two or three years. These more comprehensive standards should be considered for adoption when they have been developed.

Your Committee heard testimony from the Department of Planning and Economic Development that they were developing the correct language to meet the federal requirement and that this language be the basis of the legislation. The Department of Accounting and General Services concurred. Your committee accepted their recommendation and the exact language submitted by the Department of Planning and Economic Development has been substituted for the original language of S.B. No. 1590-78.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1591-78 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1591-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 32-78 Energy/Natural Resources on S.B. No. 1593-78

The purpose of this bill is to create an Energy Extension Service in the Department

of Planning and Economic Development. The Energy Extension Services Program, which shall be an integral part of Hawaii's Comprehensive Energy Program, shall supplement and support the efforts of the existing energy programs.

The principal areas of activities of this Energy Extension Service are: (1) public education programs including outreach services relating to energy conservation; (2) public information services including the dissemination of Hawaii energy news, an energy library and reference services, energy hotline telephone information service and other related services; and (3) extension services, including training and technical assistance relating to the application of conservation and alternative energy technology.

The U.S. Department of Energy is currently funding ten pilot energy extension services in ten states. The Department of Planning and Economic Development has been awarded \$30,000 by the Department of Energy to monitor these pilot projects. It is anticipated that on April 1, 1979, the Department of Energy will fund a Hawaii Energy Extension Service program at a level of about \$200,000 a year.

This bill will provide for this program to become an acknowledged program, with the support of the Legislature, to expand Hawaii's capability to more effectively meet the energy challenges of our day. The small energy consumer, to which this effort is targeted, consumes about 40% of Hawaii's total energy. Major reduction in the energy consumption of these small energy consumers are possible, but only with a sound, aggressive, creative and committed effort by the State will this come to pass.

The proposed Energy Extension Service can play a vital role in helping Hawaii to reduce its energy consumption, energy imports and near total dependency upon foreign oil. A strong program is mandated by the State if this aspect of a Comprehensive Energy Program will succeed.

The League of Women Voters supported the Energy Extension Service program in their testimony. The County of Hawaii also indicated their support of the Energy Extension Service program as it seeks to involve the general public in the energy efforts.

Hideto Kono, Energy Resources Coordinator, testified that sufficient funds will be forthcoming from the federal government for the Energy Extension Service program so no state funds would be needed. He also questioned the need of a specific entity to carry this program out, though the federal government will set forth some such requirement. This bill could enable Hawaii to secure greater funds from the federal government.

In light of Mr. Kono's testimony indicating the availability of federal funds, your Committee is recommending that the \$50,000 funding level indicated in the bill be deleted and the title changed to reflect the deletion of the need for appropriation.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1593-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1593-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 33-78 Energy/Natural Resources on S.B. No. 1594-78

The purpose of this bill is to establish and provide funding for an energy conservation poster contest in the public school system.

Criteria and rules shall be established by the Energy Resources Coordinator. The winners shall receive prizes and their posters will be displayed in public buildings and at the 50th State Fair.

The Department of Education concurs with the intent of the bill and is willing to work with the Energy Resources Coordinator.

The Department of Planning and Economic Development also concurs with the intent of the bill, but feels that there is ample federal funding to carry out a public awareness program, and that state funds would not be necessary.

Your Committee adopted the recommendation of the Department of Planning and Economic Development by deleting the provision for an appropriation.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1594-78, as amended herein, and recommends that it pass Second Reading

in the form attached hereto as S.B. No. 1594-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 34-78 Energy/Natural Resources on S.B. No. 1595-78

The purpose of this bill is to provide for the utilization of waste heat from air-conditioning units for domestic hot water heating purposes by requiring the county governments to adopt appropriate rules and ordinances.

The full utilization of waste from air conditioning units is one of the most significant areas where a great deal of energy can be saved. The warm or hot water used in air-conditioning units could be piped into a building hot water heating system, saving hundreds or even thousands of dollars a month for major installation which currently use fossil fuel derived from imported petroleum. Your Committee believes that this may be the greatest energy-saving method for Waikiki and other areas where air-conditioning is available and hot water is required.

Your Committee finds that although there are no existing ordinances that forbid this utilization, officials at various levels of government have effectively blocked any such systems from being installed except for one system which was installed without the approval of the county government. This system, which was installed by the owner without awareness of necessary building code approvals, has saved several hundreds of dollars a month in hot water heating costs.

Your Committee received testimony from the Department of Planning and Economic Development (DPED) in favor of the intent of S.B. No. 1595-78 "as it is a significant method to conserve energy." DPED also stated that the City and County of Honolulu does not prohibit the practice of utilization of air conditioning waste heat to produce hot water and that current Building Department policy is to review such applications on a case-by-case basis. Your Committee finds that the apparent result of this review has essentially been a ban on such systems.

Your Committee also received testimony from the Legislative Organization (CILO) in favor of the intent of S.B. No. 1595-78 to remove the current prohibition in the use of waste heat from air conditioning units to heat domestic hot water. Giovanni Chung, a mechanical engineer who is the Chairman of the CILO's energy subcommittee, stated that the potential of utilizing waste heat from equipment represents an untapped energy resource which minimize the use of total energy consumption within a building system.

Your Committee also received testimony from Michael Hattor, Vice President of Fred Kohloss Associates' and from The League of Women Voters in favor of this Bill.

Your Committee held a discussion of this bill, and one concern raised was the aspect of public safety from possible contamination from such systems. Your Committee has amended the bill to allow such waste heat recovery systems to be permitted provided that Department of Health requirements are met, in addition to the original provision requiring conformity with ANSI standards.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1595-78 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1595-78, S.D. 1, and be referred to the Committee on Intergovernmental Relations.

Signed by all members of the Committee.

SCRep. 35-78 Energy/Natural Resources on S.B. No. 1596-78

The purpose of S.B. No. 1596-78 is to fund a study to obtain basic information needed to effectuate a used oil recycling program in Hawaii. The bill would appropriate \$20,000 to the Office of Energy Resources Coordinator to conduct this study.

There are approximately two million gallons of waste oil generated on Oahu each year; less than ten per cent of this amount is reprocessed for use as fuel oil. It is believed a significant quantity of unrecycled oil is probably used or disposed of in a manner which is wasteful and which contributes to the pollution of the waters, land and air and the endangerment of the health and welfare of the public.

First, the proposed study needs to identify the problems in implementing a full recycling program and second, the alternatives available to effectively overcome these problems

which generally include:

- (1) Lack of an adequate market and consumer resistance to the use of recycled oil. This occurs in spite of the fact that recycled oil has the same heat content as, and is less expensive than, virgin fuel oil.
- (2) The problem of providing and maintaining facilities necessary for the segregation of used oil from other fluids and solvents at the collection point.
- (3) U.S. Department of Defense specifications prohibit the use of lubricants containing re-refined base oils. Since many other agencies follow these specifications, recycled oil products have been excluded from most federal, state and local government purchases.
- (4) The lack of sufficient incentives or mandates to encourage the collection, processing, storage and consumption of recycled oil.
- (5) The lack of adequate basic data and information to encourage development of an effective used oil recycling program.

Your Committee held a public hearing on S.B. No. 1596-78 which indicated strong support for the bill. The Shell and Standard Oil Companies concurred with the intent and purpose of developing an oil recycling program. Further, Mr. Hideto Kono, Director of the Department of Planning and Economic Development (DPED), concurred with the bill and noted that it has been included as a program measure in the State Energy Conservation Program, and has received federal funds for this and other conservation programs.

Mr. Harry Akagi, Acting Director of the Office of Environmental Quality Control (QEQC), stressed that his agency is strongly supportive of a waste oil study. QEQC, in addition, from both an anti-pollution and energy conservation perspective is currently developing the study elements of an oil recovery study similar to, but less comprehensive than S.B. No. 1596-78.

Additional testimony from Mr. A. B. Crabtree, Project Engineer of Energy Recovery Systems of Hawaii (ERS), indicated that:

- (1) There are no impediments, current or potential, to the development and implementation of a used oil recycling program in Hawaii as ERS operates a plant capable of reprocessing all the used oil on Oahu.
- (2) Many tests have demonstrated that the use of reprocessed fuel in state and county incinerators and boilers is very feasible.
- (3) There is a considerable body of test data available on possible health and safety problems associated with the use of reprocessed oil. For example, a 1974 study conducted by Recon Systems, Inc. for the Environmental Protection Agency recommended that the use of oil containing lead as fuel be restricted to facilities with air pollution control devices.
- (4) There is considerable oil industry resistance to the use of recycled oil as fuel with pressure upon potential customers of recycled oil by their regular suppliers in the form of threats of reducing allocations. Additionally, there is resistance to change in the public sector.
- (5) The Department of Health is currently conducting a study to determine the extent of hazardous waste disposal in Hawaii. This study was made necessary by Public Law 94-580, the Resource Conservation and Recovery Act, which provides among other things, that if the states do not have a suitable collection and licensing plan by April, 1978, a federal plan will then be implemented.
- (6) Reprocessed oil should be exempt from state sales tax as an economic incentive and the use of reprocessed oil by consumers with air pollution control equipment should be encouraged by tax credits.

Your Committee feels that further study to identify obstructions to the development and implementation of a used oil recycling program in Hawaii is necessary. The study should support developing present and potential users including federal, state and county governments and private sectors as well as identifying potential health and safety problems.

Since this study proposal has been included in the federally funded State Energy Conservation Program under DPED, your Committee deleted the proposed appropriation of

\$20,000 on page 2, line 22, from the bill.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1596-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1596-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 36-78 Energy/Natural Resources on S.B. No. 1597-78

The purpose of this bill is to provide a tax credit to individuals and corporate resident taxpayers who install insulation material for hot water tanks which material reduces heat loss and thereby conserves energy. The credit would not exceed fifty per cent of the cost and installation of the insulation material for hot water tanks and would be in effect from December 31, 1977 to December 31, 1984. The Department of Taxation is directed to prepare necessary forms and procedures.

The Department of Taxation felt that a tax credit for the material may have little effect on a taxpayer's decision to insulate the water storage tank.

The Department of Planning and Economic Development supports the idea of providing tax incentives for such energy conservation measures and suggested that since the cost of the material is low, the credit should be raised to 100% of the cost and installation of the insulation material for hot water tanks and, further, include a like credit for the cost of insulation material for hot water pipes up to a maximum of \$30. Your Committee is in accord with the suggested changes.

Your Committee adopted the following amendments to the bill:

Page 1:

- (1) Delete the word "electrical" in line 4,
- (2) Add "and hot water pipes where exposed" to line 11,
- (3) Delete "not exceed fifty per cent of the" and add "be granted for the total" to line 12, and
- (4) Add "and hot water pipes where exposed; provided the tax credit shall not exceed \$30" to line 13.

Page 2:

- (1) Add "and hot water pipe" to line 1,
- (2) Delete "1974" and substitute "1977" in line 2,
- (3) Delete "his" and substitute "the taxpayer's" in line 4,
- (4) Delete "He" and substitute "The director" in line 8,
- (5) Delete "that he may" and substitute "to" in line 9,
- (6) Delete "he" in line 10,
- (7) Add "and exposed hot water pipes" in line 16, and
- (8) Delete "shall take effect upon its approval" and substitute "upon its approval, shall apply to taxable years beginning after December 31, 1977." in section 3.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1597-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1597-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 37-78 Energy/Natural Resources on S.B. No. 1598-78

The purpose of this bill is to foster the state's energy conservation program by banning the sale and installation of gas appliances with pilot lights.

As much as one-third of the consumer's gas bill can be attributed to consumption by a pilot light. Pilotless appliances which operate with electronic ignition are available.

The testimony of GASCO recommended the exemption from the provisions of this bill gas water heaters and geographic areas where electricity is either not available or unreliable. According to the testimony, gas water heaters should be exempt since the pilot light heat is not lost, but heats water through convection and helps to conserve energy. Areas with unreliable electricity should be exempt for safety reasons.

Your Committee adopted the following amendments to the bill:

- 1) Add to page 2, line 8, "any hot water heater with pilot lights or to", and
- 2) Insert the following on page 2: "(d) The provisions of this section shall not apply to people living in areas that are served with unreliable electric service or where it is not available."

Your Committee on Energy/Natural Resources is in accord with the intent and purposes of S.B. No. 1598-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1598-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 38-78 Energy/Natural Resources on S.R. No. 4

The purpose of this resolution is to request the Land Use Commission, the State Department of Transportation, the County Councils, the City Department of General Planning, as well as the planning agencies of each County to promulgate rules which focus upon the conservation of energy. It is the intent of this resolution to encourage governmental efforts in energy conservation and development issues.

The decreased supply and rise of prices of traditional energy sources has encouraged world-wide efforts to conserve energy and explore alternative sources of energy. Hawaii, being physically removed from conventional supplies of energy, has received a greater impact from the limited supplies of oil and rising prices due to our almost total dependance on imported energy sources.

Short and long-range considerations of energy--its use and conservation and alternate sources--must be formulated and implemented in an organized manner to benefit the State of Hawaii. The necessity, therefore, for the awareness of proper planning around efficient energy use and conservation as well as for the development of alternate energy resources is of primary importance.

Your Committee held a public hearing on S.R. No. 4 with testimony indicating support for the resolution:

Mr. Hideo Kono, Director of the Department of Planning and Economic Development, concurred with the intent of the resolution and noted that a similar effort by the Hawaii Supplemental State Energy Program (SSECP) under the State Energy Conservation and Production Act has been undertaken. SSECP is funded at \$178,000 for calendar year 1978, and contains three mandatory program measures which include the Intergovernmental Coordination Program which was established to promote and coordinate energy conservation efforts at all levels of government and in the private sector. Mr. Kono indicated that this program would have a similar objective as S.R. No. 4.

Ms. Bella Arginteanu, a member of the Steering Committee of the Science for Citizens Program on Energy, testified in support of S.R. No. 4. Ms. Arginteanu indicated the importance of energy use and conservation as an integral part of the transportation and land use planning. The Sierra Club also provided written testimony in favor of the resolution.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 4, and recommends it be referred to the Committee on Intergovernmental Relations.

Signed by all members of the Committee.

SCRep. 39-78 Legislative Management

Informing the Senate that S.C.R. No. 39, S.R. Nos. 136 to 141, S.B. Nos. 2024-78 to 2063-78 and Stand. Com. Rep. No. 40-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 40-78 Health on S.B. No. 1870-78

The purpose of this bill is to continue the current level of services for the alcohol treatment programs provided through the mental health division of the department of health by contract with those private agencies currently providing direct services to persons

suffering from alcohol abuse.

Your Committee finds that the appropriation, as provided for in this bill, together with the amount requested by the Governor in the Supplemental Budget Request of 1978 will enable a range of alcohol prevention/education, information and referral, treatment and rehabilitation services to be provided to approximately 40,000 clients for the fiscal year 1978-79.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1870-78 and recommends that it pass Second Reading and be referred to the Committee Ways and Means.

Signed by all members of the Committee except Senator Saiki.

SCRep. 41-78 Legislative Management

Informing the Senate that S.R. Nos. 142 to 147, S.B. Nos. 2064-78 to 2075-78 and Stand. Com. Rep. Nos. 42-78 to 49-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 42-78 Health on S.R. No. 23

S.R. No. 23 requests the Department of Health to report its findings regarding the implementation of dental services to certain low income groups to the 1979 session of the Legislature. The Resolution further requests the presentation of a dental health program plan giving emphasis to preventive care and the reduction of dental disease.

Your Committee on Health finds that dental health is one of the most difficult areas of health management in terms of motivation towards preventive care. Your Committee further finds that the children of Hawaii suffer from one of the highest dental caries rates in the nation and therefore encourages the Department of Health to develop strategies and plans, working cooperatively with public health education programs, private dentists and private community clinics, to most effectively develop good dental health habits for families and individuals.

Your Committee on Health concurs with the intent and purpose of S.R. No. 23 and recommends its adoption.

Signed by all members of the Committee except Senator Saiki.

SCRep. 43-78 Health on S.B. No. 1643-78

The purpose of this bill is to enable the Department of Health to issue certified copies of vital records by whatever system appears simplest and least expensive in cost and clerical time. Furthermore, this bill would give the Department of Health leverage to enforce Hawaii Revised Statutes Section 338-11 by permitting them to withhold issuance of a certified copy of a vital record until all items have been completed to the "best knowledge and belief of the informant."

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1643-78, and recommends it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Saiki.

SCRep. 44-78 Health on S.B. No. 1649-78

The purpose of this bill is to enable persons born in the State of Hawaii and who are adopted in foreign countries to have new birth certificates prepared reflecting their adoptive names and personal particulars of their adoptive parents. These rights are presently available only to persons whose adoptions are decreed in American courts.

Your Committee finds that currently Hawaii Revised Statutes, Section 338-20(b) limits acceptance of adoption decrees to those rendered by the courts of Hawaii and "...other states and territories subject to the jurisdiction of the United States." Several adoption decrees rendered in foreign countries are received annually by the Research and Statistics office of the Department of Health. Acceptance of the changes proposed in S.B. No. 1649-78 will save the adoptive parents the inconvenience of having to repeat the adoption procedure again in the United States of America after having an adoption processed by a foreign court.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1649-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Saiki.

SCRep. 45-78 Intergovernmental Relations on S.R. No. 43

The purpose of this resolution is to request the Senate Committee on Intergovernmental Relations to review and study the desirability of decentralizing certain State and administrative functions.

Your Committee received testimony from the Construction Industry Legislative Organization and the Office of Information and Complaint of the City and County of Honolulu in support of the resolution.

Your Committee on Intergovernmental Relations has amended the resolution to correct a typographical error.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 43, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 43, S.D. 1.

Signed by all members of the Committee.

SCRep. 46-78 Intergovernmental Relations on S.R. No. 44

The purpose of this resolution is to request the Senate Committee on Intergovernmental Relations to study and review methods for reducing red tape, duplication, overlapping, or unnecessary government paperwork, focusing attention on those areas which directly affect the public.

Your Committee received testimony from the Construction Industry Legislative Organization (CILO) and the Office of Information and Complaint of the City and County of Honolulu in support of the resolution. Testimony received from CILO indicated that although Act 74, SLH 1977, (which required the counties to designate an existing agency to coordinate statutes, ordinances, and rules to reduce red tape, wasted effort, and costly delays) was a very good first step toward solving the problem, more study is needed.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 44 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 47-78 Intergovernmental Relations on S.B. Nos. 1558-78, 1559-78, 1560-78 and 1561-78

Your Committee on Intergovernmental Relations has considered the above-listed bills and recommends that they pass First Reading by title and be recommitted to the Committee on Intergovernmental Relations for further consideration.

Signed by all members of the Committee.

SCRep. 48-78 Intergovernmental Relations on S.B. No. 1617-78

The purpose of this bill is to delete the statutory requirement that all agencies of the State or its political subdivisions notify the State archivist of any study done on a contractual basis. The bill deletes the requirement that the archivist maintain a complete and current index of all studies and send copies of the index to the governor, mayor, the legislative reference bureau, and the legislative auditor. The bill also repeals the provision that requires the agency to submit a copy of any study upon request of the archivist.

Your Committee received testimony from the Department of Accounting and General Services which stated that although the intent of the law was to have a central source of information on studies primarily to avoid duplication, the counties and most State agencies have not complied. The testimony raised doubt that the amount of existing duplication is sufficient to justify staff to enforce the Act.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1617-78 and recommends that it pass Second Reading and be placed on the

calendar for Third Reading .

Signed by all members of the Committee.

SCRep. 49-78 Health on S.B. No. 1644-78

The purpose of this bill to remove ambiguity from the law in cases where more than one certificate of birth is existent for an individual. S.B. No. 1644-78 would limit statutory acceptance of the data to that on the earliest certificate of birth filed with the State.

Your Committee finds this statutory change to be useful in that presently either a standard birth certificate or a Certificate of Hawaiian Birth are prima facie evidence of the facts stated therein. Confusion arises because a person may have obtained a Certificate of Hawaiian Birth from the Secretary of State or the Lieutenant Governor's Office and a standard birth certificate at the Department of Health. In many of these instances the data on the two certificates are different. This bill removes the ambiguity by specifying the acceptance of the earliest certificate. There are procedures for amending that data currently if it is in error.

Your Committee has made a minor amendment to the bill on lines 5, 7 and 12 of page one to uniformly make use of the term "Hawaii birth certificates".

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1644-78, as amended here, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1644-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 50-78 Legislative Management

Informing the Senate that S.C.R. Nos. 40 to 44, S.R. Nos. 148 to 161, S.B. Nos. 2076-78 to 2112-78 and Stand. Com. Rep. Nos. 51-78 and 52-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 51-78 Energy/Natural Resources on S.B. No. 1567-78

The purpose S.B. No. 1567-78, S.D. 1, was recommitted to your Committee was to permit certain style and grammatical amendments to S.B. No. 1567-78, S.D. 1, and an amendment to Standing Committee Report No. 20-78.

Your Committee has inserted some underscoring to lines 13 and 14, page 2 of the bill and deleted some underscoring from line 17, page 2, of the bill. Further, your Committee has amended the bill by including the word "commission" to line 12, page 4, of the bill.

Your Committee incorporates its previous Standing Committee Report 20-78 herein by reference with the express deletion of the following sentence contained in the second paragraph of said report:

"It exempts from the definition of "public utility" producers of electricity from geothermal resources and which uses some electricity for its own use and sells the excess to a public utility."

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1567-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1567-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 52-78 Energy/Natural Resources on S.B. No. 1574-78

The purpose S.B. No. 1574-78, S.D. 1, was recommitted to your Committee was to permit an amendment to the previous Standing Committee Report No. 25-78 of your Committee.

Standing Committee Report No. 25-78 is incorporated herein by reference with the express deletion of the entire fourth paragraph of the first page of said report which reads as follows:

"The terms waste heat recovery and solar heating and cooling systems are intended to include, but not be limited to, any equipment that is employed to heat or to cool a building, to heat water used in the building, or to generate electricity for the building, by utilizing the sun, wind, oil, natural gas, or electricity as its power supply in whole or in part."

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1474-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 53-78 Legislative Management

Informing the Senate that S.C.R. No. 45, S.R. Nos. 162 to 166, S.B. Nos. 2113-78 to 2183-78 and Stand. Com. Rep. Nos. 54-78 and 55-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 54-78 Health on S.R. No. 21

The purpose of this Resolution is to have the Suicide and Crisis Center of Hawaii, in conjunction with the Mental Health Division of the Department of Health and the Mental Health Association of Hawaii, develop and conduct an information and referral training program for informal care givers in the area of mental health services and that such persons as personnel managers, bartenders, beauticians, hotel clerks, taxi drivers and disc jockeys be included in this training program.

Your Committee on Health concurs with the intent and purpose of S. R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 55-78 Health on S.B. No. 1648-78

The purpose of this bill is to raise fees for certified copies and searches; transcripts or other statistical summaries of vital records for National Center for Health Statistics; certified copies for veterans and others; and corrections on vital statistics certificates.

Your Committee finds that to improve service and issue certified copies in a timely manner, the Department of Health needs to modernize its vital record system. Raising the fee for certified copies should generate more revenue for conversion and enable the improved services to be self-supporting.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1648-78 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 Nishimura.

SCRep. 56-78 Legislative Management

Informing the Senate that S.C.R. Nos. 46 and 47, S.R. Nos. 167 to 176, S.B. Nos. 2184-78 to 2624-78 and Stand. Com. Rep. Nos. 57-78 to 63-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 57-78 Consumer Protection on S.B. No. 1894-78

The purpose of this bill is to amend section 159-29(c), Hawaii Revised Statutes, by repealing the provision which exempts caterers and restaurants which operate centralized kitchen facilities from the inspection requirements of the Hawaii Meat Inspection Act.

The provision in question was enacted in 1977 as Act 202. At the time your Committee held hearings on the original bill, it was the general consensus of those testifying that the provision would not jeopardize Hawaii's Meat Inspection Program. Subsequent to the bill's enactment, the State Department of Agriculture was informed by the U.S. Department of Agriculture that the bill's enactment placed the Hawaii Meat Inspection Program in jeopardy.

Your Committee, after close examination of the provision in question has concluded that the repeal of the provision is necessary to safeguard the continuation of Hawaii's Meat Inspection Program.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1894-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 58-78 Health on S.B. No. 1642-78

The purpose of this administration bill is to amend the Hawaii Revised Statutes, Section 334-31, Chapter 334, to change the name of the Hawaii State Hospital to the Hawaii Neuropsychiatric Institute.

The new name will reflect the current and planned program direction changes under consideration for the hospital. It is anticipated that the new name will contribute toward a more positive public image of the hospital, more clearly delineate the patients to be served and the research to be conducted, and reflect the broader range of services envisioned.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1642-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 59-78 Ways and Means on S.B. No. 1625-78

The purpose of this bill is to amend the definition of "cost elements" for capital investment purposes to include "plan" and "equipment and furnishing", to amend the definition of "construction costs" to include costs for "built-in equipment", and to add a definition of "plan costs".

Testimony by the director of finance indicates that allowing costs for plan and equipment and furnishing to be included as cost elements will make possible more precise accounting of expenditures for capital investment purposes. This bill will create the option of funding "plan" cost elements and "equipment and furnishings" cost elements from either the general revenue fund or the general obligation bond fund sources in the case of general fund projects and the option of funding from the special fund, revenue bond fund, or the reimbursable general obligation bond fund in the case of special fund projects.

Your Committee has made various technical changes to conform this bill with the language in the existing statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1625-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1625-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 60-78 Ways and Means on S.B. No. 1627-78

The purpose of this bill is to authorize funds for collective bargaining incremental salary and holiday pay adjustments for employees in bargaining Unit 11.

The bill provides a legislative appropriation of \$166,322 (FY 1977-78 - \$34,240 and FY 1978-79 - \$132,082) to fund increases of collective bargaining cost items for fire fighters of the Air Transportation Facilities Division and the Water Transportation Facilities Division.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1627-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 61-78 Ways and Means on S.B. No. 1628-78

The purpose of this bill is to eliminate duplication of information in annual reports by requiring that, except for reports to the legislature, only agencies which are directed

by the governor shall prepare and submit annual reports, that such reports shall be on a fiscal year basis unless otherwise provided by the governor, that the governor may submit a consolidated annual report for the executive branch, and that agencies shall furnish to the director of finance, upon request, reports necessary to implement the budget law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1628-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 62-78 Ways and Means on S.B. No. 1629-78

The purpose of this bill is to amend the state mortgage guarantee fund law to conform the signing and issuance of certain state warrants with the practice as prescribed in section 40-51, Hawaii Revised Statutes, which provides that no money shall be drawn from the treasury except upon warrants signed by the comptroller. This bill changes the law which formerly required certain warrants to be signed by the director of finance.

Testimony from the director of finance supports the purpose of this bill and indicates that the practice of requiring the director of finance to sign certain warrants for disbursements is inconsistent with sound internal control practices. This testimony also supported the view that this bill would provide appropriate segregation of responsibilities between the comptroller and the director of finance.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1629-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 63-78 Ways and Means on S.B. No. 1639-78

The purpose of this bill is to require Senate approval for the appointment of three of the seven trustees of the board of the Employees' Retirement System of the State of Hawaii.

Under section 26-34, Hawaii Revised Statutes, dealing with the selection and terms of members of boards and commissions the law excludes the need for senate confirmation of the ex officio members of boards and commissions or to the board of trustees of employees retirement systems.

Under the existing law, section 88-24, Hawaii Revised Statutes, dealing specifically with the composition of board of trustees of the "Employees' Retirement System of the State of Hawaii," the governor directly appoints, without the need for Senate approval, three of the seven trustees of the board to serve for a six-year term each. This provision in the law is inconsistent with the general selection process of all other boards and commissions.

Accordingly, this bill would require those trustees nominated by the governor to be subjected to the advice and consent of the senate prior to their appointment to the board of trustees, thereby making it consistent with all other boards and commissions in this respect. The state director of finance in testimony before your Committee urged passage of this amendment to the existing law.

Your Committee has corrected capitalization in the bill to conform it to the statute from which it was typed.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1639-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1639-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 64-78 Legislative Management

Informing the Senate that S.R. Nos. 177 to 180 and Stand. Com. Rep. Nos. 65-78 to 70-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 65-78

Human Resources on H.B. No. 216

The purpose of this bill is to authorize the Department of Labor and Industrial Relations to use the premium supplementation fund to pay for the health care costs of an entitled employee during periods in which employers fail to provide the required coverage for certain reasons.

Your Committee finds that despite efforts to gain employers' full support in complying with the coverage requirement of the Prepaid Health law, there are a relative few who still fail to provide the required coverage. With due consideration of the employee's welfare, this measure authorizes the Department of Labor and Industrial Relations to use the premium supplementation fund to pay for the employee's health care expenses under the foregoing circumstances, and provides for the eventual recovery of these payments from the defaulting employer.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 216 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 66-78

Human Resources on H.B. No. 819

The purpose of this bill is to conform county civil service laws with state civil service laws which presently exempt positions filled through federally funded programs which provide temporary public service employment. In addition, the bill proposes civil service exemption for those employees engaged in federally funded special, research, or demonstration projects approved by the mayors of the several counties.

Your Committee finds that this measure would clarify the provisions relating to exempt employees. Since Chapter 76, the state personnel law, is predicated on the philosophy that all government positions, unless specifically exempt, shall be civil service positions. Your Committee feels that a clarification of the status of employees in certain federally funded projects is required.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 819 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. 67-78

Energy/Natural Resources on S.R. No. 6

The purpose of S.R. No. 6 is to request the University of Hawaii to institute an exchange program for students and faculty in aquaculture and related fields with universities on the mainland and in foreign countries, to foster the development of a viable aquaculture industry in Hawaii.

The exchange of students and professors with leading countries in the field of aquaculture will contribute to the growth of aquaculture in Hawaii. This past year, Hawaii was honored with the visit of two distinguished professors from Israel, Doctors Rom Moav and Belfour Hopher. Their courses, seminars, and symposiums on aquaculture have contributed significantly to increasing our understanding of the principles and practices applied in aquaculture.

Your Committee has received testimony from Rose Pfund of the UH Sea Grant in favor of the resolution. Education is one of the mandated responsibilities of Sea Grant, and there is a fund available for international needs. The Department of Planning and Economic Development also testified in favor of the resolution.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.R. No. 6, and recommends its adoption.

Signed by all members of the Committee except Senators Hulten, Nishimura, Henderson and Yee.

SCRep. 68-78

Energy/Natural Resources on S.B. No. 1581-78

The purpose of this bill is to provide funds for research and development, applications, and demonstrations directed toward the development and utilization of alternate energy resources for the State of Hawaii.

The proposed project fundings are based on recommendations made by the special

energy task forces established by your Committee during the summer of 1977.

Your Committee has amended the total amount requested to \$3,845,000 which, coupled with the \$5,000,000 requested by the Governor's supplemental CIP request, will provide \$8,845,000 to launch a significant forward movement in Hawaii's quest to become energy self-sufficient.

Biomass

In regard to the biomass programs, your Committee finds that the total cost needed to convert the HC&S Maui rum plant to ethanol production amounts to \$750,000. Your Committee amended this bill to provide \$500,000 which, coupled with the Governor's request for \$250,000 will provide the necessary funds for this project.

The corn ethanol program appropriation will provide initial funding for a state Department of Agriculture program in conjunction with possible U.S. Department of Agriculture or Department of Energy funding for another ethanol source utilizing non-sugar lands. Your Committee has amended this bill to provide \$330,000, in addition to the Governor's supplemental request of \$170,000, for a total allocation of \$500,000 for this project.

Your Committee has further amended S.B. No. 1581-78 to provide \$500,000 for an energy tree farm program to be carried out by the Department of Land and Natural Resources. This sum, in addition to the Governor's request for \$500,000 will result in a million trees a year being planted and ultimately, thousands of acres of energy tree crops which can potentially generate many megawatts of electricity.

The final biomass program appropriation called for by S.B. No. 1581-78 is for \$200,000 for research into other biomass areas of promising potential.

Appropriations for the Hilo Coast Ethanol Plant, and biomass R & D (Operation) have been deleted from the biomass program area.

Geothermal

Your Committee is requesting \$200,000 for geothermal matching funds for various possible federal or other grant programs in research, development and demonstration programs. This sum supplements the \$500,000 in the Governor's supplemental CIP for resource assessment statewide, including the amount needed for the assessment of geothermal potentials in Maui County, recently requested by the Mayor of Maui County. In addition, the Governor requested \$350,000 for non-electrical research facilities at the site of the first successful well of the Hawaii Geothermal Project in Puna. This will be the location of most of the field research efforts in the State on geothermal energy. These sums total \$1,050,000 for ongoing geothermal research and assessment, as this program has the highest priority in the State in offering significant potential for providing both electrical as well as non-electrical "hot water" energy.

Appropriations for a state Geothermal Office Rift Zone Laboratory, and Geothermal R & D have been deleted from the geothermal program in this bill.

Ocean Thermal

Things are beginning to move rapidly in the area of ocean thermal energy with major decisions by the Department of Energy and also by one or more major corporations making commitments in the area. The State's participation includes completion of site improvements and basic phase I facilities, for which the Governor's requests of \$250,000 and \$500,000 will be adequate. Thus, your Committee has deleted the appropriation for this portion of the program from the bill.

The second portion of the major forward step at the Natural Energy Laboratory at Keahole Point involves the off site facilities which include a cold water pipe, a warm water pipe, a cold water return pipe as well as work off-shore for siting a floating barge demonstration. The Governor has requested \$1,275,000 for this and your Committee has added \$1,225,000 to this so that a total of \$2,500,000 will be available for the next major phase of this vital program for the future of Hawaii to proceed, even if federal support is not forthcoming. Hawaii stands to gain three hundred man-year jobs, just for the OTEC-1 Barge alone plus millions of dollars of important research and development programs of ocean thermal energy. Coupled with this is the research program into potentially very significant nutrient rich deep ocean water. The Governor has requested \$500,000 for this key research effort, which may well become a major source of fertilizer and other products to enhance Hawaii's total self-sufficiency in the future. The \$1,225,000 requested by this bill and the Governor's \$2,525,000 request will provide a total of \$3,750,000 for the Ocean Energy Program, which could lead to Hawaii becoming a world leader in this

field.

Solar/Wind

The final CIP portion of this bill provides a total of \$890,000 basically for demonstration of various applications of solar and wind energy sources and required engineering work. The amounts of \$100,000 for solar irrigation demonstrations, \$100,000 for solar agricultural application, and \$50,000 for a wind direct pumping demonstration project will be provided to the Department of Agriculture. The amount of \$100,000 is made available to the Department of Planning and Economic Development to help underwrite solar hot water heating systems in state buildings. The University of Hawaii, Hawaii Natural Energy Institute, will be provided with \$50,000 for photovoltaic demonstrations, \$100,000 for a solar air conditioning demonstration, \$150,000 for wind engineering analysis for actual pre-installation of wind systems, \$40,000 for a wind electric demonstration, and \$200,000 for a wind-hydroelectric demonstration. These demonstration programs will complement the \$200,000 annual solar/wind assessment program recently funded the University of Hawaii, Department of Meteorology, by providing the hardware needed to prove the viability of these energy programs. The Governor's supplemental CIP request has a bottom line request of \$325,000 with no breakdown, so a total of \$1,215,000 is being provided for these important programs.

Of the total amount of \$810,000 proposed by this bill from the general funds, your Committee was able to reduce the proposed appropriation to \$170,000, which latter figure included \$50,000 to initiate an agri-energy program at the Department of Agriculture; \$100,000 for increased staffing at the Natural Energy Laboratory because this program will now require more on site staffing as a much greater level of activities, greater public exposure created by easier access, and much greater levels of valuable scientific equipment will be on site; and finally, the sum of \$20,000 was provided for a major ocean energy conference to be convened at the Ke-ahole Natural Energy Laboratory of Hawaii site in conjunction with the dedication of the proposed proof of concept plant or completion of the cold water pipe installation. This conference should attract people from around the world, and firm up Hawaii's leadership in ocean thermal energy.

To strengthen the coordinating role on all research and development on natural energy in the State, your Committee has appropriated \$222,600 for the operation of the Hawaii Natural Energy Institute.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1581-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1581-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hulten, Nishimura, Henderson and Yee.

SCRep. 69-78

Energy/Natural Resources on S.B. No. 1609-78

The purpose of this bill is to provide general excise tax exemptions for all gross proceeds resulting from the construction in the State of Hawaii of aquaculture facilities including ponds and on all gross proceeds received from the sale of aquaculture products.

In testifying before your Committee, the Department of Planning and Economic Development (DPED) estimated a loss in State taxes of \$200,000 annually, but the loss would be offset by new job incomes created and by greater economic activity. Annual projects sales range from \$16.8 million to \$33.6 million in seven years. The number of direct jobs projected range from 240 to 480. DPED concurred with the intent of the bill.

Your Committee also received testimony from Mr. Taylor Prior of Kahuku Seafood Plantation in favor of the bill. He indicated investors have many ways to invest their money and a tax break can make aquaculture look more attractive. He said he might have been in business a year earlier with such a tax break.

A new aquaculture industry would have significant risks, such as cost overruns and problems resulting from uncertainty. In his testimony, Dick Stephen-Hassard of Kilauea Agronomics cited as an example the cost overruns of the salt water wells at Hanapepe.

Your Committee made the following amendments to the bill:

(1) Specifying the number of years the tax exemption would be in effect. Five (5) years was specified for section (a) and five (5) years for section (b).

(2) Add to the end of section (a):

"Contractors or subcontractors shall not include in any bill to aquaculturists for the construction in the State of such aquaculture facilities the general excise tax exempt hereunder."

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1609-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1609-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hulten, Nishimura, Henderson and Yee.

SCRep. 70-78

Energy/Natural Resources on S.B. No. 1611-78

The purpose of S.B. No. 1611-78 is to designate the Department of Agriculture (DOA) to be the lead agency for aquaculture in Hawaii. Under the present system aquaculture activities are dispersed in five State agencies with a consequent lack of coordination in the organization and thrust of the industry in the State. The requirement for a qualified lead "line" agency to formulate and implement a sound aquaculture strategy and to strengthen and direct State programs is of the utmost importance if the State is to encourage and expand its aquacultural activities.

While aquaculture is in a formative state, there is a vital need for such a lead agency to coordinate and develop what will probably be a major industry in Hawaii. This environmentally compatible industry will provide significant revenues and jobs for the State. The manner in which we encourage aquaculture in the present will determine the progress, quality and direction of its growth--and its economic importance--in Hawaii's future.

Legally, the relationship between the U.S. Department of Agriculture (USDA) and aquaculture is defined by the Food and Agriculture Act of 1977 which includes aquaculture as a function of the USDA. The Act, further grants the Secretary of Agriculture the authority to conduct aquaculture research and extension, make loans to aquaculturalists and to cooperate with federal, State and other public agencies in formulation of conservation and utilization plans of water for aquaculture purposes.

The USDA is already lending technical assistance in research and development, fish pond management and programs on commercial fish farming, marketing and cooperative development and provides loan programs specifically for aquaculture development.

A report entitled "A Lead Agency for Aquaculture in Hawaii" by the Hawaii Aquaculture Planning Program, dated October 14, 1977, concluded that the two most likely candidates for lead agency are the DOA and the Department of Land and Natural Resources (DLNR). While the report lists that both agencies have programs for economic development, it notes that the DOA has nine programs to three in the DLNR.

Mr. John Farias, Chairman of the DOA expressed confidence that the DOA, if selected as lead agency, could perform effectively in developing aquaculture as an industry in Hawaii. Mr. Farias stressed that the DOA has marketing and economic development programs essential for the foundation of aquaculture as an industry.

Your Committee has received testimony from Dean William Furtick of the College of Tropical Agriculture (CTA) that CTA has been selected as lead agency for aquaculture at the University of Hawaii by President Fujio Matsuda and could effectively coordinate its activities with the DOA.

Your Committee heard further testimony indicating that the aquacultural activities in raising animals and plants are almost identical to agricultural activities and that currently, loans, marketing operations, equipment and personnel related to the DOA or with agriculture are being used in aquaculture activities.

It should be noted that this bill will not change the status of the Anuenue Fisheries Research Center which shall remain in the DLNR.

Your Committee has made the following changes to the bill:

- (1) On page 2, line 1 and 2 should note that under the Federal Food and Agriculture Act of 1977, aquaculture has been designated a function of the USDA.
- (2) On page 2, line 18, the word "not" should follow "shall". This change was suggested by the Chairman of the DOA in order to expediently implement the bill.
- (3) On page 4, line 1, the word "symposium" should read "symposia".

Your Committee in consideration of the above testimony and research, recommends the designation of the DOA as lead agency for aquaculture activities in the State in light of the following:

- (1) The precedents taken in Japan, Taiwan and Israel, all with extensive aquaculture, of assigning their respective agriculture departments as lead agencies.
- (2) The basic relatedness of aquaculture--the production of fish and other aquatic species under controlled conditions--to the scope, principles, problems and practices of agricultural activities as a food producing enterprise involving marketing and economics.
- (3) The success of the DOA in assisting livestock poultry and crop producers in identical areas of concern to aquaculture: nutrition, growth, reproduction, disease control, management, product processing, marketing and economics, which is responsible for the present abundant and reasonably priced supplies of food animals and animal products.
- (4) The ongoing applicable economic and supportive programs in the DOA on federal and state levels which can flexibly encompass and address general and specific areas in expanding aquaculture activities and in view of the large economic potential to the State.
- (5) The extensive economic and supportive programs, existing facilities, personnel and expertise located in the DOA which can readily and competently assist and direct aquaculture in the State.
- (6) Legislative action taken last session to equate aquaculture with agriculture permitting benefits such as the Agriculture Loan Program to be made available to aquaculturist.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.B. No. 1611-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1611-78, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hulten, Nishimura, Henderson and Yee.

SCRep. 71-78 Legislative Management

Informing the Senate that S.C.R. Nos. 48 to 54, S.R. Nos. 181 to 192 and Stand. Com. Rep. Nos. 72-78 to 78-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 72-78 Human Resources on H.B. No. 95

The purpose of this bill is to develop and implement a pre-retirement education program that shall establish a program of pre-retirement counseling for employees in the public and private sector who currently do not have access to such a program; and to train counselors and educators in the private and public sectors in the relevant aspects and curricula of, and the necessary skills relating to, pre-retirement counseling.

Your Committee finds that long-range planning for individual social adjustment and financial security is an important but often neglected consideration by persons in the State's work force. This Act would provide for the development and implementation of a pre-retirement education program for the eventual benefit of the State's total work force which is currently estimated at 300,000 individuals. Approximately 169,000 of these individuals are between 45 and 64 years of age, and could immediately benefit from the pre-retirement education program contained in this measure.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 95, 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 F. Wong.

SCRep. 73-78 Human Resources on S.B. No. 2069-78

The purpose of this bill is to make an appropriation for the plans and construction of the Kula Community Center in Kula, Maui.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2069-78 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 F. Wong.

SCRep. 74-78 Health on S.R. No. 66

The purpose of this resolution is to request the Department of Health to: (1) seek funds from the National Institute of Mental Health for use in preventive mental health programs in this State, and (2) prepare and submit a report to the legislature prior to the convening of the Regular Session of 1979, to include an inventory of the primary prevention programs related to mental health in the State, an assessment of the unmet primary prevention needs of the State, programs funded by the Department and the criteria used in the selection of programs for such funding.

Your Committee has amended the resolution by replacing the words "and a report on the" with the words "a list of primary preventive programs".

Your Committee 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.

SCRep. 75-78 Health on S.B. No. 1728-78

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$45,000 for the maintenance and improvement of Kuakini Home for the Elderly.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1728-78 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. 76-78 Health on S.B. No. 1831-78

The purpose of this bill is to appropriate from the special fund revenues of the State of Hawaii, the sum of \$208,302, or so much thereof as may be necessary, for Maui Memorial Hospital to provide for 10 registered professional nurses, 5 licensed practical nurses, 1 clerk-steno, other current expenses and equipment in the intensive care and coronary care programs to meet accreditation requirements.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1831-78 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. 77-78 Health on S.B. No. 1889-78

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii funds for the continuation of drug abuse treatment programs.

Your Committee finds that continuation of these drug abuse treatment programs to be vital to the well-being of the citizens of the State of Hawaii. Your Committee further supports the continuity of funding and coordination of services that has developed through the cooperative efforts of the Department of Health and the Drug Abuse Coalition.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1889-78 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. 78-78 Health on S.B. No. 1891-78

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii funds to be expended by the Department of Health for the continuation of services provided by the Arthritis Center of Hawaii.

Your Committee finds that the Arthritis Center of Hawaii provides the important services of diagnosis, recommendations for treatment, instruction in self-care and referral information to persons suffering from arthritis. Your Committee further finds that the continuation of these services is important for the well-being of our citizens.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1891-78 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. 79-78 Consumer Protection on S.B. No. 361

The purpose of this bill is to create an office to serve the people of the State of Hawaii as public educator on landlord-tenant matters, and as an initial hearing forum for a selected class of landlords and tenants which will serve to promote fairness among its citizens as well as to fulfill a compelling need of the State to assure adequate access to assistance and information for all persons in the State.

Presently, a great number of complaints and disputes have been referred to the consumer protector regarding landlord-tenant problems. Consequently, the heavy reliance on the Office of the Consumer Protector has resulted in extended delays in the resolution of problems, as well as to reduce the capabilities of the consumer protector to deal with the many varied other types of concerns.

Your Committee on Consumer Protection has concluded that the adoption of this bill is necessary to further protect and assure the consumer of a speedy and fair resolution of their problems.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 361 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 80-78 Consumer Protection on S.B. No. 1148

The purpose of this bill is to require full disclosure of pertinent information to prospective purchasers of time sharing programs. A time sharing program is simply an arrangement whereby there is a multiple ownership of a residential unit which is generally limited to a specific time period or periods. This bill is intended as a consumer protection disclosure measure, and not as a regulation of property transactions.

The Office of the Consumer Protector reports that there have been complaints from consumers concerning inaccurate disclosure of information and high-pressure sales practices in the sale of time sharing plans. Presently, there are no laws governing the sale of time sharing programs.

This bill creates a new chapter protecting consumers in entering into time sharing agreements. Your Committee, after due deliberation has concluded that the adoption of this bill is necessary to safeguard the rights of consumers in entering into time sharing agreements.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1148 and recommends that it pass Second Reading and be referred to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 81-78 Legislative Management

Informing the Senate that S.R. Nos. 193 to 204 and Stand. Com. Rep. No. 82-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 82-78 Consumer Protection on S.B. No. 1613-78

The purpose of this bill is to render retail installment contracts unenforceable by the seller if the seller fails to place the legend required by Section 476-2, Hawaii Revised Statutes, on the contract. The legend required are the words "RETAIL INSTALLMENT CONTRACT" and "NOTICE TO THE BUYER".

The Director of the Office of Consumer Protection testified that Section 476-5(g), Hawaii Revised Statutes, had previously provided that contracts, without the legend presently under consideration were unenforceable by the seller. In 1976, Section 476-5, Hawaii Revised Statutes, was repealed and incorporated into Chapter 481C, which covers door-to-door sales. Consequently, while the consumers under a door-to-door contract are still protected when sellers omit the required notices, consumers under retail installment contracts not classified as the door-to-door type have had their protection unintentionally withdrawn with the repeal of Section 476-5. This bill would restore their protection.

Your Committee adopted the recommendation of the Office of Consumer Protection by amending Section 3 of the bill by omitting the line: "This Act shall take effect upon its approval", and adding the following phrase: "This Act shall take effect sixty days after its approval."

The purpose of this amendment is to give the affected merchant ample time for the printing and distribution of the new contracts.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1613-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1613-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 83-78 Ways and Means on S.B. No. 2200-78

The purpose of this bill is to update the conformity of the state income tax law with the federal Internal Revenue Code.

Your Committee heard testimony from the Office of the Legislative Reference Bureau, Department of Taxation, Tax Foundation, and members of the private sector. The Bureau testimony explained the background of the bill, the history of our present method of conforming our income tax law with the federal Code and the new method of conformance posited by this bill. The testimony from the Department, the Foundation, and the private sector were in favor of the bill.

Your Committee finds that the new method of conforming our state income tax law to the federal Code will help both the government, the private sector, and the individual in filing income taxes and in interpreting and determining the law in this specialized area. By providing that the Code is operative in this State as of the end of each year, with certain exceptions and limitations, it becomes very easy for all persons who must concern themselves with income taxes to follow the state law. The new method of adoption of the Code by limitation means that an individual can read the Code itself which is available to all concerned, then read the state limitation on the operation of the Code in this State, if any, and then apply the Code as limited. The individual will no longer have to read the 1957 version of the Code and 22 pages of state law adopting provisions of the Public Law amending the Code in order to determine how the law reads in this State. The savings in man-hours alone both for the State, the individual, and the private practitioner necessitates the passage of this bill.

Your Committee finds and was assured that this bill does not adopt provisions of the Code which the legislature has long felt to be unnecessary to this State. It also appears that the revenue effect of this bill on the State will be on the whole positive.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2200-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 84-78 Legislative Management

Informing the Senate that S.C.R. No. 55, S.R. Nos. 205 to 209 and Stand. Com. Rep. Nos. 83-78 and 85-78 to 88-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 85-78 Intergovernmental Relations on S.B. No. 36

Your Committee on Intergovernmental Relations has considered S.B. No. 36 and recommends that it pass First Reading by title and be recommitted to the Committee on Intergovernmental Relations for further consideration.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 86-78 Intergovernmental Relations on S.B. Nos. 191, 512, and 1745-78

Your Committee on Intergovernmental Relations has considered the above-listed bills and recommends that they pass First Reading by title and be recommitted to the Committee on Intergovernmental Relations for further consideration.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 87-78 Ways and Means on S.B. No. 1623-78

The purpose of this bill is to require that all moneys received from the transfer of vacation credits and the sale of any personal property by state agencies funded from the general fund be regarded as realizations to the general fund.

Your Committee finds that currently, moneys received from the transfer of vacation credits, under authority of section 79-5, Hawaii Revised Statutes, and from the sale of any personal property by state agencies, under authority of section 106-22, Hawaii Revised Statutes, are allowed to be credited to the current appropriation accounts of the state agencies. Both sections are amended to provide that such moneys are to be regarded as realizations of the general fund.

Section 106-22, Hawaii Revised Statutes, is further amended to provide that in the case of special fund agencies, such proceeds shall be credited to the respective special fund.

These amendments are consistent with section 103-2, Hawaii Revised Statutes, which provide that all revenues of the State or any agency thereof, not specifically appropriated to other purposes (i.e., special fund purposes), shall be regarded as general realizations of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1623-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 88-78 Ways and Means on S.B. No. 1664-78

The purpose of this bill is to amend the present statute prohibiting disclosure of tax returns by specifically providing that all tax returns and return information required to be filed shall be confidential, including any copy of the federal tax return or information contained therein. The United States Internal Revenue Service has raised questions about the adequacy of Hawaii's law in maintaining confidentiality of tax returns. The purpose of this bill is to clarify the law on confidentiality of tax returns and to meet federal requirements.

The Department of Taxation in its testimony recommended passage of this bill. A similar favorable recommendation was submitted by the Tax Foundation of Hawaii.

Your Committee has made minor technical corrections to the bill which do not affect its substance.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1664-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1664-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 89-78 Legislative Management

Informing the Senate that S.C.R. No. 56 and S.R. Nos. 210 to 215 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 90-78 Legislative Management

Informing the Senate that Gov. Msg. Nos. 120 to 135, S.R. Nos. 216 to 220 and Stand. Com. Rep. Nos. 91-78 to 95-78 have been printed and are ready for distribution.

Signed by all members of the Committee except Senator Taira.

SCRep. 91-78 Health on S.B. No. 1646-78

The purpose of this bill is to repeal the requirement that a judgment, decision, order, or other court document declaring a person to be dead must be attached to the death certificate of the person; provided that the death certificate presented conforms to the Department of Health requirements and is certified by the court.

Your Committee finds that the current requirement of the attachment results in the necessity of two separate documents in such cases of presumptive deaths. This bill will allow the consolidation of the two documents into one, and would allow the Department of Health to establish a certificate of presumptive death, which would provide pertinent and identical information as that currently provided by the two separate documents. Testimony of the Department of Health indicates that without standardized format, all appropriate information necessary to the completion of death certificates is not always furnished to the Department. Testimony further indicates that such a practice is consistent with present procedures relating to divorces and adoptions.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1646-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Ching.

SCRep. 92-78 Health on S.B. No. 1641-78

The purpose of this administration bill is to update the name identification of health care facilities as listed in Hawaii Revised Statutes Sec. 321-11 by modernizing the nomenclature and making it synonymous with the federal terminology used in Medicare/Medicaid legislation. Clearer authority is given to the department of health in its regulation of special treatment and rehabilitation services for mentally ill persons, persons suffering from substance abuse, socially or emotionally distressed persons or developmentally disabled persons.

Your Committee finds that the State is already licensing all of the facilities named in S.B. No. 1641-78 with the exception of free-standing surgical outpatient facilities and special treatment facilities, although Act 108 of the 1977 Legislative session requires the department of health to certify certain aspects of substance abuse programs.

Your Committee concurs with the request of the department of health that free-standing surgical outpatient facilities be subject to department of health regulation under Hawaii Revised Statutes 321-11 to protect the public health while also providing conditions conducive to the development of this increasingly popular service. Your Committee received testimony from the department of health stating that approximately one-fourth to one-third of all hospital operative procedures could be performed on a 'same day' basis in a free-standing surgical outpatient facility resulting in significant savings in cost of health care delivery.

Exempt from this provision would be surgical outpatient facilities located within, and owned and operated by hospitals. These facilities are already included within the hospital license provisions. Also exempt would be private offices of practicing physicians and dentists where primary care is delivered and where minor surgical procedures are performed for which admission to a hospital is not usual, customary or common practice in the community.

Your Committee has amended the bill by deleting the words "and other health care facilities providing similarly organized services regardless of nomenclature", lines 16-18, page 2.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1641-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1641-78, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 93-78 Health on S.B. No. 1724-78

The purpose of this bill is to continue the current level of services for six community-based mental health programs and to provide alternatives to hospitalization for mental illness wherever possible.

Your Committee received testimony from the Department of Health stating the department's support for "continued legislative appropriations as grants-in-aid for the provision of essential mental health related services by private non-profit community organizations

and respectfully requests your support of this bill." Testimony was also received indicating that the goal of these community-based mental health programs is to decrease the incidence of hospitalization and rehospitalization of mentally ill persons by providing social rehabilitative programs in the community at an average cost of \$20.00 per day per resident in contrast to an average cost of \$80.00-\$120.00 per day in the hospital setting.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1724-78 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. 94-78 Energy/Natural Resources on S.C.R. No. 28

The purpose of this concurrent resolution is to request President Carter and the Congress to provide Hawaii its rightful share of the U.S. Department of Energy's Proposed Budget for the Strategic Petroleum Reserve, to safeguard Hawaii against any possible future energy shortage.

The national energy crisis of 1974 hit Hawaii--as it did the rest of the nation--dramatically. Every sector of the economy experienced hardship or inconvenience. Consumers were unable to purchase gasoline and other petroleum products as regularly as they did before. Business had to slow or stagger production, and labor had to endure shorter work-hours. One early survey indicated that during the first six weeks of the crisis, some 900 persons were either laid off or not hired because of energy shortages.

This experience clearly demonstrates that every sector of our economy experiences hardship and inconvenience in a petroleum shortage situation. Production suffers, business slows, and unemployment rises.

Where this may also be true of other areas in the nation, they have other alternative energy sources, such as natural gas, coal, hydroelectric and nuclear, to maintain a sufficient degree of economic equilibrium.

An October 26, 1977 study titled "STRATEGIC PETROLEUM RESERVES, PACIFIC AREA" found Hawaii to be the hub of the mid-Pacific area. However, detailed analysis indicates that 90% of the feedstocks for Hawaii's two refineries are supplied from foreign sources. The reasons given for not funding storage for Hawaii were the higher cost of above ground steel tank storage facility as against Gulf area salt dome storage and the availability of North Slope Alaskan oil to Hawaii's refineries.

Neither reason is valid. The basic quality and characteristics of Alaskan North Slope Oil is not compatible with Hawaii's refinery facilities nor with its environmental and product specifications.

The cost of steel tank storage in Hawaii will be higher than salt dome storage in the Gulf Coast; however, the Hawaii storage option involves one loading in the Far East and one unloading at Hawaii directly into the storage facility. The central storage option involves an extra 12,000 miles of transportation and six separate loading, lightering, barge loading and unloading operations with the concomitant increased environmental exposure. Adding the cost of transportation of the oil from its source to the Gulf and then to Hawaii will equal the storage cost on first use and the more the reserve is used, the greater the savings by location in Hawaii.

Because of almost complete dependence upon petroleum fuels and lack of viable alternate energy sources at least in the short run, Hawaii is particularly vulnerable to interruptions in delivery of crude oil and petroleum products resulting from embargoes or other emergencies. **ENERGY SHORTAGES SEVERELY IMPACT THE PACIFIC AREA CAUSING UNEMPLOYMENT, INFLATION, ECONOMIC DISLOCATIONS AND HARDSHIPS. THEY DISRUPT FOREIGN AND DOMESTIC COMMERCE AND THREATEN NATIONAL SECURITY.**

It is IMPERATIVE that provisions be made to SAFEGUARD HAWAII against adverse and negative effects of such a potential future oil embargo.

The Department of Planning and Economic Development has testified that strong support should be shown by the Legislature to inform the President and the Congress of Hawaii's critical need for strategic petroleum reserves.

This measure is one which has been given strong support by many leading businessmen and organizations as well as other prominent local individuals and civic-minded groups in our community, who are concerned that the Legislature move to protect the citizens

of this State against such future hardships.

Your Committee has made the following amendments to the concurrent resolution:

Deleted the third "WHEREAS" and substituted language provided by the Department of Planning and Economic Development contained in this report.

Added a "WHEREAS" to read:

"WHEREAS, this omission is discriminatory to Hawaii and a clear violation of the Energy Policy and Conservation Act of 1975 (Public Law 94-163) which provides that "each non-contiguous area of the United States which does not have overland access to domestic crude oil products has its component of the Strategic Petroleum Reserves within its respective territory;" and"

Amended the fourth "WHEREAS" to read:

"WHEREAS, this omission is moreover clearly contrary to the intent of Congress' Energy Policy and Conservation Act of 1975 (Public Law 94-163) which recognized the special needs of areas like Hawaii for maintaining the security of supply; and"

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.C.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. 28, S.D. 1.

Signed by all members of the Committee.

SCRep. 95-78 Energy/Natural Resources on S.R. No. 92

The purpose of this resolution is to request President Carter and the Congress to provide Hawaii its rightful share of the U.S. Department of Energy's Proposed Budget for the Strategic Petroleum Reserve, to safeguard Hawaii against any possible future energy shortage.

The national energy crisis of 1974 hit Hawaii--as it did the rest of the nation--dramatically. Every sector of the economy experienced hardship or inconvenience. Consumers were unable to purchase gasoline and other petroleum products as regularly as they did before. Business had to slow or stagger production, and labor had to endure shorter work-hours. One early survey indicated that during the first six weeks of the crisis, some 900 persons were either laid off or not hired because of energy shortages.

This experience clearly demonstrates that every sector of our economy experiences hardship and inconvenience in a petroleum shortage situation. Production suffers, business slows, and unemployment rises.

Where this may also be true of other areas in the nation, they have other alternative energy sources, such as natural gas, coal, hydroelectric and nuclear, to maintain a sufficient degree of economic equilibrium.

An October 26, 1977 study titled "STRATEGIC PETROLEUM RESERVES, PACIFIC AREA" found Hawaii to be the hub of the mid-Pacific area. However, detailed analysis indicates that 90% of the feedstocks for Hawaii's two refineries are supplied from foreign sources. The reasons given for not funding storage for Hawaii were the higher cost of above ground steel tank storage facility as against Gulf area salt dome storage and the availability of North Slope Alaskan oil to Hawaii's refineries.

Neither reason is valid. The basic quality and characteristics of Alaskan North Slope Oil is not compatible with Hawaii's refinery facilities nor with its environmental and product specifications.

The cost of steel tank storage in Hawaii will be higher than salt dome storage in the Gulf Coast; however, the Hawaii storage option involves one loading in the Far East and one unloading at Hawaii directly into the storage facility. The central storage option involves an extra 12,000 miles of transportation and six separate loading, lightering, barge loading and unloading operations with the concomitant increased environmental exposure. Adding the cost of transportation of the oil from its source to the Gulf and then to Hawaii will equal the storage cost on first use and the more the reserve is used, the greater the savings by location in Hawaii.

Because of almost complete dependence upon petroleum fuels and lack of viable alternate energy sources at least in the short run, Hawaii is particularly vulnerable to interruptions

in delivery of crude oil and petroleum products resulting from embargoes or other emergencies. ENERGY SHORTAGES SEVERELY IMPACT THE PACIFIC AREA CAUSING UNEMPLOYMENT, INFLATION, ECONOMIC DISLOCATIONS AND HARDSHIPS. THEY DISRUPT FOREIGN AND DOMESTIC COMMERCE AND THREATEN NATIONAL SECURITY.

It is IMPERATIVE that provisions be made to SAFEGUARD HAWAII against adverse and negative effects of such a potential future oil embargo.

The Department of Planning and Economic Development has testified that strong support should be shown by the Legislature to inform the President and the Congress of Hawaii's critical need for strategic petroleum reserves.

This measure is one which has been given strong support by many leading businessmen and organizations as well as other prominent local individuals and civic-minded groups in our community, who are concerned that the Legislature move to protect the citizens of this State against such future hardships.

Your Committee has made the following amendments to the resolution:

Deleted the third "WHEREAS" and substituted language provided by the Department of Planning and Economic Development contained in this report.

Added a "WHEREAS" to read:

"WHEREAS, this omission is discriminatory to Hawaii and a clear violation of the Energy Policy and Conservation Act of 1975 (Public Law 94-163) which provides that "each non-contiguous area of the United States which does not have overland access to domestic crude oil products has its component of the Strategic Petroleum Reserves within its respective territory;" and"

Amended the fourth "WHEREAS" to read:

"WHEREAS, this omission is moreover clearly contrary to the intent of Congress' Energy Policy and Conservation Act of 1975 (Public Law 94-163) which recognized the special needs of areas like Hawaii for maintaining the security of supply; and"

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 92, S.D. 1.

Signed by all members of the Committee.

SCRep. 96-78 Legislative Management

Informing the Senate that S.C.R. No. 57, S.R. Nos. 221 to 225 and Stand. Com. Rep. Nos. 97-78 to 229-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 97-78 Judiciary on S.B. No. 1871-78

The purpose of this bill is to establish within the Attorney General's Office, a fraud unit to handle the investigation and, where appropriate, the prosecution of Medicaid fraud cases.

Your Committee finds that there is an urgent need for the establishment of an investigative and enforcement body to eliminate or minimize fraud in the area of Medicaid assistance. Part of the funds appropriated for this body will be reimbursed by the Federal Government.

Your Committee amended the bill by rewording part of the language of Section 1. The intent of this section has been retained.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1871-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1871-78, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 98-78 Judiciary on S.B. No. 1643-78

The purpose of this bill is to amend Sections 338-13 and 572-13, Hawaii Revised Statutes.

Your Committee received testimony to the effect that the issuance by computer of an abbreviated form of marriage certificate pursuant to Section 572-13, Hawaii Revised Statutes, has been subject to judicial attack on the ground that it was not authorized by the Hawaii Revised Statutes. Your Committee finds that the issuance by computer of an abbreviated form of certificate of vital records is the simplest and most inexpensive manner to issue such certificates and that this bill will enable the Department of Health to proceed in that manner.

Your Committee further finds that it is in the interest of the State to obtain the type of information requested by the Department of Health prior to issuance of the certificate. Your Committee feels that this bill will assist the Department of Health to obtain such information by permitting them to withhold issuance of a certified copy of a vital record until all the information requested by the Department of Health relating to the vital record has been submitted.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1643-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 99-78 Judiciary on S.B. No. 1649-78

The purpose of this bill is to amend Section 338-20, Hawaii Revised Statutes.

Your Committee finds that Section 338-20(b), Hawaii Revised Statutes, does not provide a means for certification of a final adoption decree of persons born in the State, rendered by a court of a foreign country. This, therefore, causes a hardship on persons born in the State, who have been adopted pursuant to a decree rendered by a court of a foreign country, in obtaining a supplementary certificate in their adopted name. This bill will provide a procedure by which such persons may obtain new birth certificates reflecting their adopted names and personal particulars of their adoptive parents and will save the adoptive parents from having to repeat the adoption procedure in the United States of America after having an adoption processed by a foreign court.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1649-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 100-78 Judiciary on S.B. No. 1619-78

The purpose of this bill is to clarify Chapter III, Hawaii Revised Statutes, relating to assistance to displaced persons.

Your Committee finds that Chapter III, Hawaii Revised Statutes, was enacted to establish a uniform policy for the fair and equitable treatment of displaced persons. Your Committee, after hearing testimony on this bill, feels that there may be some ambiguity as to what persons qualify for relocation benefits. This bill should resolve the ambiguity by making it clear that only persons or businesses lawfully occupying real property from which they have been displaced are eligible for relocation benefits under Chapter III, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1619-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 101-78 Judiciary on S.B. No. 1659-78

The purpose of this bill is to amend Chapter 443 by requiring a collecting agency to have a principal collector, approved by the Collection Agency Board of the Department of Regulatory Agencies, who would be responsible for the operation and activities of the collecting agency.

Your Committee finds that for the protection of the public there should be a qualified person in charge of the business of the collecting agency with sufficient experience and/or training.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1659-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 102-78 Judiciary on S.B. No. 1660-78

The purpose of this bill is to eliminate the U. S. citizenship requirement for individuals seeking to be licensed as a speech pathologist or audiologist.

Your Committee finds that the U. S. citizenship requirement in Section 468E-5, Hawaii Revised Statutes, should be eliminated because it bears no relationship to the qualifications of the licensee.

Your Committee amended this bill by deleting the language requiring a licensee to complete nine months of full-time employment under the supervision of a licensed speech pathologist or audiologist, and by retaining the present requirement of Section 468E-5, Hawaii Revised Statutes, requiring submission of evidence meeting the requirement of the American Speech and Hearing Association.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1660-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. 1660-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 103-78 Judiciary on S.B. No. 1662-78

The purpose of this bill is to delete the requirement that examinations, which are given twice a year to test the qualifications of a person desiring to be licensed to practice veterinary medicine, be given during specific months of the year (April and September).

Your Committee finds that the present requirement that the examinations be held in April and September creates a hardship on persons who have recently graduated from veterinary school because of the fact that most veterinary schools graduate their students in December and May.

Your Committee finds that by allowing flexibility in the scheduling of the examinations, hardship on the recently graduated persons will be reduced.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1662-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 104-78 Judiciary on S.B. No. 1663-78

The purpose of this bill is to amend Section 431-370, Hawaii Revised Statutes, to take into consideration the change of name of the "American College of Life Underwriters, Incorporated" to "The American College".

Your Committee finds that the "American College of Life Underwriters, Incorporated" has changed its name to "The American College" and that Section 431-370 which contains a reference to the American College of Life Underwriters, Incorporated should be amended accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1663-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 105-78 Judiciary on S.B. No. 1690-78

The purpose of this bill is to permit payment by credit card of court costs, fees, fines, bail forfeitures, expenses and other charges due the courts.

This bill is needed to authorize the use of credit cards and to permit payment of a service fee by the courts for use of a credit card service. Your Committee finds that this bill will facilitate the collection of sums owed to the courts, will provide a convenient means of making payments to the courts, and will save expenses by permitting the credit card companies to handle collections and record-keeping for a small service fee.

Your Committee amended the bill by deleting the language providing for a set percentage ceiling on the amounts that may be charged for each credit transaction to preclude creating any impression that the service fee should be set at the ceiling provided in the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1690-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1690-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 106-78 Judiciary on S.B. No. 1691-78

The purpose of this bill is to ensure that all victims of criminal acts, who report the crime to police, will be notified of the benefits available under the Criminal Injuries Compensation Act.

Your Committee finds that this bill will facilitate fulfillment of the original intent of the Criminal Injuries Compensation Act of compensating victims of criminal acts.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1691-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 107-78 Judiciary on S.B. No. 1704-78

The purpose of this bill is to amend Section 602-11, Hawaii Revised Statutes, relating to oral arguments before the Supreme Court of this State and substitute justices.

Your Committee finds that in some instances, oral argument before the full court of the Supreme Court of this State serves no purpose. Your Committee feels that by giving discretion to the Court to dispense with oral argument in appropriate cases will save time for all parties concerned.

Your Committee further finds that the appointing authority for substitute justices should not be restricted in appointing a retired justice as a substitute justice merely because he has reached the age of 70. Your Committee feels that retired justices over 70 years of age may still be very qualified to serve as a substitute justice.

Your Committee amended the bill by retaining the language of existing law prohibiting a retired justice who is actively engaged in the practice of law from serving as a substitute justice. The purpose of this amendment is to reduce the possibility that a conflict of interest may arise.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1704-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1704-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 108-78 Judiciary on S.B. No. 1705-78

The purpose of this bill is to increase the jurisdictional limit of the court clerk of small estates of persons with no known relatives from \$10,000 to \$20,000.

The court clerk's jurisdictional limit for small estates other than small estates of persons leaving no known relatives is \$20,000. Your committee feels that the court clerk's jurisdictional limit should be \$20,000 in both instances.

Your committee on Judiciary is in accord with the intent and purpose of S.B. No. 1705-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 109-78 Judiciary on S.B. No. 1801-78

The purpose of this bill is to make clear that the physician-patient privilege cannot

be used to thwart efforts by the State to obtain medical records of patients when relevant to an administrative or judicial proceeding in which the competency, medical license or practice of the physician is at issue.

Your Committee is aware that some physicians have interposed this defense to stop the State from obtaining relevant medical records. Your Committee finds that this is a misuse of the privilege since it was never intended to protect a physician from his wrongdoings.

Your Committee has amended the bill in several respects. The bill has been amended to provide that the privilege be inapplicable in any "administrative or disciplinary proceeding" rather than "administrative or judicial proceeding".

Your Committee has further amended the bill to limit the inapplicability of the privilege to proceedings under Chapter 453. As originally introduced, the wording of the bill could be interpreted to mean that the privilege is inapplicable in proceedings before a medical claim conciliation panel. The purpose of this amendment is to make clear that the privilege is applicable in a proceeding before a medical claim conciliation panel except to the extent allowed by Section 621-20.5, Hawaii Revised Statutes.

Your Committee has further amended the bill to provide that steps be taken to preserve the confidentiality of the patient by requiring that identifying data, such as the name of the patient, be kept confidential. The purpose of this amendment is to protect the confidentiality of a patient who has not waived the physician-patient privilege. This prohibition against the divulging of identifying data includes but is not limited to reference to patient's identity contained in medical records, in oral testimony, or in arguments. Thus, information contained in the patient's medical record may be used in said proceedings but at no time, may identifying data be injected into the proceeding. Appropriate steps such as deleting the name from the medical record or referring to a patient as a John or Jane Doe should be taken.

Your Committee has also amended the bill to authorize the closing of the proceeding to the public should this be necessary to protect the confidentiality of the patient.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1801-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1801-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 110-78 Judiciary on S.B. No. 1804-78

The purpose of this bill is to prohibit an employer from suspending or discharging an employee because the employee is cooperating in the prosecution or defense of a criminal charge at the request of a party thereto or the State.

Your Committee finds that there is a need to protect employees from the threat of discharge because they are witnesses in a criminal action. The bill would provide such protection by preventing any employer from firing such employees merely performing their civic duty.

Your Committee amended the bill by broadening the previous language to include any employee who is subpoenaed by the defense or prosecution. The previous language of the bill merely covered an employee "cooperating" within the prosecution or defense.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1804-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1804-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 111-78 Judiciary on S.B. No. 1931-78

The purpose of this bill is to amend Section 281-31, Hawaii Revised Statutes, to permit holders of a manufacturer's license to sell wine manufactured from grapes or other fruits grown in the State to any person for private use and consumption.

Your Committee finds that it is in the interest of this State to encourage the development of a wine industry. In order to be economically viable, a winery needs the ability to sell wine to visitors through a tasting room. As a winery must be bonded and operate under the supervision of the Bureau of Alcohol, Tobacco and Firearms of the Department

of Treasury, no additional supervision will be needed by employees of the State of Hawaii. Further, your Committee finds that there should be no loss of revenue nor additional expense to the State of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1931-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 112-78 Health on S.B. No. 1822-78

Your Committee on Health has considered the above-listed bill and recommends that it pass First Reading by title and be recommitted to the Committee on Health for further consideration.

Signed by all members of the Committee except Senators Ching and Saiki.

SCRep. 113-78 Human Resources on S.B. No. 566

The purpose of this bill is to convert the investigators and the clerical staff of the office of the State public defender from their current exempt status to civil service status.

The public defender's office is a permanent State agency which provides legal assistance to indigent persons in criminal cases. The functions of the office require the services of investigative and clerical personnel. These personnel have been in exempt positions since the creation of the office of the public defender.

Your Committee finds that these investigators and clerical staff have ably demonstrated their competence, experience, knowledge, and specialized and technical skills in the performance of their jobs. Providing civil service status to these employees would insure that all investigative and clerical positions in the public defender's office shall be filled on the basis of merit, would encourage career service through equal promotional opportunities and job security, and would establish minimum standards of efficiency in job performance.

Your Committee further finds that all these investigative and clerical personnel presently meet the requirements and qualifications of comparable positions in the civil service system. All the investigative personnel have been in their positions for more than one year and all but two of the seventeen clerical personnel have been on the job for more than one year.

Your Committee has amended this bill to retain the public defender's law clerks in their current exempt status.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 566, 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. 566, S.D. 1.

Signed by all members of the Committee.

SCRep. 114-78 Human Resources on S.B. No. 780

The purpose of this bill is to provide members of the State Investigations and Narcotics Control Section of the Department of Health with the same retirement benefits as police officers, corrections officers, and firefighters.

Your Committee finds that under existing statutes, the retirement benefit formula for policemen, firemen and corrections officers consists of 2-1/2% of average final compensation for each year of service limited, however, to 80% of average final compensation. To qualify for this benefit, policemen, firemen and corrections officers must have at least 10 years of credited service of which the last five years must be as police officers, firefighters or corrections officers. For this benefit, this group contributes at a rate of 12.2% of gross salaries as compared to all other members of the retirement system who must contribute at a rate of 7.8%. Police officers and firefighters do not have social security coverage.

Your Committee finds that the five narcotics investigators affected by this bill are all former police officers with many years of experience with the police force. They have had training as police officers and have gone on to specialized training with the Bureau of Narcotics and Dangerous Drugs, the International Narcotics Enforcement Officers Institute,

the Drug Enforcement Officers Academy, and other related schools. They conduct extensive investigations and make on-view arrests and accompany police officers on their narcotics raids and investigations. The cases handled by their section are mainly felonies and generally involve the state drug population.

Your Committee further finds that these investigators are exposed to the same hazards as police officers and firefighters and feels that they are at least entitled to the same benefits as those of the police officers with whom they extensively work.

Actuarial cost figures for this measure are currently unavailable, but the Employees' Retirement System Administrator expects the cost impact to be minimal because of the few individuals involved.

Your Committee has amended this bill so that it applies to narcotics investigators only, and not to any other member of the State Investigations and Narcotics Control Section of the Department of Health.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 780, 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. 115-78 Human Resources on S.B. No. 1709-78

The purpose of this bill is to make an appropriation for the planning, design, and construction of a Senior Citizens Center at Aiea, Oahu.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1709-78 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. 116-78 (Majority) Human Resources on S.B. No. 1749-78

The purpose of this bill is to provide the assistant clerks of each Legislative house the same retirement benefits as that of elected officers, judges, and the chief clerks and the sergeants-at-arms of both houses.

Your Committee finds that under present law, elected officers, judges, and the chief clerks and the sergeants-at-arms of both houses of the Legislature are provided a retirement benefit after 10 years of credited service regardless of age. This retirement benefit consists of 3-1/2% of average final compensation for each year of service restricted, however, to 75% of average final compensation. After due consideration of the nature of the assistant clerks' duties and responsibilities, your Committee feels that they should be accorded these same retirement benefits.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1749-78 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 F. Wong.
Senator R. Wong did not concur.

SCRep. 117-78 Human Resources on S.B. No. 1985-78

The purpose of this administration bill is to amend Act 151, as amended, to continue the State Comprehensive Employment and Training (SCET) component of the State Program for the Unemployed (SPU).

Your Committee finds that the SCET program, designed to provide temporary public service jobs to unemployed and underemployed individuals, has at present approximately 1,100 participants. It is anticipated that by June 30, 1978, approximately 900 participants will be on board. The State Department of Labor and Industrial Relations proposes to continue reduction of SCET enrollments in FY 1979 through natural attrition and through the placement of SCET participants into employment not supported by the program.

Your Committee further finds that the executive budget contains an appropriation of \$2.5 million for the continuation of the SCET program in FY 1979. The Department

of Labor and Industrial Relations also anticipates receipt of an additional \$2.5 million in federal funds through the Public Works Employment Act of 1976 (PEWA), Title II. The combined total of \$5 million will enable the department to phase out SCET participants into unsubsidized employment on a planned basis.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1985-78 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 Taira.

SCRep. 118-78 Human Resources on S.B. No. 2237-78

The purpose of this bill is to provide for a grant-in-aid to the Hawaii Kai Communities Council for site acquisition, planning and construction of the Human Services Center in Hawaii Kai, Oahu.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2237-78 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. 119-78 Human Resources on S.B. No. 2393-78

The purpose of this bill is to make an appropriation to the Office of Children and Youth to provide the parents of the first born child access to the best current information on child care and child development to help them deal with the pressures of parenthood.

Your Committee finds that quality parenting in the early years of childhood is a significant determinant of healthy physical and emotional development. Parents are often not irresponsible, but merely untrained and without access to sufficient support in the form of knowledge on how to guide and influence their children toward healthy physical and emotional development.

Your Committee further finds that continuing attention and resources must be devoted to this critical period in a child's life.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2393-78 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. 120-78 Human Resources on S.B. No. 2416-78

The purpose of this bill is to provide for a grant-in-aid to the Family Services Center for the purpose of continuing the Hana Like Home Visitor Project.

Your Committee finds that the Family Services Center sponsors the Hana Like Home Visitor Project. This program identifies potential causes of child abuse and neglect during the child's birth or shortly thereafter, and then works with the parent and child to prevent abuse or neglect from occurring, thus preventing negative patterns of parent and child interaction from developing.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2416-78 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. 121-78 Human Resources on S.B. No. 2447-78

The purpose of this bill is to make an appropriation for the planning and construction of lanai enclosures and partitions to create three additional rooms for the Wahiawa Child Development Center in Wahiawa, Oahu.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2447-78 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. 122-78 Human Resources on S.B. No. 2451-78

The purpose of this bill is to make an appropriation for a paved parking area at the Human Services Center in Waimanalo, Oahu.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2451-78 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. 123-78 Human Resources on S.B. No. 2560-78

The purpose of this bill is to convert the researcher position of the Office of Collective Bargaining from exempt status to civil service status.

Your Committee finds that it is extremely important to have competent, experienced, and specialized permanent staff available on a continuous basis in the Office of Collective Bargaining in order to provide staff support to the negotiating team. Without continuity of staff support, newly appointed negotiators, due to changes in administration, would not have the necessary support to represent the employer effectively.

Your Committee believes that the uniqueness of public sector negotiations which includes knowledge of collective bargaining techniques, as well as governmental operations, statutes and rules and regulations on personnel administration and policies in general, need to be thoroughly understood to avoid or alleviate circumstances that could hamper the negotiating process.

Your Committee further believes that the researcher in the Office of Collective Bargaining has demonstrated the competence and necessary skill needed to provide continuous professional staff support.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2560-78 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. 124-78 Consumer Protection on S.B. No. 1618-78

The purpose of this bill is to expressly authorize boards and commissions to initiate investigations on their own motion if it is believed that a licensee or regulated person may be in violation of the laws or rules administered by the particular board or commission. A further purpose is to expressly empower the boards and commissions to order further disciplinary measures, including suspension or revocation of a license, if the licensee or regulated person violates a lawful board order.

Under the present law, certain board and commissions are not expressly empowered to initiate their own investigations of licensees. In practice, it is only upon receipt of a written complaint by a consumer or other member of the general public that the particular board or commission proceeds with an investigation. Although this power could possibly be inferred or implied from [the several] existing statutes, your Committee, after due deliberation, has concluded that these changes are necessary to clarify and dispel any doubts which may exist and to enable the boards and commissions to function more effectively.

Your Committee has amended section 1 of the bill by inserting the word "and" at the end of item (3), sec. 92-17(b), which appears at line 8. It appears that this was merely an inadvertent omission, however, since this conjunctive appears to be unnecessary, your Committee is suggesting the formal repealer of the word.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1618-78, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 1618-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 125-78 Higher Education on S.B. No. 2289-78

The purpose of this bill is to provide funds for the apprenticeship and journeymen training and other related public service programs within the community college system.

This bill was introduced as a short form bill. Upon consideration, your Committee has concluded that the purpose of this bill is a worthwhile one. A need exists for apprenticeship and journeymen training programs to assure the availability to Hawaii of skilled and capable workers and craftsmen.

Your Committee has amended this bill by providing an appropriation of \$48,500, a sum which should be sufficient to provide a basic level of training programs in each of the major islands of the State. Your Committee has also added a section designating the University of Hawaii as the expending agency and providing for the lapsing of any unexpended or unencumbered balance as of June 30, 1979.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2289-78, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2289-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 126-78 Higher Education on S.B. No. 1676-78

The purpose of this bill is to provide monies for the women's athletic program of the University of Hawaii.

Your Committee has amended the bill to include the sum of \$231,250. This sum represents the amount of money necessary to bring the women's athletic program at the University of Hawaii-Manoa up to minimum levels of compliance with Title IX of the Educational Amendments of 1972.

Your Committee is disappointed that the University has continued to treat the budget for the women's athletic program as a supplemental item. Obviously, this is a current service program which should be included in the basic budget for the University. Your Committee considers any other action as irresponsible.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1676-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1676-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 127-78 Higher Education on S.B. No. 1680-78

The purpose of this bill is to provide monies for the continuing education for women program to be expended by the Commission on the Status of Women.

Continuing Education for Women is the only program in the State which offers assistance for educational and career planning to adults not enrolled in an educational program. Its counseling services assist women of all ages and circumstances. The disadvantaged who are in need of self-assurance, women who are seeking to upgrade their vocational skills, and women who are looking for an alternate lifestyle all find guidance in this program.

Your Committee has amended the bill to include the sum of \$74,347. This sum will provide for current service and the expansion of this program to the neighbor islands.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1680-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1680-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 128-78 Higher Education on S.B. No. 1936-78

The purpose of this bill is to appropriate monies from the general fund of the State of Hawaii for thirty tuition waivers for undergraduate music majors to form a nucleus for the University's orchestra program.

Your Committee has amended the bill. Since there is no exchange of monies in a tuition waiver, an appropriation is not necessary.

S.B. No. 1936-78 has been amended to provide for these tuition waivers by increasing

the quota of tuition waivers allowed under the provisions of Section 304-4, Hawaii Revised Statutes, from 600 to 630. The following language has also been added to the same section:

"...provided that no less than 30 tuition waivers out of said quota shall be allocated and made available to any students who are undergraduate music department majors at the university of Hawaii actively participating in the music department's orchestra program."

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1936-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1936-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 129-78 Higher Education on S.B. No. 1967-78

The purpose of this bill is to appropriate \$200,000 for the continued operation of the Center for Labor Education and Research (CLEAR) at the University of Hawaii for FY 1978-79.

CLEAR was established by Act 202, SLH 1976 and is located at the College of Continuing Education and Community Service. CLEAR provides labor education, research and labor-related programs to workers, labor organizations and the general public.

Your Committee finds that this is a current program which should be funded and also urges the University administration to include this program in the University's basic budget for the next biennium.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1967-78 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. 130-78 Higher Education on S.B. No. 1973-78

The purpose of this bill is to appropriate \$34,000 for two additional instructional positions for the Agricultural Program at Maui Community College, for the fiscal year 1978-1979. This sum also includes monies for equipment and operation expenses.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1973-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1973-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 131-78 Higher Education on S.B. No. 2196-78

The purpose of this bill is to provide for student help pay, to meet the increased minimum wage level at the University of Hawaii, for FY 1978-79.

Your Committee has received testimony from the University of Hawaii that \$492,594 is necessary for the coming fiscal year and your Committee has amended the bill accordingly.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2196-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2196-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 132-78 Higher Education on S.B. No. 2359-78

The purpose of this bill is to provide an appropriation to strengthen the operation of the Kona experiment station.

Your Committee finds that the Kona experiment station has been unable to fully serve the needs of the various agricultural producers in the Kona area given the rising agricultural production and the consequent demand for increased services. Your Committee

finds that the addition of three additional staff positions, including one plant crop agent and two additional civil service positions, to help alleviate the overload which has resulted from service demand will greatly strengthen the ability of the Kona experiment stations to provide at least minimally adequate service to the Kona area farmers and other agricultural producers.

Your Committee has amended the bill to include the sum of \$15,000.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2359-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2359-78, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 133-78 Higher Education on S.B. No. 2434-78

The purpose of this bill is to appropriate \$50,000, to provide increased maintenance support at the University of Hawaii at Hilo.

Your Committee received testimony from student representatives of Hilo College as to the very poor condition of several campus facilities, including College Hall, Wentworth Hall, the library and gymnasium. Your Committee feels very strongly that every effort should be made to keep campus buildings in good condition.

Your Committee has amended the bill to increase the appropriation to \$300,000, for the purposes of this Act.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2434-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2434-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 134-78 Education on S.B. No. 1771-78

The purpose of this bill is to enable the State Foundation on Culture and the Arts to purchase and display works of art by indigenous artists.

Your Committee believes that the promotion of the work of indigenous artists in this manner is a positive step toward the enrichment of the cultural lives of the people of Hawaii.

During the course of its hearing on this bill, your Committee received testimony from the Hawaiian Ethnic Artist Association requesting that in the use of these funds the State Foundation on Culture and the Arts consider the talents and works of Hawaii's truly indigenous Hawaiian people. While your Committee feels that an expression on the part of the Committee on the use of these funds for the benefit of a specific group would not be proper, it does wish that its receipt of such testimony be communicated to the State Foundation on Culture and the Arts.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1771-78 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. 135-78 Education on S.B. No. 1780-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1780-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1780-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 136-78 Education on S.B. No. 1843-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1843-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1843-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 137-78 Education on S.B. No. 1844-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1844-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1844-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 138-78 Education on S.B. No. 1858-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1858-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1858-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 139-78 Education on S.B. No. 1867-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1867-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1867-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 140-78 Education on S.B. No. 1892-78

The purpose of this bill is to appropriate funds to provide and to improve the facilities for the department of education.

Your Committee on Education has amended section 3 by inserting the figure \$25,000, which amount, or so much thereof as may be necessary, is to be expended in improving the fire alarm system at Roosevelt High School.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1892-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1892-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 141-78 Education on S.B. No. 1934-78

The purpose of this bill is to appropriate funds for the restoration and preservation of Hulihee Palace in Kailua-Kona, Hawaii.

Hulihee Palace has a long and interesting history. It is one of the few Hawaiian royal residences remaining today and as such is worthy of restorative and preservative efforts. Your Committee has learned that restoration of the interior, the reconstruction of Kalakaua's kitchen, landscaping, and other facilities are needed. The Committee believes that the proposed improvements should be undertaken.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1934-78 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. 142-78 Education on S.B. No. 1935-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1935-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1935-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 143-78 Education on S.B. No. 1966-78

The purpose of this bill is to appropriate funds to the Pacific and Asian Affairs Council (PAAC) for 1978-1979.

For many years, PAAC has introduced students to the issues and problems of Pacific and Asian nations. Your Committee is mindful of Hawaii's role as a bridge between the East and West and of the importance therefore of introducing our youth to these areas of the world.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1966-78 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. 144-78 Education on S.B. No. 1970-78

The purpose of this bill is to make funds available to the Hawaii Foundation for History and Humanities that it may contract with the Multi-Cultural Center to conduct an oral history project in 1978/1979.

Your Committee supports the concept that seeks to preserve the reminiscences of a lifestyle that exists no longer so that future generations may enrich their lives by learning of these experiences.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1970-78 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. 145-78 Education on S.B. No. 1988-78

The purpose of this bill is to provide funds for the continuation of Maui Hui Malama. This program offers an educational alternative to that of the public school system to students who require it.

Maui Hui Malama is a non-profit educational organization that provides services in three areas: 1) preparation for the examination for the General Education Degree; 2) tutoring

in basic reading, math, and language skills; and 3) counseling and referral, where appropriate.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1988-78 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. 146-78 Education on S.B. No. 2025-78

The purpose of this bill is to provide funds for the Immigrant Youth Program of the Palama Interchurch Council. This program seeks to help immigrant and Samoan youth by providing needed counseling and aid to assist the youth in adjusting to a new culture.

Your Committee feels that the success of the program thus far may be measured by the laudatory testimony received by the Committee and wishes to see the program continued.

Your Committee has amended the bill to make the expending agency the Department of Education and to set the date of lapsing at June 30, 1979.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2025-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2025-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 147-78 Education on S.B. No. 2026-78

The purpose of this bill is to provide funds to the Catholic Social Service for their Youth Educator Program. The goal of the service is to provide preventative education and information to children of ages eight to eighteen in dealing with developmental and familial stresses. The program seeks to prevent family breakdowns and promote sound, healthy individual and group development.

Your Committee has amended the bill in the following fashion. The appropriated sum has been reduced from \$21,923 to \$10,356 at the request of the Catholic Social Service. The earlier requested sum included an error in computation and the true sum has been inserted in its place. The expending agency has been changed from the department of social services and housing to the alcohol and drug abuse branch, department of health.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2026-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2026-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 148-78 Education on S.B. No. 2067-78

The purpose of this bill is to provide funds to the Honokaa-Kohala Alternative Program. This program exists to ensure that those students who have difficulty adjusting to the program offerings of the department of education because of alienation problems have an opportunity to complete their basic education.

Many students in the Honokaa-Kohala-Waimea/Kamuela area experience the difficulty of adjusting to their regular school program. Under this program, students are able to receive their education in off-campus classes.

Your Committee has learned that the achievements of this program are significant and believe that it should be continued.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2067-78 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. 149-78 Education on S.B. No. 2124-78

The purpose of this bill is to appropriate funds that will allow students to attend the Fourth Student Symposium on Marine Affairs to be held on the University of Hawaii,

Manoa campus in mid-January, 1979.

The funds will enable students in public and private schools on all islands to participate in this event.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2124-78 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. 150-78 Education on S.B. No. 2130-78

The purpose of this bill is to provide for the continuation of the "Rice and Roses" television series on Hawaii Public Television.

"Rice and Roses" brings to the public highlights of the labor movement in Hawaii and of the significant part labor has played in Hawaii's history.

Your Committee believes that this program is of merit and that it should continue to be offered.

Your Committee has amended the bill to make the expending agency the Center for Labor Education and Research, University of Hawaii, with the understanding that it will contract with Hawaii public broadcasting authority for the purposes of this Act.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2130-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2130-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 151-78 Education on S.B. No. 2137-78

The purpose of this bill is to appropriate funds to provide and to improve facilities for the department of education.

Your Committee on Education has amended section 3 to include a comprehensive list of needed facilities and improvements within this district.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2137-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2137-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 152-78 Education on S.B. No. 2162-78

The purpose of this bill is to provide a grant-in-aid to the county of Hawaii to enable it to document the historical background of Honokaa. Honokaa is a town on the Hamakua coast of the island of Hawaii, situated in a plantation and ranching area. The documentation of Honokaa's historical background would be the first of many steps aimed at recognizing and preserving those elements that made Honokaa a significant factor in the history of the Island and of the State.

In addition to the documentation, the funds appropriated are to be used to prepare plans for the restoration of the town and to apply for federal grants to secure the recognition of Honokaa's historic significance.

Your Committee believes that Honokaa's value is worthy of this recognition and that this is the appropriate time for the initiation of such a project. Many areas of Honokaa are not yet substantially altered from their state of previous years, but recent years have seen increasing development within the area.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2162-78 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. 153-78 Education on S.B. No. 2197-78

The purpose of this bill is to provide for the acquisition of the birth site of King Kamehameha I and to appropriate funds for the improvement of the site.

Kamehameha I united these islands of the Hawaiian chain and ruled them wisely and fairly. In many facets of our lives, his legacy remains with us. The acquisition of his birth site and its memorialization seems a fitting way to acknowledge the greatness of this Hawaiian ruler.

Your Committee has amended Section 1 to include language urging the acquisition of the birth site of Kamehameha I by the State. Section 2 has been amended to include an appropriation of \$50,000 for the improvement of the site.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2197-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto S.B. No. 2197-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 154-78 Education on S.B. No. 2277-78

The purpose of this bill is to provide the necessary funds to allow Hilo Intermediate School to hire a lay reader for English classes.

Your Committee believes that in an educational climate where the basics of reading, writing, and arithmetic are once more being given emphasis, Hilo Intermediate's plan to improve its English classes through the services of a lay reader should be supported.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2277-78 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. 155-78 Education on S.B. No. 2278-78

The purpose of this bill is to provide funds that will allow Hilo High School to offer an alternative educational program for those of its students who are unable to adjust to the school's regular program offerings.

Your Committee believes that there is a need for this type of program at Hilo High School and wishes to see that funds are made available for that purpose.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2278-78 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. 156-78 Education on S.B. No. 2296-78

The purpose of this bill is to provide a grant-in-aid to the Honolulu Theater for Youth that it may conduct workshops and residency programs in isolated areas of the neighbor islands and rural Oahu.

Your Committee is pleased to see that efforts are being taken to provide our youth who live on the neighbor islands or in the rural areas of Oahu with opportunities to enjoy live theater.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2296-78 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. 157-78 Education on S.B. No. 2305-78

The purpose of this bill is to provide funds for the commissioning and installation of the statue "The Spirit of Liliuokalani."

The State Foundation on Culture and the Arts has reported to this committee that the jury selected to recommend the commissioning of an artist to undertake this project has completed its review and has named Marianna Pineda, sculptress from Massachusetts and former long-term visitor of Hawaii and an exhibitor of a one-woman show at the Honolulu Academy of Arts.

The Foundation is now ready to invite the artist to come to Honolulu to interview the members of the jury, to explore the possible sites, and to negotiate mutually acceptable terms for a contractual agreement.

Your Committee believes that a statue to be entitled "The Spirit of Liliuokalani" would give deserved recognition to this, the last of Hawaii's monarchs.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2305-78 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. 158-78 Education on S.B. No. 2326-78

The purpose of this bill is to make funds available for the purchase of a van type vehicle for Hana High and Elementary School, Maui.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2326-78 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. 159-78 Education on S.B. No. 2376-78

The purpose of this bill is to provide funds to the Hawaii School for the Deaf and the Blind that will enable it to purchase equipment and supplies.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2376-78 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. 160-78 Education on S.B. No. 2424-78

The purpose of this bill is to provide funds to the Hawaii School for the Deaf and the Blind that it may hire three speech therapists.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2424-78 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. 161-78 Education on S.B. No. 2536-78

The purpose of this bill is to provide funds for the Kalihi-Palama Culture and Arts Society, Inc.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2536-78 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. 162-78 Education on S.B. No. 2544-78

The purpose of this bill is to provide funds to ensure that the ancient Hawaiian dances and chants, as presently entrusted to the Kahu, Iolani Luahine, be preserved.

Your Committee is aware of the importance of ancient Hawaiian dances and chants to the cultural heritage of Hawaiians and to all who reside in these islands. Iolani Luahine's mastery of these arts have thrilled the thousands who have had the good fortune to see

her perform them; she is without doubt a cultural treasure.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2544-78 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. 163-78 Education on S.B. No. 2553-78

The purpose of this bill is to provide a grant-in-aid to performing and visual arts programs under a program to be administered by the State Foundation on Culture and the Arts.

Your Committee has amended the bill to make the sum of \$10,000 available to the Ensemble Players Guild. This sum would allow the Guild to serve more areas in the State and to allow the people who have the least opportunity to do so to hear serious music.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2553-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2553-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 164-78 Education on S.B. No. 2602-78

The purpose of this bill is to provide secondary schools with the statutory authority to transfer funds in the inactive accounts of the graduated classes to the non-appropriated local school fund account. Presently the schools are required to maintain these accounts forever. The proposed change would enable these funds to be used for general school purposes.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2602-78 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. 165-78 Education on S.B. No. 2300-78

The purpose of this bill is to authorize the State and a private school bus contractor to extend a school bus contract for two years by mutual agreement, with the proviso that the extended contract may be further extended for another two years thereafter. The bill further empowers the State to impose additional conditions which are deemed necessary for the safety of the passengers of the school buses.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2300-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 166-78 Health on S.B. No. 1719-78

The purpose of this bill is to appropriate funds for the continuation of the Breast Cancer Project of the Pacific Health Research Institute.

Your Committee finds that the Breast Cancer Demonstration Project is now in its fifth year. Some 10,000 women have been screened, and approximately 130 cancers have been detected.

Your Committee further finds that although the National Cancer Institute provides the bulk of its funds, this additional funding is needed for items not covered by the Federal monies, such as rent, printing, medical supplies.

Your Committee on Health is in accord with the intent and purpose of S.B. 1719-78 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. 167-78 Health on S.B. No. 1720-78

The purpose of this bill is to continue the services provided by the Family Stress Center in their program of early identification and prevention of child abuse and neglect at Kapiolani-Children's Medical Center.

This appropriation will allow for the continuation of the infant screening program and for a minimum of follow-up of the very high-risk cases. In addition, provisions will be made for the continuation of the training of professionals and para-professions from the community in early identification. Your Committee has made minor wording changes in the Purpose Section of the bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1720-78 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1720-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 168-78 Health on S.B. No. 1890-78

The purpose of this bill is to appropriate \$80,309 for the Northern Koolau Community Health Education Program of St. Francis Hospital.

Your Committee finds that this appropriation is needed to continue this unique program of health information and education through a storefront drop-in center servicing the Kahaluu, Koolauloa, and North Shore communities.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1890-78 and recommends it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 169-78 Health on S.B. No. 1893-78

The purpose of this bill is to provide a program of respite care and parent training for those families who want to avoid institutionalizing a developmentally disabled member of the family.

Respite care is a much needed service which provides short-term or temporary relief care for families of mentally retarded or physically handicapped persons either in or out of the home, in order to allow the families to meet emergency needs, fulfill vacation plans, and obtain routine reprieve from the demands of caring for a developmentally disabled person. This service has been identified as a priority by the State Planning and Advisory Council on Developmental Disabilities, the Hawaii Association of Retarded Citizens and by the Department of Health in its report to a Legislative request for information regarding community based services for the mentally retarded.

It is envisioned by your Committee on Health that such a program would provide parental training for aiding the growth and development of the developmentally disabled person, as well as provide temporary relief from the strain of caring for the disabled person, so that the unity of the family might be maintained.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1893-78 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. 170-78 Health on S.B. No. 1926-78

The purpose of this bill is to appropriate \$300,000 to St. Francis Hospital, Oahu.

Your Committee finds that this appropriation is needed for the planning, construction, and modernization of patient units and other related facilities at the hospital.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1926-78 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. 171-78 Health on S.B. No. 1927-78

The purpose of this bill is to appropriate \$300,000 to the Children's Hospital, for the planning and construction of patient units and other related facilities.

Your Committee finds that there is a need for the planning and construction of patient units and other related facilities at the hospital.

Your Committee on Health is in accord with the intent and purpose of S. B. No. 1927-78 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. 172-78 Health on S.B. No. 2045-78

The purpose of this bill is to appropriate \$76,000 for a grant-in-aid for the continued operation and maintenance of information services at the Hawaii Medical Library, a nonprofit educational institution providing a central resource of health information for physicians and all segments of the State.

Your Committee finds that the State needs good central Libraries in the professions of law and medicine. The Supreme Court Law Library is the major resource for law and the Hawaii Medical Library serves the need for such a professional medical library.

Your Committee further finds that this medical library is shared by everyone who needs health information: health professionals, the University, State Health Department, the Legislature, hospital staff, and the general public. Your Committee further finds that monies appropriated in Part V of the 1977-78 budget were not released.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2045-78 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. 173-78 Health on S.B. No. 2089-78

The purpose of this bill is to appropriate \$88,000 to the Poison Information Center to provide information, education, and other vital related services to best protect the people of Hawaii from serious harm or death from contact with poisonous substance.

Your Committee finds that there is significant danger to residents from toxic or otherwise potentially poisonous substances due to the increased use of chemical materials in and around the home, the many types of medication likely to be in the ordinary household, and other commonplace toxic substances.

Your Committee further finds that the Poison Control Center, situated at Kapiolani Children's Hospital has for many years been the only centralized source of education and prevention against toxic materials. Its resources have been at the disposal of the citizens of the State, but the availability, unfortunately, has been limited largely to the Island of Oahu.

Your Committee finds that an appropriation is needed to continue the program of the Poison Information Center and to make these services more readily available to the Neighbor Islands through the establishment of a toll-free number from the Neighbor Islands.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2089-78 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. 174-78 Health on S.B. No. 2379-78

The purpose of this bill is to appropriate \$300,000 for a grant-in-aid to Kapiolani Hospital.

Your Committee finds that this appropriation is needed for the planning, development and construction of a new Shared Services Building.

Your Committee on Health is in accord with the intent and purpose of S.B. 2379-78 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. 175-78 Health on S.B. No. 2571-78

The purpose of this bill is to appropriate \$24,658 to provide a grant-in-aid for the operations of the elderly day care program located on the grounds of Wilcox Memorial Hospital, Lihue, Kauai.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2571-78 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. 176-78 Ecology, Environment and Recreation on S.B. No. 1815-78

The purpose of this administration bill is to amend section 205-33, Hawaii Revised Statutes, to allow the replenishment of sand on public beaches from adjacent sand deposits, by the State or county, upon obtaining written permission of all government agencies having jurisdiction thereof.

Your Committee heard supporting testimony from the department of transportation; the environmental center, University of Hawaii; the Chamber of Commerce of Hawaii; the United States Army Corps of Engineers and the Windward Action Group.

The environmental center suggested that the word "adjacent" with reference to sand deposits might be too restrictive and recommended it be changed to "in the vicinity of." It was further suggested that the wording be "in the vicinity where it can be determined there would be no negative environmental impact." Such determination should be made prior to removal. The department of transportation and the corps of engineers concurred with the amendments as did the environmental center.

Your Committee has therefore amended S.B. No. 1815-78 by changing the words on page 1, line 6 from "adjacent sand deposits" to "sand deposits in the vicinity...where it can be determined there would be no negative environmental impact."

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1815-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1815-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 177-78 (Majority) Ecology, Environment and Recreation on S.B. No. 2464-78

The purpose of this bill is to amend Section 342-42, Hawaii Revised Statutes, subsection (1) by changing the reference to vehicular noise to read "the noise produced by vehicles and boats."

Your Committee heard favorable testimony from the Environmental Center, University of Hawaii; the Department of Health; Citizens Against Noise and the Windward Action Group.

Joan Hayes, representing Citizens Against Noise, recommended changing the word "boats" to "watercraft" in order to ensure that jet skis and other forms of noise-producing recreational watercraft are covered by the provisions of this bill.

She further recommended that subsection (4) be amended to allow the director to commission as well as to conduct and supervise state educational and training programs, and further that subsection (4) be amended to specify that the existing provision for preparation and distribution of information relating to excessive noise, should include its effect on people and wildlife.

The Department of Health, which is the implementing agency, concurred in the revisions suggested. Your Committee has amended Section 342-42, (1), on page 1, line 9, by deleting the proposed words "and boats" and substituting "including watercraft."

Your Committee has amended Section 342-42, (4), on page 2, line 1, by adding "or commission" after the word "Conduct," and line 5 by adding after the word "noise"

the following: "and its effect on people and wildlife."

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2464-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2464-78, S.D. 1, and be referred to the Committee on Transportation.

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

SCRep. 178-78 Ecology, Environment and Recreation on S.B. No. 2617-78

The purpose of this administration bill is to establish a conservation and resources enforcement program within the department of land and natural resources, for enforcement of laws, rules and regulations under Title 12 of the Hawaii Revised Statutes. At present, five divisions and the department's planning office have enforcement responsibilities. This bill is intended to consolidate and coordinate the enforcement of all rules and regulations covering all State lands and any other lands and waters subject to the jurisdiction of the department.

The bill would allow also the consolidation of service to the public by placing responsibility within the conservation and resources enforcement program for advice, guidance and permits for hunting and fishing, for camping and parks use and for hiking and similar recreational activities on State lands.

Your Committee heard favorable testimony from the department of land and natural resources and from Rick Scudder of the office of environmental quality control, as well as receiving testimony from the Sierra Club stating it strongly supports this bill. Negative testimony was heard from the Construction Industry Legislative Organization on the grounds that the program could "proliferate" and become too costly. The objections were withdrawn, however, after the purpose of the bill was explained, CILLO's spokesman stating they had misunderstood the bill.

The department of land and natural resources testified in answer to a question that the Attorney General's office had checked the bill and did not feel it was necessary to include language elimination existing enforcement provisions.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2617-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 179-78 Economic Development on S.B. Nos. 1737-78, 2011-78, 2013-78, 2078-78 and 2120-78

The purpose of these bills is to appropriate funds for various water projects in the County of Hawaii.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. Nos. 1737-78, 2011-78, 2013-78, 2078-78, and 2120-78 and recommends that they pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 180-78 Economic Development on S.B. Nos. 2175-78, 2176-78, 2177-78, 2178-78, 2234-78, 2249-78, 2250-78, 2336-78, 2337-78, 2338-78, 2341-78, 2342-78, 2343-78, 2344-78, 2345-78, 2417-78 and 2454-78

The purpose of these bills is to appropriate funds for various water and drainage projects in the City and County of Honolulu.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. Nos. 2175-78, 2176-78, 2177-78, 2178-78, 2234-78, 2249-78, 2250-78, 2336-78, 2337-78, 2338-78, 2341-78, 2342-78, 2343-78, 2344-78, 2345-78, 2417-78 and 2454-78 and recommends that they pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 181-78 Economic Development on S.B. No. 1620-78

The purpose of this bill is to establish \$3,000,000 as the ceiling for the State's aggregate amount of liability for insured loans under Section 155-5 and Section 155-6, Hawaii Revised Statutes.

Your Committee finds that insured loans have contributed significantly towards encouraging the continuation of sugar production during the recent sugar crisis brought about by depressed prices. These insured loans provide an important alternative under the Agricultural Loan Program. Funds for insured loans are provided by private lenders; as such, the State's funding requirement and potential liability are reduced considerably.

Your Committee has amended this bill to increase the ceiling for the State's aggregate amount of liability for insured loans to \$10,000,000 due to the large amounts of capital required in today's intensified farming.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1620-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1620-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 182-78 Economic Development on S.B. No. 1761-78

The purpose of this bill is to appropriate \$175,000 for plans and construction of improvements at Maui Vacuum Cooling Plant.

Your Committee is in accord with the intent and purpose of S.B. No. 1761-78 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. 183-78 Economic Development on S.B. No. 1762-78

The purpose of this bill is to appropriate an additional sum of \$23,250 for the study, experimentation and evaluation of the control of souring beetles.

Your Committee finds that the souring beetle is a major problem particularly on Maui and on Lanai as well. The population of this insect multiplies explosively and is an extreme annoyance to visitor-oriented resorts and residences located adjacent to pineapple operations where the souring beetle is most commonly found. The souring beetle also transmits pineapple disease to sugarcane and hastens its decay, thereby causing additional economic loss to the Hawaiian sugar industry.

Your Committee further finds that the Entomology Department of the Department of Agriculture has done a great deal of work over the last several years in introducing biological controls of the souring beetle and without further funding, the last phases of the project will be cut off at a most critical time. Your Committee finds that the promise of a practical and economical solution to the souring beetle problem warrants additional funding of the project in the amount of \$23,250 for the fiscal year 1978-1979.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1762-78 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. 184-78 Economic Development on S.B. No. 1763-78

The purpose of this bill is to appropriate the sum of \$50,000 for the operation of the Statewide Young Farmers' Program for the next fiscal year.

Your Committee finds that over 70 percent of the total number of farmers in Hawaii fall under the category of "small and part-time farmers," a large portion of which is new farmers and/or young farmers. Since its inception, the Young Farmers' Program has sought to meet the special educational needs of this steadily growing income group of farmers.

Your Committee further finds that the Program's first phase of short courses, field tours, and other forms of organized group-teaching has been successful in increasing the level of competence in farming for all producers involved. Subsequent phases of leadership development and individual consultations have been programmed for fiscal year 1978-1979. Your Committee finds the need for further funding in the amount of \$50,000.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1763-78 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. 185-78 Economic Development on S.B. No. 1786-78

The purpose of this bill is to amend Section 155-1 (2), Hawaii Revised Statutes, by changing the definition of "qualified farmer" to mean a "Hawaiian resident," thus limiting the eligibility for State-funded agricultural loans to residents of the State of Hawaii.

Your Committee finds that this bill is one of several measures aimed at providing residents of the State preference in obtaining benefits from State assistance and loan programs. This bill does not change the eligibility requirements for applicants under Chapter 155, Hawaii Revised Statutes, Agricultural Loans, but the intent of this bill is to clarify the residency requirement in the definition of "qualified farmer."

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1786-78 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. 186-78 Economic Development on S.B. Nos. 1832-78, 1835-78 and 2321-78

The purpose of the above bills is to appropriate funds for various water capital improvement and flood control projects on Molokai, County of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. 1832-78, 1835-78, and 2321-78 and recommends that they pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 187-78 Economic Development on S.B. Nos. 1839-78 and 1840-78

The purpose of these bills is to appropriate funds for major improvements in the County of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. Nos. 1839-78 and 1840-78 and recommends that they pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 188-78 Economic Development on S.B. No. 1898-78

The purpose of this bill is to appropriate \$3,850,000 to provide for the acquisition of remaining land and construction to complete the widening and improvement of Kuhio Avenue.

Your Committee finds that certain sections of Waikiki along Kuhio Avenue are in a state of disrepair due to the condition of the streets and failure to complete construction. It is important that Waikiki be improved and maintained in order to continue to attract visitors.

Your Committee further finds that the completion of such improvements on Kuhio Avenue in Waikiki will greatly enhance and improve the safety and health of visitors and residents as well as enhance the aesthetic beauty of the area.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1898-78 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. 189-78 Economic Development on S.B. No. 1941-78

The purpose of this bill is to appropriate \$50,000 for an economic study of the Kailua Business District, Kailua, Oahu.

Your Committee finds that the Kailua Business District is growing at an ever increasing rate without the planning or coordination to provide the services and accommodations for the public and merchants alike. This lack of planning and coordination has resulted in great inconvenience to the public and great losses of revenue to the merchants.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1941-78 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. 190-78 Economic Development on S.B. No. 1971-78

The purpose of this bill is to appropriate \$4,730,000 for four water projects in the County of Maui.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1971-78 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. 191-78 Economic Development on S.B. No. 1976-78

The purpose of this bill is to appropriate \$150,000 to the Department of Planning and Economic Development for the preparation of a master plan to provide for the development of a coordinated effort for the commercial fishing industry within the State. Preliminary findings shall be submitted to the Legislature thirty days prior to the 1979 legislative session and the final report shall be due not later than January 1, 1980.

Your Committee finds that there is a lack of coordinated efforts to aid the deteriorating commercial fishing industry. The commercial fishing industry has the potential to become a major component of the Hawaiian economy and, to date, there is no single state agency authorized to promote, assist and develop the industry.

Your Committee further finds that Hawaii's commercial fishery now contributes \$6 million in direct revenues to the State. The aku (shipjack tuna) fleet which is the mainstay of the fishery provided 65 percent of the pounds caught. Approximately 150 fishermen are employed by the aku fleet, which consists of sixteen vessels. There is also potential in developing tuna resources north of Midway and several efforts along these lines have been undertaken. There are also tuna resources near the Northwestern Hawaiian Islands as well as table fish and lobster in the inshore waters.

Your Committee finds that the proposed fisheries master plan could have profound importance to the commercial fishing industry in Hawaii. The industry will continue to flounder and remain immature if there is not a concentrated effort to assist it and to effect appropriate coordination between the various governmental agencies which affect the industry. The 200 mile off-shore limit gives Hawaii the opportunity to develop an expansive fishery which can go a long way toward fulfilling the goal of seafood self-sufficiency and may even be able to supply the massive Japanese market, as more and more of its traditional fishing areas are cordoned off by the 200 mile limits.

Your Committee heard a great deal of testimony from the Department of Planning and Economic Development, the State Marine Affairs Coordinator, many fishing associations and councils throughout the State and from individual fishermen. The testimony received was in overwhelming support of the development of a fisheries master plan.

Your Committee has amended this bill to delete one sentence, lines 18-20, page 2, "Further, appropriate programs and proposals for state and federal consideration may be drafted and submitted pursuant to section 218-3, Hawaii Revised Statutes." Your Committee has further amended this bill to include recreational fishing in the fisheries master plan development.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1976-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1976-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 192-78 Economic Development on S.B. No. 1989-78

The purpose of this bill is to appropriate \$100,000 for the Agricultural Products Program Revolving Fund.

Your Committee finds that the Agricultural Products Program provides an important alternative in the development of new agricultural and aquacultural products in the State of Hawaii. The program's revolving fund offers a means of testing innovative projects which have a reasonable probability of succeeding commercially but are still considered too high of a risk for loans.

Your Committee further finds that the legislative appropriation of \$100,000 made in 1971 went unused and lapsed on June 30, 1977. Currently, an approved project requiring an additional \$55,000 is being held in abeyance pending availability of funds. The program's advisory committee is also currently considering other applicants' projects which may potentially qualify. Your Committee finds that an appropriation of \$100,000 for the Agricultural Products Program Revolving Fund is needed.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1989-78 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. 193-78 Economic Development on S.B. No. 1991-78

The purpose of this bill is to appropriate the sum of \$10,620 (1.00) for vegetable research on Maui. The sum shall be expended by the College of Tropical Agriculture, University of Hawaii.

Your Committee finds that vegetable crops constitute an important part of Maui's home industry, accounting for about 3.9 million dollars annually. Currently, vegetable disease research and demonstration work is being conducted on a part-time basis by a plant pathologist on Maui, and by the Hawaii Agricultural Experiment Station and Cooperative Extension Service of the University of Hawaii. Your Committee finds that creation of a permanent position for a civil service technician will greatly aid and expand the existing vegetable research program on Maui. Your Committee further finds that the Governor's supplemental request for 1978-1979 recognized the need for that same position.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1991-78 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. 194-78 Economic Development on S.B. No. 2066-78

The purpose of this bill is to appropriate \$150,000 for the purpose of conducting a one-year seed, feed and forage research program to strengthen the State's livestock industry.

Your Committee finds that further research is necessary in the area of feed grain cultivation, alfalfa cultivation, and cattle feeding for the promotion of agriculture in Hawaii. Hawaii is a recognized world leader in the development of tropical hybrid seed corn variations and has the potential to develop a seed industry for feed and forage crops.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2066-78 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. 195-78 Economic Development on S.B. No. 2110-78

The purpose of this bill is to appropriate \$500,000 for incremental development of treatment plant facilities for Maui County water systems.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2110-78 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. 196-78 Economic Development on S.B. No. 2550-78

The purpose of this bill is to appropriate \$1,195,000 for a grant-in-aid for land acquisition, site development, plans, construction and equipment for capital improvements for the County of Hawaii.

Your Committee on Economic Development is in accord with intent and purpose of S.B. No. 2550-78 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. 197-78 Economic Development on S.B. No. 1992-78

The purpose of this bill is to appropriate \$17,000 for the pineapple ant and mealy bug project to be expended by the College of Tropical Agriculture, University of Hawaii.

Your Committee finds that for the pineapple industry to grow pineapple successfully, the pineapple wilt disease must be controlled. This disease is caused by the feeding of pineapple mealy bugs; the most effective way to control the mealy bugs is to control the ants which cultivate them. Two chemicals, mirex and heptachlor, known to be effective in controlling ants have been banned by the Environmental Protection Agency. The pineapple industry needs alternative chemicals for ant control if it is to survive in Hawaii. To date, one experimental chemical has been found to be effective and further tests are needed with this and other chemicals.

Your Committee further finds that the initial \$17,000 appropriated to the College of Tropical Agriculture for this research is insufficient as the program is now moving more heavily into its field testing phase. An additional appropriation is needed in order to continue this vital program.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1992-78 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. 198-78 Economic Development on S.B. No. 2005-78

The purpose of this bill is to appropriate \$1,500,000 to be expended by the Department of Agriculture for supplementary loans to independent sugar growers by amending Act 19, Special Session Laws of Hawaii 1977. This bill would also extend the time during which loans can be made by approximately one year.

Your Committee finds that there is a desperate need for loans to independent sugarcane growers who are not able to meet their private crop loans or cannot secure adequate credit to raise the next crop. Most of the nearly 470 independent growers on the Island of Hawaii will lose money on the 1977 crop and it is doubtful that this situation will improve in 1978, despite price supports from the federal government.

Your Committee finds that there are many reasons for non-profitable sugarcane operations, but the primary cause is the very high harvesting and processing costs resulting from the need to meet environmental standard deadlines. These costs should be reduced substantially in the future as the problems in meeting these standards are worked out. However, for the present time the independent sugar growers of Hawaii are in great need of assistance. The loss of production from the sugarcane growers at Hilo Coast Processing Cooperative alone would represent approximately \$26 million to the State's economy.

Your Committee on Economic Development is in accord with the intent and purpose

of S.B. No. 2005-78 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. 199-78 Economic Development on S.B. No. 2008-78

The purpose of this bill is to provide an appropriation to support a broad agricultural products promotion program that is being developed by the Department of Agriculture.

Your Committee finds that the agricultural promotion program of the Department of Agriculture would establish under this bill a "Hawaii Grown" logo which would enable consumers to readily identify the agricultural products that are grown by Hawaii's farmers. A promotion campaign would also be undertaken to educate the local consuming public on the advantages of buying Hawaii grown products.

Your Committee finds that creating a higher market demand is one of the most effective ways to stimulate greater local farm production and to revitalize the State's agricultural economy. According to statistics of the Department of Agriculture, Hawaii imports more than half of the fresh vegetables and melons consumed in the State. One of the most costly food items is beef, and Hawaii producers supply only about 30 percent of the State's needs. The rest is imported. A program to promote local products would greatly enhance the expansion and stability of the agricultural industry.

Your Committee further finds that the funding for this "Hawaii Grown" program would be supplemented, wherever possible by contributions from commodity groups and associations, but the initial funding and effort would require substantial State participation. These funds are needed to create a distinctive "Hawaii Grown" logo, for advertising and educational material, and for displays and special promotional projects.

Your Committee has amended this bill to provide a \$75,000 appropriation for the development of a "Hawaii Grown" program. This is the level of funding recommended by the Department of Agriculture.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2008-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2008-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 200-78 Economic Development on S.B. No. 2010-78

The purpose of this bill is to provide an appropriation for the initial phase of intensive timber production, reforestation, and related activities. The sum appropriated is to be expended by the Department of Land and Natural Resources.

Your Committee finds that a State reforestation program would do much toward implementing the goals of the legislature and the state administration, namely, long-range economic development and the provision of greatly needed employment. Many aspects of forest resource development and management are labor intensive. Work crews would be developed for each County and would be supervised by the Division of Forestry office located in each County. These crews would be used for two major programs. One half of crew time would be spent in the development of basic forest resources; the other half of crew time would be spent in environmental improvement and protection programs.

Your Committee has amended this bill to provide a \$128,000 appropriation for the purposes of this bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2010-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2010-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 201-78 Economic Development on S.B. No. 2077-78

The purpose of this bill is to amend Chapter 235 and Chapter 231, Hawaii Revised Statutes, relating to income tax credit. These amendments would permit the State of Hawaii to take advantage of certain provisions of the Federal Internal Revenue Code relevant to

investment tax credit. Incorporation of this provision would allow a tax credit for certain property purchases to encourage investment in capital goods and the stimulation of business activities in order to offset unemployment.

Your Committee finds that our concern is not only with too much growth in Hawaii, but also with sufficient growth to provide jobs for our own people entering the labor force. We favor controlled or selected growth, but in a degree that relates realistically to Hawaii's job needs and requirements. Business and labor and the rest of the public have a common stake in adequate economic activity. An investment credit is not a special benefit for a special group but would enhance the highly needed and worthy goal of job creation.

Your Committee finds that the response to this bill has been great and highly favorable from all areas of the community, from labor to small and large business, from industry, tourism and agriculture. This bill would greatly benefit the small businessman in allowing him to grow and expand where otherwise he would not have the incentive to do so.

Small and independent businesses have the tendency to employ more labor when they expand as opposed to investments made by larger businesses. By increasing their activities they can have more than proportionate effect on the unemployment problem.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2077-78 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. 202-78 Economic Development on S.B. No. 2161-78

The purpose of this bill is to appropriate \$90,000 as a grant-in-aid to the County of Hawaii for the initial phases of the Honokaa Economic Development Program, including the study of the feasibility of the various alternatives available in planning for the future of Honokaa, particularly in view of the historical significance of Honokaa.

Your Committee finds that the Department of Planning and Economic Development works closely with the County of Hawaii's Department of Research and Development, U.S. Department of Commerce, Economic Development Program and with the Hawaii Economic Development District of which the State and Hawaii County are members. Through this vehicle the Department would aid in whatever way possible in seeking additional funds for Hawaii County.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2161-78 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. 203-78 Economic Development on S.B. No. 2182-78

The purpose of this bill is to appropriate \$1,000,000 to establish, operate and maintain the Hawaii large fishing vessel purchase, construction, renovation, maintenance and repair loan revolving fund pursuant to Chapter 189, Hawaii Revised Statutes.

Your Committee finds that one of the major problems in the establishment of a modern long-range Hawaiian fishing fleet has been the lack of capital to purchase, construct, renovate, maintain and repair the fishing fleet. Due to this problem, Hawaii is unable to exploit its share of the ocean's resources. Improved equipment would enable increasing capabilities and better production.

Your Committee finds it expedient that monies be appropriated and released for large vessel loans as the program is practically depleted of funds. The appropriation should be considered an interim measure to keep the existing program viable for another year until a study can be completed to reorganize the program. These additional funds would be able to finance enough of these vessels to assist the fishing industry in replacing existing ancient vessels until such time as an appropriate program can be established.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2182-78 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. 204-78 Economic Development on S.B. Nos. 2253-78 and 2255-78

The purpose of these bills is to appropriate funds for the planning and installation of additional fire hydrants in the City and County of Honolulu.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. Nos. 2253-78 and 2255-78 and recommends that they pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 205-78 Economic Development on S.B. No. 2319-78

The purpose of this bill is to appropriate \$50,000 for a study of the Kona Golf Course in the County of Hawaii.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2319-78 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. 206-78 Economic Development on S.B. No. 2325-78

The purpose of this bill is to appropriate \$25,000 to provide uniforms for volunteer fish and wildlife agents to be expended by the Department of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources' program for the enforcement of fish and wildlife laws and regulations has been faced with increasing responsibilities through the years. The Department has had to rely on a supplementary corps of volunteer fish and wildlife enforcement officers as there has not been sufficient financial and manpower support to the Department for these tasks. The volunteer officers serve along with permanent enforcement officers without compensation except for injury and death benefits. The Department and the State benefit enormously from the contribution of these volunteer officers and the provision of uniforms, normally paid for by the volunteers, appears to be justified.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2325-78 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. 207-78 Economic Development on S.B. No. 2354-78

The purpose of this bill is to further the State's goals for agricultural development in Hawaii by providing an appropriation of \$2,500,000 to bolster the farm loan revolving fund.

Your Committee finds that the State's diversified agricultural industry is becoming more viable each year, particularly with respect to Hawaii's export potential. The growth in diversified agriculture has occurred despite many problems in transportation, marketing and recurring production problems. The Legislature, the Hawaii Farm Bureau and various state agencies have encouraged the creation of new cooperatives and the improvement of existing ones to overcome long standing cost problems of Hawaii's farmers. The appropriation from this bill will contribute a great deal to meeting the increased demand for loans under the Agricultural Loan Program to help establish these cooperatives, in addition to assuring the continuation of sugar production and the development of export commodities such as anthuriums and nursery products.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2354-78 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. 208-78 Economic Development on S.B. No. 2355-78

The purpose of this bill is to appropriate funds to enable the establishment of an additional hog slaughterhouse or slaughterhouses on Oahu.

Your Committee finds that at the present time there exists one hog slaughterhouse on Oahu and that this facility is not adequate to meet the needs of the various users on Oahu. Oahu continues to be the State's leading pork producer accounting for more than 60 percent of all marketed pork and related pork products. Adequate slaughterhouse facilities must be provided to assure the stability and expansion of this industry.

Your Committee has amended this bill to provide an appropriation of \$50,000 for the purposes of this bill to be expended by the Department of Agriculture.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2355-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2355-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 209-78 Economic Development on S.B. No. 2356-78

The purpose of this bill is to make an appropriation for the establishment of a banana processing plant on Oahu.

Your Committee finds that eleven years ago, Hawaii produced all of the bananas consumed locally. Today, however, slightly more than 60 percent of the local supply is made up of imported bananas and market conditions indicate that this downtrend in the local supply will continue in the years ahead.

Your Committee finds that the main problem faced by local banana producers is the lack of a centralized packing/processing facility to assure a consistent supply of properly ripened, high-quality product to compete successfully with imported banana producers with the establishment of a banana processing plant. Oahu is the preferable site because most of the bananas grown locally are produced on Oahu. Oahu banana growers have also formed a cooperative for collective marketing of their product.

Your Committee has amended this bill to provide a \$50,000 appropriation for the purposes of this bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2356-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2356-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 210-78 Economic Development on S.B. No. 2361-78

The purpose of this bill is to provide funds for the improvement of the Department of Agriculture's Burrowing Nematode Laboratory on Maui to further the growth and stability of Maui's promising floriculture industry.

Your Committee finds that the burrowing nematode testing service was made available to Maui residents in March 1976 when inquiries indicated that the Maui County nursery industry was considering expanding its export volume to the Mainland. Once the facilities were made available the demand for sampling capabilities by the Department of Agriculture soon reached the maximum capacity. The facility is not able to keep pace with the growth of the industry as the number of certified nurseries on Maui has increased to seven. Since the nursery stock plants have to be tested for the presence of the burrowing nematode, the weekly testing capacity of the Department of Agriculture's facility directly affects the rate of growth of the nursery export industry on Maui.

Your Committee has amended this bill to provide \$48,000 for the purposes of this bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2361-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2361-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 211-78 Economic Development on S.B. No. 2362-78

The purpose of this bill is to appropriate \$75,000 to establish a greenhouse vegetable

culture facility at the Kona experimental station of the College of Tropical Agriculture, University of Hawaii. The College of Tropical Agriculture shall consult with the Hawaii Farm Bureau and the Kona Farm Bureau in the planning, designing and related construction activities of this facility.

Your Committee finds that vegetable farmers in the Kona, Hawaii, area have been experimenting with a relatively new vegetable production technique known as greenhouse vegetable culture production. The project is presently limited to some eight acres. Your Committee finds that the establishment of adequate greenhouse facilities at the Kona experiment station of the College of Tropical Agriculture will provide direct research support to the Kona farmers and will greatly enhance the greenhouse vegetable production in that area.

Your Committee further finds that there is an opportunity to plan and construct the desired greenhouse facilities in conjunction with the proposed Keahole agricultural park in the Kona area. For these reasons, your Committee has amended this bill to provide a \$75,000 appropriation for the construction and operation of the desired greenhouse facilities.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2362-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2362-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 212-78 Economic Development on S.B. No. 2364-78

The purpose of this bill is to appropriate \$20,000 to support those activities of the Future Farmers of America program for which funding is not readily available.

Your Committee finds that there is a need to encourage more of your State's young people to enter the diversified agricultural industry. Diversified agriculture is making significant gains in Hawaii returning \$107.9 million to the State in 1976, a nine percent increase from 1975. The Legislature is committed to the continuing growth and development of Hawaii's agricultural industry. The Future Farmers of America program is a national organization for students of vocational agriculture in the public secondary schools. More than 2,500 students in Hawaii are enrolled in this program. This bill would provide funds for those "FFA" programs and activities which are not part of the normal curriculum activities of the Department of Education.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2364-78 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. 213-78 Economic Development on S.B. No. 2413-78

The purpose of this bill is to appropriate \$100,000 for the planning, development and implementation of a computer model for construction industry forecasting and studies.

Your Committee finds that few industries have had as much of an impact on the economy of Hawaii as the construction industry. One-hundred-eighty-thousand people - one-fifth of the State's non-military population - is dependent in one way or another on the industry. Over \$900 million in direct and indirect income is also dependent upon the industry and \$86 million went to State and County governments in direct tax revenues. The construction industry is subject, however, to cyclical patterns. The need for more accurate studies and forecasting of the needs of the industry would do much to stabilize it and eliminate the sharp peaks and declines in industry activity.

Your Committee further finds that a computer model could be developed which would give accurate forecasts and projections of how much of what type of construction would be needed, when and where. It could also project what type of job skills would be necessary, when apprenticeship programs should be initiated and would allow the government to schedule the release of capital improvement project funds during more slack periods to offset rising unemployment figures. The use of a similar computer model has proven highly successful in other parts of the country.

Your Committee finds that the Building Trades Union, the General Contractors Association, and the Home Builders Association each put up \$10,000 for a joint project with the government and the private sector. Last year, \$50,000 was appropriated to the University of Hawaii to complete the final phase of this computer model. This appropriation, however, was not

funded due to budget cuts for the University. This was after \$25,000 had been appropriated by the State for the completion of Phase II of the program. The Department of Planning and Economic Development has been deeply involved in the development of this program and is anxious to see it completed. The \$100,000 appropriated in this bill would be expended by the Department of Planning and Economic Development.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. 2413-78 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. 214-78 Economic Development on S.B. No. 2421-78

The purpose of this bill is to appropriate funds for the construction of a blast freezing and fish holding facility in Hawaii in order to stimulate the fishing industry and move Hawaii closer to self-sufficiency. The amount appropriated will be supplemented by federal funds.

Your Committee finds that blast freezing units are a recent development in the technological capability of preserving fresh fish and yielding a quality-thawed product very nearly equal to the fresh product. These units could have a tremendous impact on our fish industry, permitting preservation of large catches without having a detrimental impact on the market. It has been estimated that this facility would increase revenues for fishermen by 30 percent. Through federal, State and County aid the cost of such construction on Oahu and Hawaii County would be minimal compared to the economic benefit to be derived.

Your Committee has amended this bill to provide a \$125,000 appropriation for the purpose of this bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2421-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 215-78 Human Resources on S.B. No. 1994-78

The purpose of this bill is to expand and improve the transportation services for the elderly, handicapped and other disadvantaged persons of the several counties for the fiscal year 1978-1979.

Your Committee finds that the transportation services that have been provided for the elderly, the handicapped, and the otherwise disadvantaged within the counties of Hawaii, Kauai, and Maui have had a beneficial impact on those directly served, and on the community as a whole. It is felt by your Committee that maintenance, improvement, and when possible, expansion of these transportation services is justified.

The appropriation within the bill will serve to improve existing services through the replacement of existing equipment that has become worn out, the addition of new equipment that will enhance the use of existing equipment, and funds that will be used for driver positions so that there will be adequate personnel to operate the equipment and reach as many people requiring transportation services as the equipment will allow.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1994-78, 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 and R. Wong.

SCRep. 216-78 Human Resources on S.B. No. 2042-78

The purpose of this bill is to make an appropriation to the Balik-Bahay Project, a non-profit, tax-exempt organization which provides programs to enable elderly and indigent resident aliens to return to their homelands.

Your Committee finds that during the 28 months that the Balik-Bahay Project has been in operation, approximately 5,000 prospective participants have been interviewed. From this initial pool of individuals, only 29 have been returned to their homeland as of January, 1977. The Project is in need of funds for the expansion of services to accommodate a larger

segment of this target group in the program.

Your Committee further finds that this bill combines financial as well as humanitarian concerns. It is estimated by the administrators of the Project that as of October, 1977, the Balik-Bahay Project has saved the various federal, state, and county governments a total of \$74,600 in the form of Social Security Supplemental Income, SSI, care home payments, nursing home payments, food stamps, Medicare, Medicaid, and housing subsidies which are no longer payable to or in behalf of the returnees once they are back in their homeland.

Your Committee believes that these immigrants, who have spent some of the best years of their lives helping to build the economic foundations of the State, should now in turn be aided by the State, the beneficiary of their labor, in pursuing their individual desires to return to their respective homelands with the assistance of the Balik-Bahay Project.

Your Committee has amended this bill by inserting the amount of \$100,000 as the applicable appropriation for this Project and to provide for lapsing of funds as of June 30, 1979.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2042-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2042-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Taira and R. Wong.

SCRep. 217-78 Human Resources on S.B. No. 2144-78

The purpose of this bill is to establish an appeals board to handle appeals in certain areas of the labor and industrial relations laws and to make decisions made by the department of labor and industrial relations employees final for appeal purposes, thereby by-passing the director of labor and industrial relations.

Your Committee finds that there is a vague overlapping of duties among the director of labor and industrial relations, department of labor and industrial relations employees, and the labor and industrial relations appeals board, resulting in inefficiency. Decisions are often made by employees which have to be reviewed by the director before being appealed, thereby resulting in duplication of effort. Your Committee also finds that there is a burdensome workload for the appeals board to handle. This bill establishes another appeals board to handle certain labor and industrial relations cases to help ease the heavy workload.

Your Committee finds that the newly created appeals board should be full time and salaried and that the jurisdiction of the board should include unemployment and wage and hour but should not include the occupational safety and health appeals.

Your Committee has amended this bill as received by the Committee by amending:

- (1) Line 4 on page 1 deleting the phrase ", occupational safety and health,".
- (2) Line 15 on page 1 changing "part-time" to read "full-time".
- (3) Line 2 on page 2 making a technical change without any change in substance.
- (4) Lines 14 through 18 on page 2 by changing "part-time" to read "full-time" and by deleting the rest of subsection (a) following and inserting therein a provision for salary of the chairperson of the board to be the same as a circuit court judge and other members to be paid at 95 per cent of that rate.
- (5) Line 21 on page 2 deleting reference to chapter 396.
- (6) Line 4 on page 4 deleting reference to chapter 396.
- (7) Line 19 on page 12 through line 12 on page 16 by deleting section 5 of the bill.
- (8) Renumbering sections 6, 7, and 8 of the bill to read sections 5, 6, and 7.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2144-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Taira and R. Wong.

SCRep. 218-78 Human Resources on S.B. No. 2392-78

The purpose of this bill is to amend Chapter 88, Hawaii Revised Statutes, to exclude temporary public service employees paid by the Comprehensive Employment and Training ACT (CETA) and hired on or after July 1, 1978, from membership in the State Retirement System. This bill also provides that CETA public service employees who are members of the system on June 30, 1978, will remain in the system unless and until they elect to terminate membership, in which case they will be paid for their accumulated contributions.

Your Committee finds that Federal rules and regulations under the Comprehensive Employment and Training Act discourage state and local agencies from having CETA participants as members of their respective retirement systems, although these same rules and regulations allow public service employees' participation in a retirement system under certain conditions. These conditions, however, are in conflict with those of Chapter 88, Hawaii Revised Statutes, the Hawaii State Retirement System. Furthermore, the U.S. Department of Labor has insisted that unless changes are made to the State's retirement system laws which mandate that county and state employees shall be members of the system, then the State may lose certain federal CETA funds.

Your Committee recognizes that a commitment has been made to the U.S. Department of Labor by the State to change the law governing the state retirement system in order to receive CETA funds for this current fiscal year. It is felt that this bill will provide the best answer in resolving the problem at this time.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2392-78 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 and R. Wong.

SCRep. 219-78 Human Resources on S.B. No. 2394-78

The purpose of this Act is to appropriate moneys to the Kauai Association for Retarded Citizens to create a coordinator staffing position on Kauai to plan and coordinate recreational leisure time activities for retarded citizens.

Your Committee finds that the welfare of the State's mentally retarded citizens is a concern of all residents. This concern may be expressed in many ways. While the State government through the department of health and the department of social services and housing, offers rehabilitative, therapeutic, and educational opportunities to these citizens, other community-based organizations manifest their concern by fulfilling needs that the government may be unable to fulfill on its own.

Your Committee further finds that the Kauai Association for Retarded Citizens provides recreation and leisure activities for the mentally retarded, thus fulfilling an aspect of their lives which would otherwise be rarely unattended.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2394-78 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 and R. Wong.

SCRep. 220-78 Human Resources on S.B. No. 2570-78

The purpose of this Act is to appropriate moneys to conduct a feasibility study of a child care and education program through the development of at least two pilot projects.

Your Committee finds that there is increasing concern throughout the State with regard to the quality of child care and education which is available to that segment of our population which is four years old or younger.

Your Committee further recognizes the State's responsibility to provide child support services for persons and organizations currently servicing the needs of those who are four years old or younger so that a high degree of quality in child care and education can be attained. The specific strategy is to improve existing community operations which currently demonstrate the best potential of providing these early childhood support services. The basic thrust is to strengthen the neighborhood with the use of community-based resources of expertise and materials in developing programs for early childhood care and education.

Your Committee on Human Resources is in accord with the intent and purpose of S.B.

No. 2570-78 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 and R. Wong.

SCRep. 221-78 Human Resources on S.B. No. 2574-78

The purpose of this Act is to make an appropriation to the Kauai Easter Seal Society to continue certain child services.

Your Committee finds that infant stimulation and child development services are provided by the Kauai Easter Seal Society through contracts with the department of social services and housing and the department of health. Such services are specialized and fulfill the needs of the family and child which otherwise would not be available to the residents of the County of Kauai. Through this contractual arrangement, the Kauai Easter Seal Society program complements these public agencies' efforts in the rehabilitation and development of handicapped children to reach higher potential levels of capacities.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2374-78 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 and R. Wong.

SCRep. 222-78 Human Resources on S.B. No. 2600-78

The purpose of this bill is to make supplementary appropriations to the Department of Social Services and Housing to cover deficiencies in the department's economic assistance programs for the fiscal year ending June 30, 1978.

Your Committee finds that the Department of Social Services and Housing is experiencing an increasing number of caseloads and individuals enrolled in the various Income Maintenance (IM) programs (SOC 201, SOC 202, and SOC 204). For example, during the past four years, caseload has increased by 51.2%; the number of individuals served has increased by 30.1%; the average payment made per case has gone up 26.9%, resulting in a total money payment increase of a startling 91% during this relatively brief period of time. During the remainder of this fiscal year, the Department of Social Services and Housing anticipates increases in the various IM program expenditures ranging from 5% to 8%.

Your Committee further finds that the department faces a deficit in the Medicaid program (SOC 230) of approximately \$11,894,051 with the general fund deficit at about \$7,356,606. The federal deficit is estimated at \$4,532,445. There are several factors contributing toward the rapid increase in Medicaid costs:

- 1) The number of eligible individuals has increased by 29.5% from January 1975 until the present time;
- 2) The use of various services offered has increased rapidly between FY 1975 and FY 1977. For example, the number of visits to physicians has increased 44.9%, the number of lab and x-rays has increased 91.7%, and the number of drugs prescribed has increased 51.6%. The increases in these categories of services may be a result of physicians trying to minimize the possibilities of successful malpractice suits being brought against them. These physicians in effect are preparing for possible court cases as much as they are trying to cure the patient.
- 3) The cost of services has increased rapidly between FY 1975 and FY 1977. Hospital in-patient and physician services show rapid increases of 51% and 65% respectively over this period of time.

Your Committee believes the amounts appropriated by the General Appropriations Act of 1977, are insufficient to carry out the purposes of the economic assistance programs for the entire 1977-78 fiscal year. To prevent a breakdown in services, it is urgent that additional monies be appropriated as provided in this bill.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2600-78 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 and R. Wong.

SCRRep. 223-78 Ecology, Environment and Recreation on S.B. No. 2036-78

The purpose of this bill is to make mandatory the sentencing of any person convicted of committing the offense of criminal littering to pick up litter on public property in addition to any other penalty which the court may impose.

Your Committee heard supportive testimony from the department of health, the Chamber of Commerce of Hawaii, the Coca Cola Bottling Company of Honolulu and the Windward Action Group. Written testimony in favor was submitted by the Hawaii Resort Developers Conference. Your Committee agrees with the Chamber of Commerce and the Hawaii Resort Developers Committee that such sentences, especially in the beginning, should receive the widest possible publicity to more effectively serve as a deterrent.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2036-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRRep. 224-78 Ecology, Environment and Recreation on S.B. No. 2208-78

The purpose of this bill is to impose a time limit within which all counties must comply with the requirement of Act 105, Hawaii Revised Statutes.

Your Committee heard supporting testimony from the Department of Land and Natural Resources and from the Environmental Center, University of Hawaii. Dr. Doak Cox testifying for the Environmental Center recommended that the bill be further strengthened by having the time limit apply to implementation as well.

Your Committee, accordingly, has amended the proposed amendment by adding on page 2, line 3 the word "implement" immediately following the word "and".

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2208-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2208-78, S.D.1, and be referred to the Committee on Intergovernmental Relations.

Signed by all members of the Committee.

SCRRep. 225-78 Health on S.B. No. 2034-78

The purpose of this bill is to appropriate \$11,500 to match Federal Title XX funds for the Maui Rehabilitation Center, Wailuku, Maui. Appropriations are needed to provide chore services for elderly and disabled persons at the Maui Rehabilitation Center.

Your Committee finds that an average of eighty-four (84) elderly residents living at Hale Mahaolu Public Housing Project for the Elderly at Kahului are having heavy house-cleaning work done by handicapped trainees and workers from Maui Rehabilitation Center. All of the elderly residents qualify for this Chore Service because of disability or limitations including such conditions as loss of vision, amputation, stroke, hypertension, or loss of physical function and capacity due to aging.

Your Committee further finds that this program is funded through a Purchase of Service Contact between Maui Rehabilitation Center and the DSSH utilizing Federal Title XX monies. The Maui Rehabilitation Center is required to match 28 percent of the cost of the program. In order to continue with the program and use available Federal dollars, the Maui Rehabilitation Center requests an appropriation for \$11,500 which will be matched by \$34,000 in Federal funds.

Your Committee further finds that project is unique in the respect that it combines a needed service to a disadvantaged population while providing job training and paid employment for the handicapped. Chore Service for the disabled will allow the elderly to remain as long as possible in their own residence in the Community as an alternative to more costly institutional care or dependency upon others.

Your Committee further finds that the housecleaning service provides job training and employment for an average of five (5) handicapped persons who are enrolled in the Maui Rehabilitation Center's vocational rehabilitation program. Though this type of dual-purpose project is not common, Greenleigh Associates in its report to Congress (1976) on a study of Sheltered Workshops in the U.S., recommended such means as one of the viable ways of providing needed work for the handicapped.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2034-78 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. 226-78 Education on S.B. No. 2599-78

The purpose of this bill is to amend Section 9-2, Hawaii Revised Statutes, to provide staggered expiration dates for the membership of the State Foundation on Culture and the Arts.

Presently, members are appointed for four-year terms, with expirations occurring simultaneously. The proposed amendment to the statute will prevent the termination of service of all members in a given year and in that way will provide for the necessary continuation of functions.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2599-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 227-78 Education on S.B. No. 2616-78

The purpose of this bill is to eliminate the Governor as an ex officio member of the Hawaii Educational Council. The bill enables the Governor to designate a substitute to represent him, although it does not relieve him of the duties specified in Section 311-5.

This measure is intended to correct the present situation in which the Governor appears on the Hawaii Education Council as a member as well as an ex officio member. Furthermore, the bill would allow the Governor to designate a substitute to represent him at Hawaii Education Council functions.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2616-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 228-78 Economic Development on S.B. No. 1789-78

The purpose of this bill is to appropriate \$5,000,000 for the upgrading and maintenance of Waikiki facilities.

Your Committee finds that Waikiki, as the focal point of Hawaii's visitor industry and as a mature visitor destination area, has special needs for improvements and public facilities. In 1970, the Mayor's Waikiki-Diamond Head Committee noted that, "Waikiki still has the opportunity to prevent the seeds of deterioration from flowering and flourishing into destructive blight. However, this opportunity will not last forever." Over the last fifteen years, other studies have repeatedly supported this call for improvement in the quality of Waikiki's land uses and circulation facilities. For this reason, the legislature in 1971 approved Act 197 designating \$9,000,000 for Waikiki improvements. Further State expenditures planned for Waikiki in 1978 will exhaust the balance of the funds appropriated under Act 197.

Your Committee further finds that the projects proposed under this bill--underground utility wiring, Kalakaua Avenue sidewalk redevelopment, mini-park acquisition, storm drainage, and miscellaneous traffic improvements--would follow closely the Governor's course of "selective growth" for the State. Your Committee finds that an appropriation of \$5,000,000 for the preservation, maintenance, and redevelopment of Waikiki will not only bring greater quality to growth in tourism but greater economic stability for the State as well.

Your Committee has amended this bill to change from 20 to 33 percent, the proportion of the project costs to be provided by the City and County of Honolulu. This is done to bring greater equity in the proportion of expenses to be shared between the State and the City and County of Honolulu for Waikiki improvements in the future.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1789-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1789-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 229-78 Economic Development on S.B. No. 2618-78

The purpose of this bill is to amend Section 185-4, Hawaii Revised Statutes, exempting state agencies from reimbursement of expenses incurred for fire fighting. Expenses incurred in controlling or extinguishing a fire by a state forester, or a fire warden, shall be payable from the firefighter's contingent fund. This bill further appropriates \$200,000 each fiscal year for the fire fighter's contingent fund.

Your Committee finds that in the past, fire fighting expenses have been paid from departmental savings; funds appropriated for tree planting have been the major source of these funds. Unbudgeted overtime costs, the cost of equipment and supplies, and other expenditures for emergency fire suppression are adversely affecting money budgeted for planned departmental programs. The purpose of this bill is to establish the means of financing the costs of fire suppression without adversely affecting departmental budgets.

Your Committee finds that this fund would be available for unbudgetable fire suppression costs. This fund cannot be used for any other purpose and will lapse at the end of the fiscal year so that the unexpended balance will not be carried over. In wet years when fire occurrence is low, a major portion of this fund should lapse.

Your Committee has amended this bill per testimony of the Department of Land and Natural Resources relating to the lapsing of unused funds, page 3, line 1.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2618-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2618-78, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 230-78 Human Resources on S.B. No. 2070-78

The purpose of this bill is to make an appropriation for the plans and construction of the Kihei Community Center in Kihei, Maui.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2070-78 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. 231-78 Human Resources on S.B. No. 2094-78

The purpose of this bill is to make an appropriation for a grant-in-aid to the Hilo Interim Home in Hilo, Hawaii.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2094-78 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. 232-78 Human Resources on S.B. No. 2108-78

The purpose of this bill is to make an appropriation for the extension of the Pukalani Community Center Building in Pukalani, Maui.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2108-78 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. 233-78 Human Resources on S.B. No. 2109-78

The purpose of this bill is to make an appropriation for the plans and construction of the Elderly Day Care Center on Maui.

Your Committee on Human Resources is in accord with the intent and purpose of S.B.

No. 2109-78 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. 234-78 Human Resources on S.B. No. 2140-78

The purpose of this bill is to make an appropriation for several grants-in-aid to various rehabilitation facilities in the County of Maui.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2140-78 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. 235-78 Human Resources on S.B. No. 2494-78

The purpose of this bill is to exclude real estate salesmen and brokers who are paid solely by commission from Temporary Disability Insurance Coverage.

Your Committee finds that a real estate salesman or a real estate broker, when paid solely by commission, is excluded from unemployment insurance and prepaid health care coverage. This bill would bring the Temporary Disability Insurance Law in line with the unemployment insurance and prepaid health care laws as they apply to real estate salesmen and brokers who are paid solely by commission.

Your Committee further finds that under the present TDI law, excluded individuals can obtain benefits similar to TDI benefits by purchasing an income protection plan. According to the Department of Labor and Industrial Relations, many employers and some excluded employees have purchased these plans, and because these income protection plans can be purchased voluntarily, your Committee sees no need to provide for voluntary TDI coverage for these employees, and consequently has deleted Section 2 of the bill.

Your Committee has amended this bill to conform to the Ramseyer rules of bill drafting.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2494-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 236-78 Higher Education on S.B. No. 1887-78

The purpose of this bill is to establish a new special fund to provide for the continuing education of nurses.

Your Committee has amended the bill to clarify the role of the Board of Nursing in relation to the fund and to give the Board the authority to determine the percentage of the fees which shall be paid into the fund. Your Committee feels that this flexibility will allow the Board to maintain the fund at an adequate level.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1887-78 as amended herein and recommends it pass Second Reading in the form attached hereto as S.B. No. 1887-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 237-78 Military and Civil Defense on S.B. No. 2521-78

The purpose of this bill is to encourage persons to join and be members of the Hawaii National Guard, and of reserve components of the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States of America by providing tuition waivers at campuses of the University of Hawaii.

Your Committee finds that there is an immediate and serious need for more incentive to enlist and remain in the National Guard and reserves. Your Committee also finds that the availability of tuition waivers at the University of Hawaii will provide such incentive. The tuition waivers will also help to maintain the quality of performance of the personnel in these units.

Your Committee also finds that the benefits provided by this bill shall be supplemental to any other state-funded benefits and shall not be applied to deprive a qualified student of such other benefits.

Your Committee received testimonies from the Hawaii Air and Army National Guard, the U.S. Army Reserves and from several enlisted men's organizations recommending that the bill be amended to extend the tuition waivers to cover junior grade officers, part-time students and also to include classes taken during the summer session and classes given by the college of continuing education. Although your Committee feels that there is merit to these proposals, it finds that it would not be feasible to adopt them at this time.

Your Committee does recommend an amendment to Section 3 of this bill in order to better implement the purposes of the bill in the event of federal legislation in this area. The amendment is as follows:

Section 3. In the event of enactment of federal legislation providing for similar tuition benefits but which does not provide full tuition coverage the tuition waivers provided under this Act may be added to the federal benefits in order to provide full tuition coverage.

Your Committee has also amended the bill to provide that this Act shall take effect on July 1, 1978 in order to make it clear that this Act is not applicable to the current school year.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 2521-78 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2521-78, S.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 238-78 Military and Civil Defense on S.B. No. 2527-78

The purpose of this bill is to appropriate the sum of \$35,000, or so much thereof as may be necessary, to provide safety equipment and general improvements to helicopter landing sites at Waianae Comprehensive Health Center, and Kahuku and Castle Hospitals on Oahu in order to meet Army safety standards and ensure continuing Military Assistance to Safety and Traffic (MAST) operations at these sites.

Your Committee finds that the MAST program has been operative since 1974. During this time the program has provided helicopter evacuation services for more than 500 emergency patients from rural areas on Oahu. Your Committee further finds that the MAST program is an essential element in a comprehensive emergency medical services system.

Your Committee received testimony from the Department of Transportation indicating that the funds appropriated for the construction of a heliport for Castle Memorial Hospital were transferred from the Department of Accounting and General Services to the Department of Transportation, which is planning the facility, and that the supplementary appropriation of \$35,000 will not be sufficient. Your Committee has, therefore, amended Section 1 to read as follows:

Section 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$60,000, or so much thereof as may be necessary, for safety equipment and general improvements to helicopter landing sites at Waianae Comprehensive Health Center and Kahuku and Castle Hospitals on Oahu. These improvements are necessary to meet Army safety standards to ensure continuing MAST operations at these sites. This appropriation supplements that provided in SLH 1977, Act 9, Items III-M-1 and III-M-8. The amounts provided in SLH 1977, Act 9, Items III-M-1 and III-M-8 shall be expended by the Department of Transportation.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 2527-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 239-78 Energy/Natural Resources on S.B. No. 1773-78

The purpose of S.B. No. 1773-78 is to amend Chapter 61, Hawaii Revised Statutes, concerning

general organization provisions common to all counties by the addition of a new section which would allow the four counties of the State of Hawaii to become involved in the production and distribution of energy and collect rate charges for such energy. This measure will encourage the counties to stimulate the commercial utilization of alternative resources and further, assist county attainment of energy self-sufficiency. For administrative purposes, your Committee has amended the bill to put the proposed amendment of the Hawaii Revised Statutes in Chapter 46 rather than Chapter 61.

Your Committee received testimony for the Department of Planning and Economic Development (DPED) indicating that coordination of county programs with those of public energy utilities to avoid duplication of services is desirable. In addition, since there is presently no mechanism for establishing such rates, it was suggested that the Public Utilities Commission establish rates proposed in the bill. With these reservations, DPED supports the intent of S.B. No. 1773-78.

Hawaii County strongly supports the bill which it views as a necessary measure to enable the counties to guide their communities to energy self-sufficiency. Mr. John P. Keppler, Managing Director of the County of Hawaii, has suggested the following language to S.B. No. 1773-78 to clarify Hawaii County's intent to assist in the development of alternative energy resources, but not, however, to take over existing electrical utilities or duplicate their franchised services to the disadvantage of the energy consumer:

"Sec. 46- Development of alternative energy resources. Each of the counties may participate in the development of alternative energy resources to include but not limited to geothermal, solar, wind, ocean power, biomass, and solid wastes in joint venture with an end user or individually pursuant to a plan for the direct utilization of the energy sources by an end user. Any power produced which is in excess of the requirements of the end user shall be made available to the local franchised utility. Pursuant to this section the county and or its joint venture may in part or whole, develop, construct, purchase, lease, take on lease, sublease, or in any other manner acquire, or dispose of any energy producing facility or any energy distribution facility or any energy distribution facility used for the production and distribution of energy from any alternative energy resource as defined in this section."

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.B. No. 1773-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1773-78, S.D. 1, and be referred to the Committee on Intergovernmental Relations.

Signed by all members of the Committee except Senators Kuroda and Yee.

SCRep. 240-78 Human Resources on S.B. No. 181

The purpose of this bill is to provide educational and vocational counseling and training programs for displaced homemakers, and to provide adequate funding for these activities.

Your Committee finds that there is an increasing number of homemakers in the State who are displaced in their middle years from their family role and left without any source of financial security through divorce, or the loss of a spouse. These homemakers would benefit from educational and vocational counseling and training programs. The need for these programs is evidenced by a recent report by the State Commission on the Status of Women which notes that widowed, separated, or divorced women between thirty-five and sixty-four years of age had a significantly higher rate of unemployment and a far lower median income than women who were not widowed, separated, or divorced, and that this situation is compounded by the fact that displaced homemakers are often ineligible for health, retirement, or unemployment benefits and are often without the educational and vocational experience necessary to compete in the job market.

Your Committee further finds that a homemaker opportunity center should be established within the department of social services and housing, to provide for such things as training, counseling, education, and other services which will work to assist displaced homemakers in finding health, employment, and independence. This bill accomplishes this goal.

Your Committee is in accord with the intent and purpose of S.B. No. 181 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. 241-78 (Majority) Human Resources on S.B. No. 897

The purpose of this bill is to provide that all public employees who have sixty days

or more of unused sick leave allowance at the time of their termination from State or county government service, shall receive full credit for this unused sick leave upon subsequent reemployment with the State or county government.

Presently, rules promulgated by the Governor of Hawaii relating to vacation and sick leave for State and county employees provide that upon termination of services an employee shall forfeit all sick leave allowance accrued and accumulated to the date of such termination.

Your Committee believes that an employee who has worked arduously and judiciously during his employment with the state or county should receive full credit for the unused sick leave upon his reemployment.

According to the Director of Personnel Services the proposal will require considerable reconstruction of past sick leave records, which were not intended for permanent retention. Therefore, the bill has been amended to provide that the employee shall provide evidence of such unused sick leave allowance.

Your Committee recognizes that retirees could conceivably obtain unused sick leave credit upon retirement under Section 88-63 and then again receive credit under this bill. This measure has been amended to prevent this situation.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 897, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 242-78 Human Resources on S.B. No. 2623-78

The purpose of this bill is to provide state matching funds for the operations of several public service centers under Title XX, Social Security Amendment of 1974.

Your Committee finds that these centers service a wide range of clients in areas such as mental development and social adjustment. Your Committee further finds that the child care centers named in this bill can uncover learning disabilities and handicaps and are prepared to perform some work in testing, assessing and analyzing the disability or handicap.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. 2623-78 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. 243-78 Consumer Protection on S.B. No. 2290-78

Your Committee on Consumer Protection has considered S.B. No. 2290-78, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2290-78, S.D. 1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 244-78 Consumer Protection on S.B. No. 2523-78

The purpose of this bill is to maximize visitor satisfaction by clarifying the relationships between guests and keepers of hotels. This is done by adding a new chapter to the Hawaii Revised Statutes.

Your Committee finds, after interim review and discussion with various persons including the Office of Consumer Protection and the Hawaii Hotel Association, there is a need to clarify the liabilities of keepers of hotels, responsibilities of guests and keepers of hotels, control of premises, and regulation of guests overstaying their visits, thus depriving an incoming guest of an assigned bedroom.

The bill has been amended as follows:

1. The definition of "Hotel" found on page 3 of the bill has been amended by deleting the word "meals" in line 10. This is deemed necessary since there are numerous hotels with no meal service. The definition was further amended by deleting the reference to meals beginning at line 18 of page 3.

2. Section -14, which appears at page 17 and entitled "Posting of copy of law" has been amended by inserting a reference to section -9 at line 4 and by changing the reference in line 5 from section -10 to section -15.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2523-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2523-78, S.D. 1, and be referred to your Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 245-78 Consumer Protection on S.B. No. 2532-78

The purpose of this bill is to amend Section 431-420, Hawaii Revised Statutes, pertaining to fire insurance, to permit the use of a simplified language homeowners policy.

Presently, the use of the New York State 1943 Standard Fire is mandatory. The language in this form was drafted at a time when it was not necessarily intended that the average homeowner would be able to determine himself the area of coverage, the exclusions, his responsibilities in the event of a loss, or much of anything else beyond the fact that the primary peril insured against was fire. In 1976, the Homeowners Policy was introduced in six pilot states not requiring strict adherence to the 1943 form. This "Homeowners '76" Policy is a simplified form, more understandable in its terms to insurance buyers, yet provides the same coverage protection required by law. Such new policy has been many years in the development and should be welcomed by Hawaii's consumers.

The New York 1943 Standard Fire Policy has been retained as the basic policy and "its approved equivalent" is being authorized. In this way, the Insurance Commissioner can maintain the necessary control over what is an equivalent form to insure consistency of coverage for the consumer. This broader wording will then permit adoption of new simplified forms that may be developed in the future that use the 1943 New York Fire Policy as its basis.

The effective date of January 1, 1979 has also been included within the bill to allow all companies sufficient time to print policies, forms, etc. and to make necessary data processing changes.

Your Committee believes that this bill serves to simplify policy language which is a vital and basic step in improving the regulation of insurance for the mutual benefit of the policyholders and the industry and the regulatory bodies.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2532-78, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2532-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator R. Wong.

SCRep. 246-78 Intergovernmental Relations on S.B. No. 1590-78

The purpose of this bill is to enable the State to comply with Title III, Part C of the Energy Policy and Conservation Act of 1975 (P.L. 94-163) by requiring counties to incorporate energy efficiency standards in building codes.

Your Committee received testimony from the Hawaii Society of the American Institute of Architects recommending the amendment of section 2 of this bill to permit the use of either the ASHRAE standard or a comparable performance standard by the building designer, which would maintain a degree of design freedom in the development of new buildings. Your Committee has accepted this recommendation.

Your Committee has also accepted recommendations of the Department of Planning and Economic Development to (1) require compliance with Public Law 94-163, the Energy Policy and Conservation Act of 1975, to insure that any adjustments which may have to be made to continue qualifying for federal funding will be implemented by the county building departments, and (2) make certain other changes which would resolve any potential conflict with the chapter on energy conservation in buildings which the City and County of Honolulu is currently considering for adoption in its building codes.

Finally, your Committee deleted references to lighting standards in the first of the two new sections, so that the second section alone deals with lighting standards.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1590-78, S.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1590-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 247-78 Intergovernmental Relations on S.B. No. 1595-78

The purpose of this bill is to provide for the utilization of waste heat from air conditioning units for domestic hot water heating purposes by requiring the county governments to adopt appropriate rules and ordinances, provided Department of Health requirements are met.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1595-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 248-78 (Majority) Intergovernmental Relations on S.B. No. 1561-78

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter to adopt the Hawaii career executive service and management compensation plan recommended by the government organization commission.

In 1976, the government organization commission, as part of its investigations, considered the "issues of productivity and responsiveness in the career middle-management ranks of government service." Of special concern was the devising of methods to increase and to effectively measure productivity. The commission found that clarification of expectations through mutual goal setting and increasing authority and accountability can lead to improved results.

Your Committee recognizes that the present methods for judging State employee performance are inadequate for managerial and administrative employees. Methods of relating performance to agreed-upon measurable objectives, of judging and correcting how results are achieved, and of determining corrective strategies must be implemented.

However, your Committee has heard testimony from Mr. Don Botelho, Director of the Department of Personnel Services, recommending that enabling legislation be enacted in this respect instead of the specific statutory provisions proposed by the government organization commission. Such enabling legislation would permit a more cautious approach to and further consideration of a career executive service plan, performance appraisal system, and a management compensation plan for classes and positions in the career executive service. The management compensation plan would be subject to approval of the legislature.

Your Committee has accepted the recommendation that enabling legislation be enacted and has amended S.B. No. 1561-78 accordingly.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1561-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1561-78, S.D. 1, and be referred to the Committee on Human Resources.

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

SCRep. 249-78 (Majority) Intergovernmental Relations on S.B. No. 1732-78

The purpose of this bill is to transfer all of the powers, functions, personnel, and equipment relating to real property taxation to the several counties.

Your Committee heard testimony on this bill from the State, the counties, and the private sector. After consideration of this testimony, it appears that S.B. No. 1732-78 will benefit the counties and the State by placing responsibility for both assessment and the establishment of tax rates in the county and thus ending confusion in the minds of the public concerning the responsibility thereof. Since the counties would be totally responsible for all aspects of real property taxation, this bill would be in conformity with and consistent with home rule and would help the counties in land use planning by furnishing an additional tool for land use control.

Your Committee, however, also finds that by granting the counties the total real property taxing power and function in one increment may jeopardize certain state policies which have been placed in the present law. Such state policies include the encouragement of sugar and other agricultural activities, with sugar being especially important due

to the recent economic problems being faced in the industry. If each county assesses agricultural land under a different formula, the industry will lose the present equality of treatment which now exists throughout the State.

After thorough consideration of the problems and policies involved in this bill and the testimony presented to your Committee, your Committee has amended S.B. No. 1732-78, to provide:

- (1) That the counties are responsible for administering the real property tax laws of the State and shall be responsible for all assessments, rate determination, collection, enforcement, and first appeals;
- (2) That each county director of finance shall be the real property tax assessor and the tax collector for the county;
- (3) For county boards of review to consider appeals as to property assessment by each county;
- (4) That each county may contract with the State for the collection of real property taxes, if it so wishes; and
- (5) That all officers and employees, books, records, etc., are transferred to the counties.

In order to maintain some uniformity in assessment practices throughout the State, your Committee has provided that the department of taxation shall adopt by rule under the Administrative Procedure Act, formulas which shall be used by each county in assessing the land in each county.

Your Committee finds that by transferring the assessment, enforcement, and collection powers and functions to the counties, this bill will place the responsibility for the real property tax at one level of government and end public confusion, but will maintain present statewide policies now in existence. If the legislature desires to transfer all the real property taxation powers and functions to the counties as originally provided in this bill, the legislature may do so and it will be able to consider at that time the track record of the counties in carrying out the assessment and other functions transferred by this bill.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1732-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1732-78, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 250-78 Intergovernmental Relations on S.B. No. 1895-78

The purpose of this bill is to reimburse the City and County of Honolulu under Section 70-111 Hawaii Revised Statutes, for advances made by it for the State's share of the cost of improvements assessed against public and exempt lands in the various improvement districts within the City and County of Honolulu.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1895-78 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. 251-78 Intergovernmental Relations on S.B. No. 1897-78

The purpose of this bill is to amend Chapter 205, Hawaii Revised Statutes, by adding a Section 205-6A relating to conservation district use applications.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1897-78 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 252-78 (Majority) Intergovernmental Relations on S.B. No. 1972-78

The purpose of this bill is to appropriate the necessary monetary support for the Community Action Agencies of Hawaii County, City and County of Honolulu, Kauai County and Maui

County for the fiscal year 1978-1979. The sum appropriated shall be expended by the Office of the Governor (GOV 860).

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1972-78 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 Kawasaki did not concur.

SCRep. 253-78 (Majority) Intergovernmental Relations on S.B. No. 1977-78

The purpose of this bill is to appropriate sufficient sums to finance specific capital improvement projects in the County of Hawaii with the sums being expended by the County of Hawaii.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1977-78 and recommends that it pass Second Reading and be referred to Committee on Ways and Means.

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

SCRep. 254-78 Intergovernmental Relations on S.B. No. 1983-78

The purpose of this bill is to amend Chapter 367, Hawaii Revised Statutes, by adding a new section relating to the county function and the county committee on the status of women. In accordance, Section 367-4, Hawaii Revised Statutes, is repealed.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1983-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 255-78 Intergovernmental Relations on S.B. No. 2049-78

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter to permit pollution control bond funding for resource recovery projects for public purposes which may also encourage the participation of private capital.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. 2049-78 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. 256-78 (Majority) Intergovernmental Relations on S.B. No. 2080-78

The purpose of this bill is to amend Chapter 47, Hawaii Revised Statutes, by adding a new section relating to the restoration of general obligation bond authorization, by counties, under certain conditions.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. 2080-78 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 Kawasaki did not concur.

SCRep. 257-78 Intergovernmental Relations on S.B. No. 2220-78

The purpose of this bill is alleviate duplication of effort by the State and counties in respect to housing inspection and enforcement by authorizing the State Health Department to delegate all housing inspection and enforcement functions, including the issuance of permits, to the various counties. Such delegation of authority shall be in accordance with standards duly adopted by the Health Department.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. 2220-78 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee.

SCRep. 258-78 Intergovernmental Relations on S.B. No. 2302-78

The purpose of this bill is to amend Section 47-7, Hawaii Revised Statutes, relating to the issuance, interest rate, denominations, maturities, places payable, registration, redemption, medium of payment, sale, or other disposal of county bonds authorized for issuance by the governing body thereof.

The bill further amends Section 47-52, Hawaii Revised Statutes, relating to the refunding of bonds authorized.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2302-78 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. 259-78 Intergovernmental Relations on S.B. No. 2558-78

The purpose of this bill is to limit the imposition of the State Motor Vehicle Weight Tax to any county with more than 100,000 population, and to amend the laws relating to motor vehicle weight tax liability and owner responsibility whenever an owner moves a motor vehicle from one county to another.

Upon consideration of this bill, your Committee finds that section 1 of this bill will serve to exempt the neighbor island counties from the imposition of the State Motor Vehicle Weight Tax. The City and County of Honolulu, being the only county in the State that has a population greater than 100,000, will alone be subject to the tax. This is an inequitable and undesirable situation. Your Committee has therefore amended the bill by deleting section 1 of the bill and renumbered the remaining sections.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2558-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2558-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 260-78 Intergovernmental Relations on S.B. No. 2608-78

The purpose of this bill is to transfer the functions and responsibilities of the state fire marshal to the respective counties, to abolish the office of the state fire marshal, and to place the functions related to fire protection within the jurisdiction of the counties. This bill amends chapter 132 by deleting references to the state fire marshal and replacing it with references to the county fire chiefs. Under existing law, fire protection standards are decided by both the state fire marshal and the county councils, and fire chiefs are accountable to both state and county officials, resulting in inefficiency. The public interest would be better served if development of standards and accountability existed only at the county level.

Testimony supporting this bill has been received from the Department of Regulatory Agencies Construction Industry Legislative Organization, and the Consulting Engineers Council of Hawaii.

Your Committee has adopted the recommendation of the Hawaii Society, American Institute of Architects, that this bill be amended to include the county building officials in fire prevention as it relates to design and construction.

Your Committee has amended the bill as received by your Committee by:

- (1) Inserting the term "and building official" or a similar term after "fire chief" or a similar term on line 7 on page 1, lines 8, 11, and 18 on page 2, on line 6 of page 4, on line 1 on page 8, and on line 21 on page 26.
- (2) Deleting "in a single agency" from line 12 on page 1 and substituting "at the county, rather than the state and county level".
- (3) Inserting the words "a building code" in line 11 on page 5.
- (4) Deleting the words "July 1, 1974" from line 21 on page 16 and from line 13 on page 17 and substituting "January 1, 1979".

(5) Bracketing the words "of the types hereinafter enumerated" and "such" on lines 21 and 22 on page 17.

(6) Deleting the words "fire chief" and substituting "building official" on line 24 on page 17 and on line 6 on page 18.

(7) Placing a bracket on line 7 on page 18 and on line 22 on page 19.

(8) Adding the following on line 14 on page 27:

"(20) By amending the chapter heading to read:

"CHAPTER 132
[FIRE MARSHAL] FIRE PREVENTION"

(9) Adding the words "and building" and "prevention and" on lines 11 and 13 on page 27.

(10) Making certain other technical and grammatical changes in this bill which do not affect the bill in substance.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2608-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2608-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 261-78 Transportation on S.B. Nos. 2031-78, 1837-78, 1833-78 and 1836-78

The purpose of these bills is to fund the construction and improvement of transportation facilities in the Second Senatorial District.

Your Committee on Transportation is in accord with the intent and purpose of S.B. Nos. 2031-78, 1837-78, 1833-78, and 1836-78, and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 262-78 Transportation on S.B. Nos. 2061-78, 2119-78, 2317-78, 2318-78, 2433-78, 2122-78, 2004-78, 2003-78, 2002-78 and 2001-78

The purpose of these bills is to fund the construction and improvement of transportation facilities in the First Senatorial District.

Your Committee on Transportation is in accord with the intent and purpose of S.B. Nos. 2061-78, 2119-78, 2317-78, 2318-78, 2433-78, 2122-78, 2004-78, 2003-78, 2002-78, and 2001-78 and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 263-78 Transportation on S.B. Nos. 2168-78 and 2085-78

The purpose of these bills is to fund the construction and improvement of transportation facilities in Kahuku and Waipahu, Oahu.

Your Committee on Transportation is in accord with the intent and purpose of S.B. Nos. 2168-78 and 2085-78 and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 264-78 Transportation on S.B. No. 1928-78

The purpose of this bill is to make an appropriation to correct the roadway hazards currently existing on or adjacent to the Pali Highway and curtail or reduce future traffic accidents with a resultant savings of life and property damage or loss.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1928-78 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. 265-78 Transportation on S.B. No. 2186-78

The purpose of this bill is to amend section 9, Act 10, Special Session Laws of Hawaii 1977. This bill repeals the \$15,000 limitation for fiscal year 1977-78 for state matching funds for the operation of the Oahu Metropolitan Planning Organization (OMPO).

Your Committee has amended the bill by correcting the reference to session laws in line 1 by adding the word Special and by inserting after the word Overall on line 4 the word Program which was inadvertently omitted.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2186-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2186-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 266-78 Transportation on S.B. No. 2240-78

The purpose of this bill is to make an appropriation for improvements to Kalaniana'ole Highway, Oahu.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2240-78 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. 267-78 Transportation on S.B. No. 2334-78

The purpose of this bill is to provide \$22,700 which, together with City and County and Federal Department of Transportation matching funds, is intended to cover the personnel, office expenses, and other operating costs of the Oahu Metropolitan Planning Organization for FY 1978-79.

Your Committee finds the budget requests have been reviewed and approved by the Oahu Metropolitan Planning Organization Policy Committee. In a companion action, the City and County must provide an equal amount of matching funds.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2334-78 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. 268-78 Transportation on S.B. No. 2468-78

The purpose of this bill is to exempt handicapped persons from certain state and county vehicular weight taxes.

Your Committee adopted the recommendation of Alan Vollert, Honolulu Police Department pilot (Ret.) and amended the bill as received by your Committee by amending:

- (1) Lines 5 through 7 on page 2 and lines 12 through 14 on page 4 by deleting the rest of the sentence following "the motor vehicle is one" and substituting "operated by the handicapped owner of the vehicle, or by a required attendant, for the personal transportation of the handicapped owner."
- (2) Deleting the requirement that the handicapped person possess a valid state driver's license from lines 9 through 11 on page 2 and from lines 16 through 18 on page 4.
- (3) Deleting the word "shall" and substituting the word "may" and adding after the word "statement" the phrase ", if the particular handicap is not obvious," on line 12 on page 2 and on line 19 on page 4.
- (4) Adding to the definition of "handicapped person" on line 24 on page 2 and on line 7 on page 5, the following phrase, "and any such person with a certified mobility

impairment that requires the use of a wheelchair or the services and attention of a spouse or an attendant to provide the desired mobility." and by making the necessary grammatical changes which do not affect the substance of this bill.

(5) Making certain technical changes which do not affect the substance of this bill.

The purpose of these amendments is to include within the group of handicapped persons eligible for the exemption, people who are blind or confined to wheelchairs, etc., who own the vehicles but cannot drive themselves.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2468-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2468-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 269-78 Transportation on S.B. No. 2610-78

The purpose of this bill is to amend sections 93 and 93A of Act 195, Session Laws of Hawaii 1975. These amendments authorize the substitution of airport and harbor revenue bonds in lieu of reimbursable general obligation bonds authorized by Act 195, Session Laws of Hawaii 1975 as amended by Act 226, Session Laws of Hawaii 1976, and Act 110, Session Laws of Hawaii 1977.

These amendments authorize the use of revenue bonds to fund certain essential capital improvement projects. Act 110, Session Laws of Hawaii 1977 failed to include projects authorized under Act 226, Session Laws of Hawaii 1976. This bill corrects that omission.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2610-78 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. 270-78 Health on S.B. No. 1675-78

The purpose of this bill is to continue the current level of services for the neighbor island program of early identification and prevention of child abuse and neglect.

Your Committee received testimony in support of this bill from the Department of Health, the Department of Social Services and Housing, and numerous private, non-profit agencies dealing with family stress. The Department of Social Services and Housing reports that in 1976 three children in Hawaii died as a result of child abuse and neglect and that over 1600 cases were reported in 1977. Your Committee supports preventive efforts aimed at helping families before something as devastating as actual abuse occurs.

The appropriation of \$75,000, as provided for in this bill, would allow the continuation of preventive services in the four neighbor island areas which were initially funded during the 1977 legislative session. The request represents a 13% cutback in State funding.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1675-78 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. 271-78 Health on S.B. No. 1677-78

The purpose of this bill is to continue the services of the Sex Abuse Treatment Center at Kapiolani Hospital which provides emergency and follow-up medical services, emotional support and legal support to adult victims of sex abuse.

The emergency medico-legal services are available at the hospital 24 hours a day, 7 days a week. Strong, supportive testimony in favor of continued funding of this program was presented by the Honolulu Police Department and the Hawaii Commission on Crime. The number of victims reporting incidences of sex abuse and the number of arrests made has increased since the program began in October of 1976. The Prosecuting Attorney's Office has indicated furthermore that the assistance and cooperation of the Sex Abuse Treatment Center has been a significant help to them in preparing for trial.

The appropriation of \$233,824 contained in this bill will continue the current level of services and allow for services to be extended to adult male victims of sexual assault.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1677-78 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. 272-78 Health on S.B. No. 1678-78

The purpose of this bill is to make an appropriation for the provision of services to sex abuse victims on the neighbor islands including crisis intervention, collection of evidence and follow-up services.

There is a recognized need for these services to be extended to the neighbor islands. The immediate need on the neighbor islands is to develop a plan for the provision of coordinated services. Initial efforts have been undertaken by women's groups on the islands of Kauai, Maui and in the city of Hilo. Through the cooperation of these groups, the Department of Health and the Sex Abuse Treatment Center at Kapiolani Hospital the provision of comprehensive services can become a reality for residents of the neighbor islands who are victims of sex abuse.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1678-78 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. 273-78 Health on S.B. No. 1683-78

The purpose of this bill is to provide a grant-in-aid to the shelter for abused spouses program of the Kokua Kalihi Valley Comprehensive Family Services.

The program provides temporary shelter for abused spouses of both sexes and their children for an average length of stay of five days. Approximately 1,000 persons are served annually. Referral services are provided as well. The Department of Health reports that a close working relationship has been established between the program, the Kokua Valley Comprehensive Family Services and the Kalihi-Palama Community Mental Health Center.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1683-78 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. 274-78 Health on S.B. No. 1684-78

The purpose of this bill is to make an appropriation of \$20,000 to the Women's Health Center operated by the Young Women's Christian Association.

The Women's Health Center has been providing high quality, low-cost health services to women since 1974. An important feature of the program is the emphasis given to self-help and the encouragement to assume responsibility and become active participants in one's own health care.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1684-78 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. 275-78 Health on S.B. No. 1715-78

The purpose of this bill is to provide for the further development of the alternatives for women's mental health programs within the mental health division of the department of health.

Your Committee on Health received much testimony in support of the bill including testimony from the department of health with a recommended amendment to the bill which more clearly

identifies the purpose of the legislation to provide for a temporary position to develop a program to meet the changing needs of women for mental health services. Your Committee has accepted the department's proposed amendment and further amends the bill to include an appropriation of \$16,393 for the purposes of the Act.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1715-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1715-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 276-78 Health on S.B. No. 1725-78

The purpose of this bill is to establish a commission within the office of the Governor to provide advise and serve as a resource to any person seeking medical, legal and/or moral counsel regarding medical care, in particular, as it relates to the use of extraordinary medical procedures and technology.

Your Committee on Health received testimony giving emphasis to the growing need to establish a framework in which decision-making may be facilitated for persons facing difficult medical/moral questions relative to possible medical treatment programs. Your Committee finds that the number of universities across the nation providing courses on medicine, ethics and new technologies has dramatically increased in the last few years, thus reflecting a growing concern of the community in such issues.

Your Committee has accepted the recommended amendments suggested by the Hawaii Medical Association by making minor wording changes on page two and deleting subsections (b) and (c) on pages three and four. Your Committee has further amended the bill on page two, line 7, by deleting the words, "who is near death, whose death is imminent, or", to broaden the scope of the commission's duties beyond those situations where death is imminent but where a real question of ethics and medical practice is involved.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1725-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1725-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 277-78 Health on S.B. No. 1730-78

The purpose of this bill is to appropriate \$1,217,000 to Castle Hospital for the expansion and renovation of the emergency room and radiology services.

Your Committee finds that Castle Hospital is the only acute general hospital serving the large Windward area of Oahu from Hauula to Waimanalo. Continuing population growth in this area, particularly Kailua and Kaneohe, and the consequent demand for emergency and hospital-based radiological services have virtually exceeded the capacity of the hospital to provide these services.

Your Committee further finds that new space for adequate treatment of patients is urgently needed. Space must be made available for private patient-physician discussions. Adequate areas for trauman and cardiopulmonary resuscitation are also required.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1730-78 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 278-78 Health on S.B. No. 1760-78

The purpose of this bill is to appropriate \$250,000 to provide additional ambulance services and to upgrade emergency medical services on the Island of Maui.

Your Committee finds that the quality of emergency medical care is dependent upon modern well-equipped rescue vehicles and highly trained personnel to deliver good pre-hospital medical care. The Department of Health, through the Governor's Supplemental Budget, has requested \$250,000 for the following purposes:

1. Provide an additional ambulance contract on Maui \$135,000

- | | |
|---------------------------------------|----------|
| 2. Provide central dispatch for Maui | \$55,000 |
| 3. Provide for maintenance of Medicom | 60,000 |

Your Committee on Health is in accord with the intent and purpose of S.B. NO. 1760-78 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. 279-78 Health on S.B. No. 1857-78

The purpose of this bill is to appropriate \$123,000 to the Waianae Coast Comprehensive Health Center for 24 hour emergency services for the Waianae, Nanakuli area.

Your Committee finds that the Waianae Coast Subarea Health Planning Council has identified full emergency services related to injuries, accidents and acute urgent medical conditions as their first health problem priority.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1857-78 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. 280-78 Health on S.B. No. 2938-78

The purpose of this bill is to appropriate \$267,000 under contractual agreement (SUB 601) for fiscal year 1978-79 to Kahuku Hospital.

Your Committee finds that an appropriation is needed for Kahuku Hospital in the amounts of \$230,000 for operations and \$37,000 for the replacement of radiology equipment.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1938-78 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. 281-78 Health on S.B. No. 1968-78

The purpose of this bill is to re-appropriate \$350,000 in Part V of Act 10, Special Session of 1977 for the Molokai General Hospital.

Your Committee finds that the Department of Health has worked with Molokai General Hospital in determining the extent of subsidy needed. The present administration of the hospital has under consideration various alternatives to improve the effective utilization of Molokai General Hospital including skilled nursing/intermediate care services, limited surgery program, shared services with a major Honolulu hospital, and financial management improvements.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1968-78 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 Nishimura.

SCRep. 282-78 Health on S.B. No. 1969-78

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 to be expended by the Department of Health to purchase furniture and equipment for the new South Wing of Maui Memorial Hospital.

Your Committee finds that funds authorized in Act 10, SLH 1977 Item E5 of Part IV, Section 86, for the Kula Modernization Project, may be used for the new South Wing Project at Maui Memorial Hospital for furniture and equipment.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1969-78 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. 283-78 Health on S.B. No. 2027-78

The purpose of this bill is to make an appropriation of \$29,733 for the continued operation and support of the bilingual/bicultural program operated by the Catholic Social Service as a contracted affiliate of the Kalihi-Palama Community Mental Health Center to provide professional bilingual counseling and other services to non-English speaking children, youths, and families residing in the Kalihi-Palama area.

Your Committee finds that federal Community Mental Health Center staffing grant money is available to defray 75% of the salaries of four bilingual social workers associated with the program. Two social workers have been attempting to cover the needs of the community, however, the Department of Health requests funds for the addition of two more social workers to meet identified community needs. Your Committee further finds that the Catholic Social Service has recently begun to charge fees for services on a sliding scale. Persons unable to pay are not denied services. It is anticipated that these revenues will not be sufficient to cover the costs of the program.

Your Committee has accepted the amendment recommended by the Department of Health, and agreed upon by the Department of Social Services and Housing, that the expending agency for this program be the Department of Health as the program is directly connected with the Kalihi-Palama Community Mental Health Center.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2027-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2027-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 284-78 Health on S.B. No. 2028-78

The purpose of this bill is to appropriate \$10,000, as matching for Federal Title XX funds, to provide Social Rehabilitation Services for handicapped and disabled persons at Molokai.

Your Committee finds that the Molokai Rehabilitation Facility is the only place on Molokai offering handicapped residents facility-based and work-oriented rehabilitation services. The Social Rehabilitation Service portion focuses on self-sufficient skills such as personal care, health care, social development and recreation.

Your Committee further finds that Federal Title XX Social Service funds were available to the Molokai Rehabilitation Facility and have been granted the past three years. The first two years (1975-76) the required match monies (28% of project cost) was provided by the State Division of Vocational Rehabilitation, but had no funds to continue support in 1977. Support donations from Trusts and Foundations were requested and obtained for match needs in 1977. This service has no resource to provide the match for the available Federal dollars for the year 1978-79. To continue with the program, \$10,000 is required to make available \$29,000 in Federal dollars to fund the cost of the program.

Your Committee further finds that the target group served by this program is the severely handicapped, those with developmental disabilities (mental retardation, cerebral palsy, epilepsy, deslexia autism), mental and emotional illnsss, and physical disabilities.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2028-78 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. 285-78 Health on S.B. No. 2029-78

The purpose of this bill is to provide an appropriation of \$150,000 for the preparation of plans and the construction of a Molokai Rehabilitation Facility at Kaunakakai, Molokai, to continue vocational rehabilitation programs for handicapped persons.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2029-78 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. 286-78 Health on S.B. No. 2038-78

The purpose of this bill is to provide for the care and treatment of persons suffering from hemophilia and for the conduct of educational programs concerning the methods of care and treatment of persons suffering from hemophilia.

Your Committee on Health has received testimony from the department of health and the Hemophilia Foundation of Hawaii that the need addressed in this bill is to provide a grant-in-aid of \$20,000 to the Hemophilia Foundation for the purpose of continuing their program which provides basic services and educational programs on behalf of persons suffering from hemophilia. Your Committee has amended the bill to reflect this concern.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2038-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2038-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 287-78 Health on S.B. No. 2079-78

The purpose of this Act is to authorize the Department of Health to use medicare trust funds in the amount of \$541,264.42, placed in interest-bearing trust account with the state treasury, including all interest earned to the date of approval, for the purchase of equipment and the making of improvements for Maui Memorial Hospital.

Your Committee finds that on July 8, 1977, the County of Maui returned to the State Medicare funds earned by the Maui Memorial Hospital between 1966 and 1969 and held in trust by Maui County until 1977. The Department of Health placed them in a restricted, interest-bearing State trust account pending a written opinion by the Attorney General. The Attorney General has ruled that the authority to expend these funds rests with the Legislature.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2079-78 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. 288-78 Health on S.B. No. 2091-78

The purpose of this bill is to appropriate \$300,000 to the Kuakini Medical Center, Oahu.

Your Committee finds that appropriation is needed for the planning, construction, and equipping of the Progressive Health Care Building which will house a 150-bed care home for the elderly, a day care center for 100 elderly people, and a 100-bed intermediate care facility.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2091-78 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. 289-78 Health on S.B. No. 2125-78

The purpose of this bill is to provide for an appropriation for plans and construction of a new Easter Seal facility in supplement to section 2, I-W-24 of Act 9, First Special Session 1977.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2125-78 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. 290-78 Health on S.B. No. 2135-78

The purpose of this bill is to provide for continued funding of group treatment services provided by Catholic Social Service through a Title XX contract for purchase of post crisis services in cases of child abuse and neglect.

The Department of Social Services and Housing testified that, at their request, Catholic Social Service entered into a contract with them in 1976 to provide group treatment for children and their families in which children were victims of abuse or neglect. The purpose of group treatment is to help families with similar problems in a group setting and help clients to enter into relationships which help restore their self-image and decrease their isolation. The Department of Social Services and Housing further testified that if Catholic Social Service is not able to continue their program a valuable community service would be lost which the Department would not be able to absorb into its own services. The office of Economic Opportunity is the expending agency for this program.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2135-78 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCR Rep. 291-78 Health on S.B. No. 2136-78

The purpose of this bill is to continue a program of providing paraprofessional services to families and children needing protective services due to child abuse and neglect.

These services have been contracted under Title XX by the Department of Social Services and Housing from the Hawaii Family Stress Center. The proposal contained in this bill is that the services continue under contract with Catholic Social Service. The Hawaii Family Stress Center has operated as a demonstration project in this service and has proposed the transfer of this excellent service to Catholic Social Service for on-going operation of the program. The Department of Social Services and Housing endorsed this transfer and testified that Title XX funds are already allocated by the Department to continue the program.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2136-78 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCR Rep. 292-78 Health on S.B. No. 2218-78

The purpose of this bill is to continue the funding of the Protection and Advocacy system established by Executive Order 77-3 in 1977 to conform to Federal Developmental Disabilities requirements.

Your Committee finds that the primary purpose of the Protection and Advocacy system is to provide important linkages between agencies, services and qualified volunteers on behalf of developmentally disabled persons who are moving into the mainstream of society and everyday activities in the community. Your Committee further finds that the Protection and Advocacy system is intended to work out the problems when other services do not function as envisioned on behalf of the individual who is developmentally disabled.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2218-78 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCR Rep. 293-78 Health on S.B. No. 2425-78

The purpose of this bill is to appropriate \$4,648 for the mapping of graves at Kalaupapa Settlement, Molokai.

Your Committee finds that there is a need for updating the existing burial maps at Kalaupapa, Molokai. A system should also be established to record all new burials to keep the maps up to date. The Institution Administrator of the Settlement will be asked to look into setting up a system to maintain the records once the maps have been updated.

Your Committee has amended the appropriation from \$20,000 to \$4,648.

Your Committee on Health is in accord with the intent and purpose of S.B. 2425-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2425-78, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Henderson and Saiki.

SCRep. 294-78 Health on S.B. No. 2554-78

The purpose of this bill is to provide for a grant-in-aid to hospitals in the County of Hawaii for planning, construction and equipment.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2554-78 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. 295-78 Health on S.B. No. 2572-78

The purpose of this Act is to make an appropriation to provide for a grant-in-aid to Serenity House for staff and operations costs, and to expand treatment, education, and outreach projects.

Serenity House is an alcohol and substance abuse treatment facility on Kauai that has been self-supporting since 1973 with support entirely from volunteers, and funds generated from private sector. With more than 20 residential patients a year and increasing outreach services creating the need for a full-time paid staff, for the first time in its history, Serenity House feels it necessary to come to the legislature funds.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2572-78 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. 296-78 Government Operations and Efficiency on S.B. No. 1820-78

The purpose of this bill is to amend the definition of the "financial interest" of an individual so as to enlarge the class to which the definition is applicable so that it includes dependent children, whether they are legal minors or not, and to also include any other dependents of the particular individual.

Another purpose of this bill is to amend section 84-14 to exempt from its operations those board, commission or committee members who are members by virtue of their particular expertise and who take action on matters which affect the particular field generally. In granting this exemption, the bill nevertheless prohibits the particular member from taking any official action whenever it directly and specifically affects a business or undertaking in which the member has a substantial financial interest.

This bill further proposes to make more flexible those provisions controlling contracts being entered into between a state agency and a legislator, employee or a member of a board, commission or committee. This flexibility is in the form of awarding contracts through an open and public process as opposed to a bidding process.

Another purpose of this bill is to require the specific naming, by their official positions, of those individuals who are required to file disclosure statements, and to require the disclosure to cover specifically itemized matters. Those disclosures filed by the governor, lieutenant governor, legislators and department heads will be matters of public record.

Your Committee has amended this bill in several substantive respects:

1. The first is the complete deletion of the exception provision which appears on page 3 of the bill, beginning at line 15 and ending at line 20. Your Committee concluded that it would be more advisable to have a board, commission or committee defer a particular matter until a quorum without the member "in conflict" could be gathered.
2. The second substantive amendment appears on page 11 of the bill. Your Committee has amended the dollar amounts appearing at lines 1 and 11 from \$1,000 and \$5,000 to \$3,000 and \$10,000 respectively. Your Committee concluded that these changes were a more realistic and practical recognition of the present economic conditions.
3. The third substantive amendment to the bill has been made to subsection (f) which appears on page 12. This subsection has been amended to require a more or less exact figure when an amount must be reported and, in the case of stocks, the number of shares as well as the dollar estimated value must be reported. Your Committee is of the opinion that those who are required to make these reports should have no reservations with respect to this specific reporting since their action will be

without conflict to their financial interest.

Your Committee has also made two minor amendments to what appear to be typographical errors. The first appears on line 12, page 9 - the reference to subsection (a) is amended to refer to subsection (b). The second appears on page 12, line 12 - the reference to section 92-4 is amended to refer to section 9251.

Your Committee recommends that the State Ethics Commission thoroughly review the composition of all of the boards, commissions and committees and make positive suggestions for changes whenever the public interest would be served thereby.

Your Committee on Government Operations and Efficiency is in accord with the intent and purpose of S.B. No. 1820-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1820-78, S.D. 1, and referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators R. Wong and Anderson.

SCRep. 297-78 Ecology, Environment and Recreation on S.B. Nos. 1738-78, 1834-78, 1869-78, 1939-78, 1943-78, 1945-78, 1965-78, 2023-78, 2054-78, 2060-78, 2111-78, 2117-78, 2118-78, 2121-78, 2222-78, 2226-78, 2229-78, 2238-78, 2241-78, 2242-78, 2243-78, 2244-78, 2245-78, 2247-78, 2256-78, 2257-78, 2280-78, 2339-78, 2340-78, 2418-78, 2419-78, 2420-78, 2428-78, 2452-78, 2551-78 and 2552-78

The above listed bills all appropriate funds for capital improvement projects involving parks and recreation.

Your Committee on Ecology, Environment and Recreation is in accord with the intents and purposes of these bills and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 298-78 Ecology, Environment and Recreation on S.B. No. 1838-78

The purpose of this bill is to appropriate funds for the extension of Kaunakakai Sewerage System, Molokai, County of Maui.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1838-78 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. 299-78 Ecology, Environment and Recreation on S.B. No. 1975-78

The purpose of this bill is to appropriate funds for the acquisition of 11.115 acres for park purposes located at Hauula, Oahu.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1975-78 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. 300-78 Ecology, Environment and Recreation on S.B. No. 2323-78

The purpose of this bill is to appropriate funds for the importation of game birds including improvements for their propagation in the County of Maui.

Your Committee heard testimony from the department of land and natural resources in support of the bill. The department through its division of fish and game has been cooperating with the county of Maui in the importation and propagation of game birds. During the October 1977 through January 1978 annual game bird hunting season, a good percentage of the mature birds which were banded and released were harvested, according to the division of fish and game, and hunter response to the program has been enthusiastic. In answer to a question, the department's spokesman told the Committee that most of the game birds being imported are pheasants.

Your Committee has made a grammatical change, amending the last word on line 4 from

"its" to "their".

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2323-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2323-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 301-78 Ecology, Environment and Recreation on S.B. No. 2409-78

The purpose of this bill is to amend Section 343-4, Hawaii Revised Statutes by adding to the classes of action for which an environmental impact statement shall be required a new subsection covering all actions proposing any water development or diversion project.

Your Committee heard testimony in support of the bill from the environmental center, University of Hawaii; the Keanae Wailuanui Cooperative Association; and five testifiers who flew in from Maui for the hearing. The Maui group stressed the importance of water and decisions affecting water. Favorable written testimony was received from the Sierra Club and the Maui Aloha Association. The department of land utilization, City and County of Honolulu and the Construction Industry Legislative Organization, Inc. testified they believed the proposed amendment unnecessary. The environmental quality commission testified they were in agreement with the intent of the bill and had no objection as long as there would be a qualification that this would only refer to actions which would probably have significant environmental effects.

Your Committee has accepted this suggestion.

Your Committee has also incorporated the suggestion by the environmental center regarding coverage in agricultural lands. Your Committee has attached the limiting proviso "which will probably have significant environmental effects" to the amendments proposed.

Your Committee has therefore amended the bill by adding the following subsections on page 3:

- (F) All actions proposing any water development or diversion project which will probably have significant environmental effects.
- (G) All actions proposing any use in prime or unique agricultural land which will probably have significant environmental effects.
- (H) All actions proposing any reclassification of land now designated as part of the agricultural land use district which will probably have significant environmental effects.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2409-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2409-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 302-78 Ecology, Environment and Recreation on S.B. No. 2500-78

The purpose of this bill is to appropriate funds for a grant-in-aid to the City and County of Honolulu for the acquisition of the sewer system in Hawaii Kai, Oahu to be matched by the City and County of Honolulu.

Your Committee considered testimony submitted by the department of public works, City and County of Honolulu requesting the State to appropriate the entire amount; requesting an additional State appropriation for the amount necessary to upgrade the sewer system to meet City and County standards and to change the expending agency to the State department of health.

Your Committee has amended the bill to specify that funds appropriated in this bill may be used for the purpose of upgrading the existing sewer system.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2500-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2500-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 303-78 Ecology, Environment and Recreation on S.B. No. 2528-78

The purpose of this bill is to fund studies of chlorofluoromethane (CFM) gases being naturally released into our atmosphere by Kilauea volcano.

Your Committee heard supporting testimony from Makiki Electronics; Dr. Barbara Siegel, Pacific Biomedical Research; and Don Thomas, Hawaii Institute of Geophysics; as well as favorable written testimony from Dr. R. A. Rasmussen, Department of Environmental Technology, Oregon Graduate Center for Study and Research; and Kaiser Aluminum and Chemical Corporation.

The Siegels further reported that their research and monitoring of gaseous emissions of natural geothermal activity such as cones, calderas, vents, fumeroles, lava flows and rift zones have been ongoing on the Island of Hawaii since 1969.

This work has at various times been supported by the National Aeronautics and Space Administration, Cottrell Foundation, the North Atlantic Treaty Organization, the University of Hawaii Foundation and the Hawaii Geothermal Project.

Dr. R. A. Rasmussen's testimony cites volcanic activity on Kilauea and Mauna Loa as a "unique phenomena that offers an unusual opportunity to study systematically and with depth, the type of toxic and nontoxic gases being emitted continuously." He mentions further that this continuous volcanic activity in the geological sense presents a possible unknown health danger to the nearby residents.

The Siegels and Dr. Rasmussen carried out preliminary studies which have shown 20 or more halocarbons including the fluorocarbons in the bases released during the post eruptive cooling of the Kalapana lava flow in November 1977.

Makiki Electronics observed in the last eruption at Kilauea halogenated chemical species at concentrations at high enough levels to register on a general purpose refrigeration leak detector used in industry for fluorocarbon tests.

Several testifiers recommended expanding the proposed study to other volcanic areas in Hawaii as well as at Kilauea.

Makiki Electronics informed the Committee that it would be too restrictive to limit funding to the purchase of equipment and it could lead to costly duplication of equipment. He suggested placing the appropriations in a research fund administered by the University of Hawaii Foundation.

Your Committee in assessing the various statements in support of the bill, noted the desirability of such a study with reference to expanding geothermal activity in the State.

Your Committee has amended the bill by appropriating the sum of \$100,000 for the proposed study and recommends that a search be made for additional funding from sources such as Kaiser Aluminum and Chemical Corporation, the Chemists Association and federal agencies.

Your Committee has further amended the bill in SECTION 2, page 2, lines 13 and 14 by deleting the word "for the purchase of equipment necessary" and line 15 by deleting the word "volcano" and substituting "and volcanoes in" and on line 10, deleting the word "the" before the word "Kilauea", and substituting "and other volcanos in Hawaii" for "volcano".

The expending agency in SECTION 3, page 2, line 17 has been changed from the University of Hawaii to the University of Hawaii Foundation, the advantage being there would be no overhead charges.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2528-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2528-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 304-78 Ecology, Environment and Recreation on S.B. No. 2538-78

The purpose of this bill is to institute a study of the effects of pollution on the flora and fauna of the coastal area between Black Point and the Kapahulu groin and to appropriate funds therefor.

Your Committee heard favorable testimony from the department of health and the department of land and natural resources. The department of health stated, however, that swimming pool discharges are an insignificant part of the total environmental effect upon the flora and fauna of the near shore waters.

Your Committee, therefore, has amended the bill to delete the limitation to swimming pool discharges.

Your Committee further amended the bill on page 2, line 2 by inserting the words "immediate and" preceding "longrange" and line 8 by inserting the words "or other appropriate agencies and individuals" after the word "Division."

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2538-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2538-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 305-78 Ecology, Environment and Recreation on S.B. No. 2543-78

The purpose of this bill is to appropriate funds for the acquisition of 9.063 acres for Hukulau Beach Park at Laiea, Oahu.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2543-78 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 306-78 Ecology, Environment and Recreation on S.B. No. 2621-78

The purpose of this bill is to provide funds for improved access from Kamehameha Highway in the vicinity of Halekou Interchange to the Ho'omaluhia Wilderness Park and Flood Control Dam in order to provide safe access to the recreational area from the standpoint of the residents of the Keapuka subdivision.

Your Committee heard favorable testimony from the department of transportation and from the Windward Action Group. The reference to Halekou Interchange was questioned by the Windward Action Group on the grounds that this interchange was planned for the H-3 Interstate Highway, which may never be built. The department of transportation's director, Dr. R. Higashionna, stated that a portion of the Halekou Interchange has been completed and that the Interchange is mentioned purely as a point of reference.

Your Committee, for clarity, has amended the bill on line 2 by inserting after the word "of" the words "the completed portion of the."

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2621-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2621-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 307-78 Transportation on S.B. Nos. 1734-78, 2221-78 and 1944-78

The purpose of these bills is to fund the construction and improvement of transportation facilities in the third senatorial district.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1734-78, as amended herein in the form attached hereto as S.B. No. 1734-78, S.D. 1, and S.B. Nos. 2221-78 and 1944-78, and recommends that they pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRRep. 308-78 Transportation on S.B. No. 1810-78

The purpose of this bill is to minimize the administrative cost of collecting the state motor vehicle registration fee and the state motor vehicle weight tax.

The bill provides that the state motor vehicle registration fee and the state motor vehicle weight tax shall be paid to the county director of finance together with all other taxes and fees levied in chapter 249, Hawaii Revised Statutes. This will result in the collection of sufficient revenues for the State Highway Fund in a timely and efficient manner. The bill further provides for penalties in case of failure to pay the fee or tax levied. It also eliminates the 6,000 pounds weight limit, and provides credit toward gross motor vehicle fee.

Your Committee on Transportation is in accord with the intent and purpose of S. B. No. 1810-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1810-78, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Taira.

SCRep. 309-78 Transportation on S.B. No. 1811-78

The purpose of this bill is to provide the legal and regulatory structure to encourage and permit local private industry to design, construct, and operate a semi-submersible platform (SSP) ferry as a supplement to the existing barge system.

This bill also seeks \$160,000 to assist in the establishment of a privately owned and operated SSP inter-island ferry system.

Your Committee has amended the bill by deleting section 2.

Your Committee has further amended this bill by deleting section 5.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1811-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1811-78, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Taira.

SCRep. 310-78 Transportation on S.B. No. 2189-78

The purpose of this bill is to encourage private industry to participate in and help solve the State's water borne transportation problems, and to reduce the costs imposed by the State upon interisland shippers of goods.

This bill extends the exemption from use taxes to oceangoing vehicles used for transportation of goods from one point to another within the State, exempts common carriers by water from the Public Service Company tax, and provides guidelines for the setting of charges for wharfage by the Department of Transportation.

Your Committee has amended Section 5 of the bill, section 266-17(b), by rewording the formula for the Department of Transportation to establish such wharfage charges.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2189-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2189-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Taira.

SCRep. 311-78 Transportation on S.B. No. 2193-78

The purpose of this bill is to amend Sec. 279 E-5, Hawaii Revised Statutes, to establish a revolving fund of \$50,000 to support the activities of the Oahu Metropolitan Planning Organization (OMPO).

Your Committee has received testimony indicating that certain situations that have occurred in the past year have indicated the need for a revolving fund to pay daily expenses of OMPO until reimbursements have been made by the various responsible government agencies.

Your Committee has amended the bill by deleting the language in Page 2, lines 4-9, which would have transferred all officers and employees of the Oahu Transportation Planning Program to OMPO.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2193-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2193-78, S.D. 1, and be referred to the Committee

on Ways and Means.

Signed by all members of the Committee.

SCRep. 312-78 Intergovernmental Relations on S.B. No. 1559-78

The purpose of this bill is to make an appropriation for the implementation of a legislative information system.

The Information Needs Committee of the National Conference of State Legislatures in its publication, Comparative Legislative Information Systems: The Use of Computer Technology in the Public Policy Process, observed that the success of developing a legislative information system depends upon the active involvement of the legislative leadership and the creation of some internal organizational mechanism formally charged with electronic data processing application systems.

The control of the Hawaii State Legislature's data processing programs is now in the Office of the Legislative Reference Bureau. Under Section 23G-3, the Bureau is responsible for the control and maintenance of the operations of any legislative data processing program as may be established.

Your Committee has amended the bill to establish a legislative information system in the Office of the Legislative Reference Bureau and to establish guidelines for the system's development.

The amendments incorporate the findings of the Information Needs Committee of the National Conference of State Legislatures by establishing an internal organizational mechanism in charge of legislative data processing and providing for involvement of the legislative leadership in the information system's evolution.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1559-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1559-78, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 313-78 Human Resources on S.B. No. 694

The purpose of this bill is to change the public employer's monthly contribution to the Health Fund for the adult Medical Plan and children's Dental Plan premiums from a currently stated dollar amount to a percentage amount (50% of the adult Medical Plan; 100% of the children's Dental Plan).

Your Committee finds that the original intent of the legislature when it established the medical plan in 1961 was to provide public employees with insurance protection against unexpected illness or accident. The legislature at that time funded \$3 for Self-Only enrollments and \$10 for Family enrollments. These payments by the State amounted to approximately 50% of the total monthly premium cost, and the employees were required to pay any and all the remaining balance. By 1976, the State's contribution had risen to \$10 for Self-Only enrollment and \$30 for Family enrollment in order to keep up with an approximate 50% State funding level of medical premiums.

Your Committee further finds that in keeping with the intent of past legislatures, it is appropriate for the public employers to fund at least half of their respective employees' medical insurance costs. Without a percentage-sharing contribution method, public employees are continuously faced with a financial burden of absorbing any and all medical insurance premium increases. Your Committee notes that the 50% employer-employee premium sharing method as contained in this bill is generally the minimum contribution method among private sector employers.

Your Committee further finds that the employers' contribution to the children's Dental Plan premium should likewise be changed to a total contribution method. Since the plan's establishment in 1966, the legislature has fully funded successive premium increases as they occurred in 1966, 1969, 1972, 1974, 1975, and 1976.

Your Committee has amended this bill to more clearly express its intent without making any substantive changes, and has amended it further to take effect on July 1, 1978.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 694, as amended herein, and recommends that it pass Second Reading in the form

attached hereto as S.B. No. 694, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Taira, R. Wong and Anderson.

SCRep. 314-78 Human Resources on S.B. No. 2620-78

The purpose of this bill is to amend pertinent chapters of the Hawaii Revised Statutes to make funding and administrative provisions to enable recipients of social services to satisfy statutory requirements imposed by state and federal tax and employment insurance programs resulting from the receipt of such services, and to exempt them from statutory requirements under state wage loss replacement programs.

Your Committee finds that the Department of Social Services and Housing provides social service payments for certain in-home child care and domestice services (otherwise known as chore/attendant care/services) to eligible recipients. The department makes direct cash payments to these eligibles who in turn "employ" individuals to perform chore/attendant care services. In recent rulings, however, the State Department of Labor and Industrial Relations and the Internal Revenue Service have classified this type of arrangement as "domestic employment" and have recognized some form of employer-employee relationship between the eligible recipients and the people they "employ" under the auspices of this DSSH program. As far as the Department of Labor and Industrial Relations is concerned, the Employment Security Law, the Worker's Compensation Law, the Temporary Disability Insurance Law, and the Pre-paid Health Care Law all apply to this employer-employee relationship, and thus all pertinent employer contributions should be assessed on and paid for by the eligible recipients because of their "employer" role. The federal government takes the same stand insofar as FICA and FUTA employer contributions are concerned.

Your Committee recognizes that our State has no control over the FICA and FUTA portion of this "employer" contribution problem. However, with this bill, all "domestic employment" as defined under this DSSH chore/attendant care program is excluded from the applicability of any of the State's Employment Security, Worker's Compensation, TDI, and Pre-paid Health Laws. Your Committee has amended this bill to reflect these specific exclusions in each of the foregoing sections of the statutes.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2620-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2620-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Taira, R. Wong and Anderson.

SCRep. 315-78 Housing and Hawaiian Homes on S.B. No. 71

The purpose of this bill is to recodify, with substantive changes, Hawaii's housing laws.

It is your Committee's intent to completely restructure Hawaii's housing laws. Many times, legislation is enacted on a piecemeal basis, without regard for clarity or organization, with administrative and program provisions scattered throughout several chapters. Many times, language enacted years ago becomes archaic or obsolete. Such is the case with much of our housing statutes.

Your Committee has made additions and deletions which are simply transfers of language from existing sections or chapters, made for the purposes of clarifying and consolidating existing law, and a few substantive changes.

Your Committee has amended chapter 356 as follows:

1. Section 356-1 has been amended to delete archaic language, and to delete reference to "low income" in consonance with the Hawaii State Constitutional amendment which was ratified by the electorate in November, 1976.
2. The definitions of "State", "Governor", "Lieutenant governor", "political subdivisions", and "commissioner" in Sec. 356-2 have been deleted since these terms are either defined by general law or are self-explanatory.
3. The definition of "housing project" in Section 356-3 has been amended to delete reference to "persons of low income" as discussed earlier.
4. Section 356-5 has been amended to include the provision in Section 359G-3 allowing the authority to hire persons on a contractual basis where services are "unique and essential."

There is no need for administrative provisions such as staff hiring authority to be scattered among various chapters. Thus, the enabling language in Section 359G-3 has been consolidated into Section 356-5.

The provisions regarding holdover commission members, the filling of vacancies to the commission, the filing of a certificate of appointment of a commission member, and the appointment of an acting commission member have been deleted. Article IV, Section 6 of the constitution of the State, Section 26-34, and Section 26-36 incorporate these provisions as standard procedures; thus, such language in Chapter 356 is now unnecessary.

5. Section 356-6, which confirms the actions of the commission made prior to May 17, 1949, need not be contained in statute. Thus, this provision has been repealed and included in the bill to be set out in the session laws instead.

6. Section 356-7, which requires the authority to comply with statute and contractual provisions, has been deleted as unnecessary.

7. Section 356-8, which requires disclosure of interest and prohibits conflict of interest has been repealed. Chapter 84, the State Ethics Law, enacted under Act 163, SLH 1972, supersedes this section. Chapter 84 applies to all State boards and commissions, offers a more modern approach to conflict of interest problems is more comprehensive, and provides penalties for violation.

8. Section 356-9, regarding the removal of authority commission members, has been repealed. Section 26-34, which delineates general language for removal of members of boards and commission, is adequate.

9. Section 356-10 has been amended for style. Additionally, the powers to construct housing projects, investigate housing conditions, and study and make recommendations concerning the government's plans for providing housing have been deleted from this section and have been transferred to other sections in the chapter.

10. Section 356-11 has been amended to provide that acquisition of real property by exchange shall be in accordance with Section 171-50.

The provision exempting property owned by the authority from "mechanics or materialmen's liens and from levy and sale by virtue of an execution" has been transferred to this section from Section 356-25 which has been deleted under this bill.

The provision exempting the authority from all taxes and assessment has been transferred to this section from Section 356-24.

The provision allowing the authority "to conduct investigations or to make surveys or soundings" has been transferred to Section 356-13 which provides investigatory powers.

The provision regarding procurement of "insurance or guarantees from the federal government of the payment of any debts...secured by mortgages...on...any housing project" has been transferred to Section 356-12.

11. Section 356-12 has been amended by transferring the provisions of Section 358-1, a portion of Section 358-2, and the portion of Section 356-11 mentioned earlier.

12. Section 356-13 has been amended by transferring a portion of 356-10 as mentioned earlier.

13. Section 356-14 has been amended for style.

14. Section 356-16 has been repealed, and the provisions have been transferred to other sections.

15. Section 356-18 has been amended to include the eminent domain provision contained in Section 357-3.

16. Section 356-19, which provides powers for acquisition of real property, and allows the authority to convey title to such property to the government, has been deleted since these powers have been provided in Section 356-11.

17. Section 356-20 has been amended to include the provision in Section 359-64(a).

18. Section 356-12(a) has been amended to include provisions formerly included in Section 356-16. Subsection (b) has been added to transfer provisions contained in Section

356-37.

19. Section 356-22 has been amended as to style.

20. Section 356-24 has been repealed. The provision on exemption from all taxes and assessments has been transferred to Section 356-11(b). The provision exempting bonds from all taxes and declaring issuance as a public purpose has been transferred to Section 356-28(b).

21. Section 356-25 has been repealed. The provision of this section have been transferred to Section 356-11(b).

22. Section 356-27 has been amended by transferring the provision in Section 356-16(3) as subsection (d).

23. Section 356-28(b) has been created by transfer from Section 356-24(b). The provision in 356-28(c) has been created by transfer from Section 356-28(a).

24. Section 356-31 has been redesignated as Section 356-24.

25. Section 356-32 has been redesignated as Section 356-25.

26. Section 356-36 has been repealed since the provision of Section 356-21(6) adequately states the intent.

27. Section 356-37 has been repealed and the provision transferred to Section 356-21(b).

28. Section 356-38 has been repealed and the provision has been transferred to Section 356-12(a)(4).

29. Section 356-15 has been redesignated as Section 356-31.

30. Section 356-17 has been redesignated as Section 356-32.

31. Section 359G-14.1 has been redesignated as Section 356-6.

Section 3 of the bill allows the authority to conduct housing research. Section 356-7(a) encompasses the provisions of Section 356-10; subsection (b) is from Section 359G-14; subsection (c) has been transferred from Section 359G-14.2; subsection (d) is from Section 359G-13.

Section 4 of the bill provides housing counseling. Items (1) and (2) have been transferred from Section 359G-3.1. Item (3) has been transferred from Section 356-16(4). Item (4) has been transferred from Section 356-16(8). Item (5) has been transferred from Section 356-16(5).

Section 5 of the bill provides a new section on development of property. Section 356-15(a) has been transferred from Section 356-11. Subsections (b) and (c) have been transferred from Section 359G-5. Subsection (d) has been transferred from Section 356-16(9).

Section 6 of the bill repeals chapter 357 and 358. All of the provisions of the chapter have been added to sections contained in Chapter 356.

Section 7 of the bill repeals Section 359G-3. Since this administrative hiring provision has been included in Section 356-5, this section is not necessary. It is the intent of your Committee that the authority's ability to contract for staff under the Act 105 program not be affected in any manner by this recodification.

Section 8 of the bill confirms actions taken by past commission members as deleted under Section 356-6.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 71, 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. 71, S.D. 2.

Signed by all members of the Committee except Senators F. Wong, Yim and Anderson.

SCRep. 316-78 Housing and Hawaiian Homes on S.B. No. 72

The purpose of this bill is to provide general fund and general obligation bond funding for the Hawaii Community Development Authority.

Your Committee has amended the bill to delete the general fund financing, provide \$6,000,000 in general obligation bond financing for the authority, and change the effective date of the bill to July 1, 1978.

Your Committee believes that the present costs of producing a physical plan for the Kakaako area will culminate in a future physical environment which will benefit many future taxpayers due to the long life of the facilities being planned. Your Committee understands that similar planning expenditures incurred by a private sector development are ordinarily included in total project costs for the purposes of determining institutional long-term mortgage financing, and for tax purposes must be depreciated on an amortizing basis rather than expensed. Thus, your Committee believes that the utilization of long-term debt for current planning expenditures of the Hawaii Community Development Authority is proper, necessary, and feasible since future taxpayers will benefit more than present taxpayers, and since established private and public policy implicitly support the propriety of such fiscal action.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 72, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 72, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators F. Wong, Yim and Anderson.

SCRep. 317-78 Housing and Hawaiian Homes on S.B. No. 225

The purpose of this bill is to provide an exemption from general excise taxation of all gross proceeds for the construction of housing developed on Hawaiian Home lands.

Section 395G-15 provides a similar exemption from general excise taxation for the construction of residential units developed by the Hawaii Housing Authority under Act 105. Your Committee finds that such an exemption for units constructed on Hawaiian home lands will help maximize the effect of monies appropriated and allocated for development of residential units pursuant to the Hawaiian Homes Commission Act of 1920, as amended, and thereby facilitate the implementation of state policies in this area.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 225 and recommends that it pass Second Reading and be referred to the Committee on Ways on Means.

Signed by all members of the Committee.

SCRep. 318-78 Housing and Hawaiian Homes on S.B. No. 1148

The purpose of this bill is to require full disclosure of pertinent information to prospective purchasers of time sharing programs.

A time sharing program is an arrangement whereby there is a multiple ownership of a residential unit which is generally limited to a specific time period or periods. This bill requires registration and disclosure of information regarding time sharing programs similar to those already required of horizontal property regimes. This would involve the filing of a questionnaire with the real estate commission which would then publish a public report which must be distributed to potential purchasers prior to the signing of a binding contract.

While your Committee is in accord with the necessity for consumer protections by way of public disclosure, it feels that far broader controls may be necessary in order to effectively regulate time sharing programs to the benefit both of purchasers of such programs and the residents of our State. Your Committee shares concerns raised both in testimony and by the Governor in his statement of objections to Senate Bill No. 2197-74, a time sharing measure which was vetoed in 1974. Among these concerns are the effect of time sharing on the tourist industry, its impact on State revenues, its impact upon the construction industry, and the administrative costs which may be borne by the State. Of equal concern to your Committee is insuring that time sharing in no way harms the interests of residential condominium owners by way of increased costs, loss of privacy or unnecessary inconvenience. The rights of such owners may well be affected in buildings which contain both residential and time sharing units.

The justifiable apprehensions of residential condominium owners and complaints received by the office of consumer protection amply demonstrate the necessity of study and regulation in this area, particularly since there are currently no laws governing the development or sale of time sharing programs.

Your Committee, after due deliberation has therefore concluded that this bill represents a necessary first step toward safeguarding the rights of consumers, and may by way of information gathering serve as a basis for future study.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1148 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators F. Wong, Yim and Anderson.

SCRep. 319-78 Housing and Hawaiian Homes on S.B. No. 1953-78

The purpose of this bill is to create a multiple of 2.0 calculating the home exemption amount relating to real property taxes for taxpayers who claim a person aged 60 or older as an exemption for income tax purposes and where such elderly person resides with the taxpayer on the property being exempted.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1953-78 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. 320-78 Housing and Hawaiian Homes on S.B. No. 2084-78

The purpose of this bill is to raise the ceiling on the additional receipts portion of the Hawaiian Homes Commission Act from \$5 million to \$10 million in order to provide a continued source of funds to the department's loan, development and education programs.

The existing ceiling of \$5 million on funds from State cane and water leases transferred into various additional receipts accounts was reached in May, 1976. Since that time, monies earmarked by the Hawaiian Homes Commission Act of 1920 for the benefit of native Hawaiians have reverted to the State's general fund. Your Committee finds that continued funding of loan, development and education programs through cane and water receipts would be both to the benefit of native Hawaiians and in keeping with the intent of the original Hawaiian Homes Commission Act.

Your Committee has amended this bill to provide that the corresponding provisions of S.B. No. 1881-78 or H.B. No. 2170-78, if passed by the legislature, shall be amended to conform to this Act.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2084-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2084-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 321-78 Housing and Hawaiian Homes on S.B. No. 2139-78

The purpose of this bill is to appropriate \$5,000 for the construction of a fence at the Kauiki Housing Project, Oahu.

Your Committee upon consultation with the bill's author and the Hawaii Housing Authority has discovered that the project in question is the Hauiki Housing Project. Section 1, line 5 of the bill has therefore been amended accordingly.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2139-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 322-78 Housing and Hawaiian Homes on S.B. No. 2145-78

The purpose of this bill is to appropriate \$100,000 to Alu Like, Inc. as State matching funds with federal financial assistance for Native American Programs to meet the needs of Native Hawaiians to attain economic and social self-sufficiency under the Native American Program Act of 1914 (ONAP) P.L. 93-644 as amended, Title VIII.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose

of S.B. No. 2145-78 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. 323-78 Housing and Hawaiian Homes on S.B. No. 2146-78

The purpose of this bill is to include residential leasehold condominium units under the "Lessee's Bill of Rights" contained in Part III of Chapter 516, Hawaii Revised Statutes. The "Lessee's Bill of Rights" currently applies only to leased residential lots.

Your Committee believes that the inclusion of residential leasehold condominium units under the provisions of Sections 516-62 to 516-70, Hawaii Revised Statutes is proper. Section 516-62 prohibits a lessor from discriminating against would-be lessees because of race, religion, sex, ancestry, or physical handicap. Section 516-63 allows free assignability of the lease by a lessee under certain conditions. Section 516-64 provides that lease forfeiture be declared only after the lessee has been given written notice and at least thirty days to correct the default. Section 516-65 allows the extension of a lease for the purpose of mortgaging the leasehold interest; Section 516-66 provides the formula for such extension. Section 516-67 requires that a lessor applying for a zoning change notify all his lessees within three-fourths mile of the land proposed to be rezoned at least thirty days before filing the application before any public authority. Section 516-68 provides lessees the right of self-organization, and provides remedies for interference in such self organization. Section 516-69 requires thirty-day notice to lessees by a lessor selling the leased fee interest to the lot to any third party. Section 516-70, which provides for the reversion of leasehold improvements to lessees, has been amended to include a subsection requiring similar treatment for residential leasehold condominium unit lessees.

Your Committee held a public hearing on this bill on February 17, 1978. Testimony was received from the Hawaii Housing Authority and the Hawaii Association of Realtors in favor of the intent of the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2146-78 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. 324-78 Housing and Hawaiian Homes on S.B. No. 2164-78

The purpose of this bill is to provide the Hawaii Housing Authority the power to issue tax-exempt revenue bonds for the long-term financing of certain rental housing projects. The bill authorizes the issuance of revenue bonds in an aggregate amount not to exceed \$22.5 million.

The Hawaii Housing Authority has been informed by the U.S. Department of Housing and Urban Development that the "set-aside" allocation granted for the Section 8 program rental housing units will lapse as of April 30, 1978 unless the Authority secures long-term financing for the rental projects it has proposed under this federal program. To date the Authority has been unable to secure long-term financing for these projects at rates and terms which would make the project feasible.

The Hawaii Housing Authority has testified in favor of the bill and has requested immediate passage in view of the federally imposed deadline. Pursuant to Article VI, Section 5 of the Hawaii State Constitution, the Governor has recommended immediate passage of this bill.

Upon consideration of the bill, your Committee has made the following amendments:

1. The section entitled "Additional powers" has been redrafted as a subsection to section 359G-4 which delineates the general powers and duties of the Authority. Style changes have been made.
2. The section entitled "Revenue bond financing" has been redrafted into two separate sections.
 - a. The first part of the proposed section has been redrafted as an amendment to Section 359G-7, Bond financing. Numerous style changes have been made. Additionally, three substantive amendments have been made.
 - i. The existing statutory restriction on use of dwelling unit revolving fund

moneys for "projects which are receiving no federal assistance in the form of insurance, guarantee, or subsidy" has been deleted. This statutory restriction would preclude the State's equity participation in federal programs such as Section 8, and may impair the Authority's "proprietary control" over such projects. Your Committee believes that maximum utilization of federal funds is necessary and desirable for housing purposes, and has deleted this restriction.

- ii. The second substantive amendment made by your Committee limits the issuance of revenue bonds for projects which will be insured by the federal housing administration and for which the authority has received notification of selection of preliminary proposal under a federal rent subsidy program. Although your Committee has been informed that, as a practical matter, such revenue bond will probably not be marketable without such insurance and subsidy, and that the authority will necessarily obtain such, your Committee believes that such statutory restriction should be imposed to further clarify the intended utilization of such bond issuances.
 - iii. The third substantive amendment to Sec. 359G-7 deletes the proposed additional security for the revenue bonds contained in item (5). Since Article VI, Section 3 of the Hawaii State Constitution defines revenue bonds as being "payable solely from and secured solely by the revenues...of a public undertaking", the Constitutionality of providing additional security is questionable. Thus, your Committee has deleted item (5).
- b. The second part of the proposed revenue bond section has been redrafted into a new section entitled "Revenue bond special fund". Style amendments have been made without substantive change.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2164-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 325-78 Housing and Hawaiian Homes on S.B. No. 2227-78

The purpose of this bill is to make necessary appropriations and allocate other unexpended prior appropriations for improvements to Palolo Housing, Oahu.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2227-78 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. 326-78 Housing and Hawaiian Homes on S.B. No. 2402-78

The purpose of this bill is to provide that 51% of apartment owners may amend condominium association bylaws if such modification or amendment involves the addition of a service provided through a common element and the improvement or addition results in a monthly charge to each apartment owner of \$12 or less.

Your Committee has amended this bill to specify that 51% of the owners of apartments may amend the bylaws if such amendment is necessary for cable television services to apartments, and to delete the \$12 limitation.

In 1970, the Hawaii State Legislature passed the Hawaii Cable Television Systems Law. Section 440G-2, Hawaii Revised Statutes, sets forth the findings of the Hawaii State Legislature with regard to that law to be as follows:

The legislature finds that rapid and orderly expansion of cable television systems would be of great benefit to people throughout the State of Hawaii. Because the need for the further development of cable television service in Hawaii is so pressing, the legislature finds that regulatory power over cable television companies should be vested in the director of regulatory agencies. . . .

Senate Bill 2402-78 is an attempt to comply with the spirit of the Hawaii Cable Television Systems Law in that it attempts to facilitate the installation of cable television services in Hawaii's high-rise condominiums where television reception has traditionally been

marginal.

The proposed amendment to Senate Bill 2402-78 attempts to further limit the applicability of the fifty-one percent exemption to a legislatively endorsed program of cable television system expansion.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2402-78 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2402-78 S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Anderson.

SCRep. 327-78 Housing and Hawaiian Homes on S.B. No. 2406-78

The purpose of this bill is to appropriate \$120,000.00 to provide for the operation of the Council of Housing and Construction Industry, including the hiring of necessary staff.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2406-78 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. 328-78 Housing and Hawaiian Homes on S.B. No. 2414-78

The purpose of this bill is to allow the State Employees Retirement System to make residential mortgage loans insured by private mortgage insurance companies, and to increase the maximum amount made under an eighty per cent value loan from \$50,000 to \$75,000.

Your Committee received testimony from the Hawaii Housing Authority and the State Employees Retirement System. The Authority testified that the proposed amendments are "very realistic". The Retirement System stated that they had no objection to raising the loan ceiling on an 80% loan, but objected to the investment in private mortgage insurance loans.

Your Committee believes that providing the system the flexibility of investing in residential mortgages secured by private mortgage insurance will assist prospective homeowners in attaining homeownership, and thus, has retained the provision allowing investment in mortgages with private insurance.

Your Committee has amended the bill to provide that only insured residential mortgages be included as investments. Additionally, your Committee has made style and other non-substantive amendments to the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2414-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 329-78 Housing and Hawaiian Homes on S.B. No. 2415-78

The purpose of this bill is to permit and encourage savings and loan associations in the State to utilize the concepts of alternative mortgage instruments to qualify more residents for residential mortgage loans and to assist the elderly in meeting living costs while retaining their homes.

For the past forty years most home purchases have been financed by long-term, fixed rate, equal monthly payment, fully amortizing mortgage loans, commonly called direct reduction mortgages, which worked well in times of fairly stable interest rates and little or no anticipated inflation. Current housing costs coupled with higher interest rates have risen at a faster rate than personal income increases, and most individuals cannot qualify for a mortgage loan either due to the qualifying income ratio imposed by the lender or their own desire not to exceed certain monthly payment amounts. The alternative mortgage instrument, which allows lenders to accept loan repayments at lower monthly payments during the early years of the mortgage and gradually increasing payments which level off during the later years of the loan, would help these individuals.

Another group of people which would benefit from the alternative mortgage instrument are the elderly homeowners who have no mortgage or a small mortgage balance on their

home. Since elderly homeowners are usually on fixed incomes while living costs increase, this type of mortgage would allow them to supplement their incomes. These elderly persons would normally not qualify for a mortgage loan, but the reverse mortgage instrument would allow them to borrow on their equity rather than be faced with the alternative of selling the home.

The reverse mortgage instrument provides for a mortgage loan to be disbursed in monthly increments with interest charged on disbursements. Each disbursement would be an interest payment to the lender and tax-free income to the borrower.

The purpose of this bill is to exempt alternative mortgage instruments from the State usury law to allow local lenders to offer such mortgages. The bill requires the State bank examiner to adopt rules regulating the use of such alternative mortgage instruments.

Your Committee received testimony from the Hawaii Housing Authority, the Hawaii League of Savings Associations, and the Mortgage Bankers Association of Hawaii in favor of the intent of the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2415-78 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. 330-78 Housing and Hawaiian Homes on S.B. No. 2470-78

The purpose of this bill as amended is to set aside \$10,000,000 from the dwelling unit revolving fund for the financing or development of housing projects for elderly persons.

There exists an increasing need for the State to provide decent and affordable shelter for our elderly persons. Act 224, SLH 1976, provides for the sale of general obligation bonds for these purposes, however, your Committee feels that the current fiscal situation and debt ceiling makes such a sale inadvisable at this time. Your Committee has therefore set aside from the existing dwelling unit revolving fund \$10,000,000 to be used for the development of elderly housing.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2470-78, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2470-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 331-78 Housing and Hawaiian Homes on S.B. No. 2471-78

The purpose of this bill is to amend existing appropriations for Hawaii housing authority housing projects in order to broaden the scope of these appropriations and provide for their allocation.

Your Committee has amended this bill by deleting item 2 of section 3, amending an appropriation for Kamehameha Homes, since these monies have already been expended.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2471-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2471-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 332-78 Housing and Hawaiian Homes on S.B. No. 2581-78

The purpose of this bill is to amend Hawaii's Horizontal Property Regime laws to assure equitable condominium management and governance, and to provide for additional protections to prospective condominium purchasers.

Many of the amendments proposed in this bill reflect concerns addressed in a similar measure introduced during the 1976 legislative session. Since that time, many of the proposals recommended in the measure have been adopted into law. In addition, pursuant to a legislative request, the Real Estate Commission, Office of Consumer Protection and Legislative Reference Bureau have produced a comprehensive discussion of the problems in the condominium field which provided your Committee with a realistic basis from which to assess many

of the recommendations contained herein.

Your Committee has therefore amended this bill as follows:

Section 514A- Civil penalty, has been deleted since the provisions of the amendment have already been adopted into law under Section 514A-49.

Section 514A- Real estate commission, hearing, announcement, has been deleted. Although it is your Committee's intent that the commission hold such public hearings, it feels that the frequency and scheduling of such hearings should not be restricted by statute, but should rather be based on need and handled through the commission's rules.

Section 514A- Projection of annual expenses, engineering report. This section would require the developer to provide purchasers with a two year projection of annual expenditures necessary to operate and maintain the common elements of the condominium project, and an annually updated engineer's report on the condition, rate of depreciation and remaining useful life of structural, mechanical and supporting elements. Because the maintenance fee projection is already established in law under the disclosure requirement of section 514A-61 and the engineer's report may prove to be a very costly item the expenses of which will ultimately be passed on to the consumer and effectiveness of which has not yet been clearly demonstrated, this section has been deleted. Amendments to Sections 514A-40 and 514A-84 which would have required that these projections be included in the final and public reports have also been deleted.

Amendments to Section 514A-89 Certain work prohibited, which would have included owners of any commercial areas in a condominium project under the restrictions of this section has been deleted since owners of commercial apartments already fall under the definition of apartment owners in section 514A-3 Definitions.

Amendments to Section 514A-15 would provide for the apportionment of expenses for limited common elements by "use" of each owner. Testimony has indicated that although the intent of this amendment is laudable, determination of use by individual apartment owners would in many condominium developments be virtually impossible thereby making the apportionment recommended herein unworkable. Amendments to this section have therefore been deleted.

Regarding the application of legislation to existing condominiums, the above-mentioned study noted that:

It is well settled that the constitution, rules, and bylaws of an unincorporated association constitute a contract between members which courts will enforce. Article I, section 10 of the United States Constitution prohibits a state from passing a law impairing obligations of existing contracts. The obligation of a contract is impaired by a statute which alters its terms by imposing new conditions or dispensing with existing conditions, or which adds new duties, releases or lessens any part of the contract obligation or substantially defeats its end.

Based on the foregoing, an amendment to Section 514A-81 requiring existing condominiums to amend their bylaws to conform to new legislative acts, has been deleted. Your Committee has, however, requested an opinion from the attorney general to definitively substantiate the study's judgment.

Section 514A-82 (12) has been amended to establish one hundred eighty days after a recordation of the first apartment conveyance as the latest date of the first association meeting.

Section 514A-82 (26) has been amended to require that association members be notified of all board meetings and to allow them to appear before the board to present problems and complaints and to remain present for the discussion and resolution of such matters.

Section 514A-82 (31), (35) and (36) have been deleted since the protections contained therein are already in existing law.

Section 514A-82 (32) has been amended to require directors to purchase liability insurance only if feasible and available since testimony has indicated that such insurance may be prohibitively expensive or unavailable. Item (33) has been amended to require that boards of directors and managing agents solicit bids on all expenditures of over \$1,000.

Recommended amendments to Section 514A-84 have been deleted. Your Committee feels that the issue of qualifying property managers is deserving of further study and that the bidding requirements of subsection (b) are substantially addressed in amendments to Section 514A-82 (33).

Amendments to Section 514A-85 have been deleted since its adoption may cause an undue and unnecessary hardship on small condominium developments.

Section 514A-70 has been amended to delete the requirement that ten percent of the cost of common and limited common elements be deposited into an escrow account. Your Committee feels that the potentially detrimental effects of requiring such an account deserve further study. Your Committee has also deleted subsection (b) requiring a one-year warranty covering elements within individual units from the time of initial occupancy of each apartment because such a warranty could well run beyond the normal warranty period provided by either the contractor or manufacturer, in which case the cost would ultimately be passed on by the developer to the apartment owners. Your Committee finds that such a warranty for elements for individual apartments could be better dealt with through negotiations between the developer and prospective owner.

Amendments to Section 514A-45 have been deleted since your Committee has received no indication as to their intent or necessity.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2581-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2581-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Anderson.

SCRep. 333-78 Judiciary on S.B. No. 1626-78

The purpose of this bill is to appropriate moneys out of the general revenues of the State of Hawaii in the total sum of \$226,868.55 to compensate 162 victims, 26 attorneys, 21 doctors, 5 mortuaries and hospital (16 cases).

Your Committee finds that the sums shall be deposited in the Criminal Injuries Compensation Fund to be applied to making payments as authorized by the Criminal Injuries Compensation Commission.

Your Committee amended the bill by inserting the names of persons to be compensated and the amounts such persons are to receive.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1626-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1626-78, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 334-78 Judiciary on S.B. No. 1767-78

The purpose of this bill is to amend Act 11, Special Session Laws of Hawaii, 1977.

Following hearings at which testimony on the recommended expenditures for the various programs of the Judiciary was received, your Committee carefully examined the supplemental requests made by the Judiciary.

As a result of such examination, your Committee amended the bill as follows:

1. At page 2, item number 1 of the bill, under the program heading Supreme Court Operating, delete 30.00 and 717,666A under the column designated FY 1978-79 and 1,414,773A under the column designated Total biennium 1977-79 and insert in lieu thereof, 29.00*, 701,895A and 1,399,002A, respectively.
2. At page 2, item number 3 of the bill, under the program heading Circuit Courts Operating, delete 219.00 and 4,809,428A under the column designated FY 1978-79 and 9,208,856A under the column designated Total biennium 1977-79 and insert in lieu thereof, 201.50*, 4,502,923A and 8,902,351A, respectively.
3. At page 2, item number 4 of the bill, under the program heading Family Courts Operating, delete 199.50* and 3,854,324 under the column designated FY 1978-79 and 7,503,120A under the column designated Total biennium 1977-79 and insert in lieu thereof, 196.50*, 3,763,152A and 7,411,948A, respectively.
4. At page 2, item number 5 of the bill, under the program heading District Courts Operating delete 303.00* and 4,744,946A under the column designated FY 1978-79 and 9,135,539A under the column designated Total biennium and insert in lieu thereof, 302.00*, 4,727,660A and

9,118,253A, respectively.

5. At page 3, item number 6 of the bill, under the program heading Administrative Director Services Operating, delete 43.00* and 1,651,346A under the column designated FY 1978-79 and 2,669,731A under the column designated Total biennium 1977-79 and insert in lieu thereof, 38.00*, 1,596,406A and 2,614,791A respectively.

6. At page 3, item number 9 of the bill, under the program heading Hawaii Criminal Justice Information System Data Center Operating, delete 13.00* under the column designated FY 1978-79.

Your Committee is well aware of the deficit position of the State, and accordingly your Committee denied those requests of the Judiciary for positions and monies which it felt was not absolutely needed to maintain the present level of services and operations of the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1767-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1767-78, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 335-78 (Majority) Judiciary on S.B. No. 1925-78

The purpose of this bill is to continue the operation of the Hawaii Crime Commission, to assure its independence, and to clarify aspects of the commission's powers and operation.

Your Committee finds that, because of widespread public concern about crime, especially about organized crime; because of widely recognized problems in the effective operation of the criminal justice system; and because of the crime commission's recently demonstrated success in the impartial and thorough study of criminal activity and the criminal justice system, there is a continuing need for a crime commission, whose members are citizens.

The Hawaii Crime Commission will be continued for an eighteen-month period with a budgetary appropriation of \$135,000. To assure the independence necessary to effectively and impartially study criminal activity and the criminal justice system, the chairman is to be appointed by two-thirds vote of each house in joint session.

This bill further clarifies and amends the law governing the operation of the commission in order to make the commission more effective in performing its duties.

This bill allows the chairman to vote in case of a tie in order to prevent tie voting, especially in the executive committee, which has only two members other than the chairman.

Another provision requires that state agencies make available data to the crime commission. Data on criminal activity, law enforcement, and the operation of the criminal justice system are necessary to the commission's performance of its statutory duties, in order to study and make recommendations regarding criminal activity and the criminal justice system. Where other state agencies have such data, it would be a waste of limited resources for the crime commission to collect by itself the same data.

Another clarification of the law allows the commission to use funds donated by the private sector. An opinion issued by the State Ethics Commission approved the use of private funds for the crime commission to finance a survey of public opinion. This bill clarifies the legality of using private donations as long as it does not violate other state laws or regulations. This provision is not intended to affect the application of other laws controlling the use of private funds by state agencies.

This bill also clarifies the commission's power to investigate. This power is probably inherent in the previously granted power to study crime and the criminal justice system. Study usually involves investigation to determine the facts of individual instances in order to generalize and recommend changes in the system. This provision is merely a clarification of the power to study.

This bill also allows the crime commission to meet and hold hearings in executive session when necessary to the effectiveness of a study or investigation. The investigation of crime involves confidential information that, if known, can reduce the effectiveness of an investigation. This provision is a recognition of the need for confidentiality until an investigation is completed.

This bill also clarifies the commission's right to subpoena evidence not in connection

with a public hearing. This provision is designed to preserve the confidentiality of investigations until they are completed and the results and recommendations can be reported to the legislature.

Finally, this bill also provides civil immunity for commission members and staff in the performance of their duties. The study of crime and the operation of the criminal justice system inevitably results in the discovery of persons, groups, or institutions involved in criminal activity or not working effectively within the criminal justice system to prevent criminal activity. The commission has the statutory duty to report to the legislature and the public regarding such persons, groups, or institutions. Without civil immunity the commission could be faced with defamation actions and awards for performing its statutory functions.

Your Committee on Judiciary adopted the recommendation of Senate Bill 2014-78 requiring the chairman of the crime commission to be appointed by two-thirds vote of each house in joint session and providing that the chairman be compensated at the rate of \$100 for each commission meeting at which he or she presides. Section -2 of the bill was amended to provide for the appointment of the chairman for two-year terms, subject to reappointment, and to allow the removal of the chairman by two-thirds vote of each house in joint session.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1925-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1925-78, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Takitani.
Senators Ching, George and Saiki did not concur.

SCRep. 336-78 Judiciary on S.B. No. 2496-78

The purpose of this bill is to correct an inequity in the application of the general excise tax on commissions of insurance general agents, subagents, and solicitors.

Your Committee finds that reducing the excise tax rate to .15 percent for insurance general agents, subagents, and solicitors will provide a more equitable means of taxing the insurance profession. At the present time, those in the insurance profession are taxed at same rates as other taxpayers. Unlike other taxpayers however, those in the insurance profession are forbidden by law from passing on the tax burden in part to their customers. Changing the tax rate to .15 percent for general agents, subagents, and solicitors will subject the insurance profession to the same actual tax burden as other taxpayers not so restricted from passing on the burden.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2496-78 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. 337-78 Judiciary on S.B. No. 2559-78

The purpose of this bill is to allow State and county employees who are elected as delegates to the Constitutional Convention to either take leave without pay and receive the salary permitted delegates or to take vacation with pay in lieu of such salary.

Your Committee finds that State and county employees might be more inclined to serve as delegates to the Constitutional Convention if they were given the options set forth in the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2559-78 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. 338-78 Judiciary on S.B. No. 2605-78

The purpose of this bill is to amend Section 465-12, Hawaii Revised Statutes, to allow the Board of Certification for Practicing Psychologists to set the fee for examination in accordance with Chapter 91, Hawaii Revised Statutes.

Your Committee finds that the costs to examine the qualifications of persons desiring a certificate authorizing them to engage in the practice of psychologist has increased to a sum greater than \$60. This sum may go even higher. Accordingly, your Committee

has amended the bill to set the examination fee at \$75.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2605-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2605-78, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 339-78 Consumer Protection on S.B. No. 1555-78

The purpose of this bill is to discontinue the providing of free no-fault insurance coverage for public assistance recipients through the joint underwriting plan.

Upon further consideration, your Committee has concluded that the replacement of existing coverage with a group insurance policy for those persons receiving public assistance would be fair and equitable. Therefore, the bill has been amended by inserting a new section which sets forth such a program.

In essence, the program requires the Department of Social Service and Housing to secure a group no-fault policy; it requires said department to keep down the profit which is to be secured by an insurance company in issuing such a policy; and to assist the public assistance recipient in securing his or her automobile license.

The bill was also amended by deleting section 2 since the proposed amended was already enacted by Act 166, SLH 1977, and inadvertently overlooked. There were certain other minor clerical amendments made to the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1555-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1555-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 340-78 Consumer Protection on S.B. No. 1658-78

The purpose of this bill is to disqualify owners as registrants of both insured or uninsured motor vehicles from assigned claims eligibility. The intent of the Legislature in establishing the Assigned Claims Program was designed to serve as an avenue of last resort for those innocent injured victims who have no appropriate no-fault policies available, such as the hit-skip victim who may not own a car. It was not intended to admit insured individuals who declined to purchase appropriate first party protection made available to them. This proposed amendment corrects the loophole and clarifies the eligibility requirements of the program.

A further purpose of this bill is to allow the Joint Underwriting Plan or any insurer to whom the claim is assigned, a right of subrogation to the rights of the claimant. This proposal would alleviate some of the cost burdens being absorbed by the Plan, inasmuch as there are no premiums collected to fund the program. This amendment would also aid compulsory insurance enforcement activities by making it as uneconomical as possible for any uninsured motorist.

Your Committee, after much consideration of the recommendation made by the Motor Vehicle Insurance Commissioner, has amended the bill so as to amend Section 294-5, in order to make certain that no-fault benefits paid to surviving spouses and dependents are in no way reduced on account of any social security or workers' compensation benefits received.

Your Committee found it necessary to correct what appears to be a clerical error which appears at page 2, line 15. The phrase "or any passenger" was inadvertently omitted after the word "operator".

Your Committee believes that through regular review and reevaluation of the Hawaii No-Fault Law, the no-fault system will remain relevant and meaningful in protecting the interest and welfare of Hawaii's consumers.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1658, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators R. Wong and O'Connor.

SCRep. 341-78 Consumer Protection on S.B. No. 1747-78

The purpose of this bill is to discontinue the student discount in connection with a no-fault policy and to institute that discount for senior citizens purchasing such a policy.

From the testimony presented at your Committee's hearing, the conclusion is inescapable that there is no actuarial justification for the student discount. The evidence presented show that youthful drivers have a disproportionately higher number of accidents as compared to older drivers in terms of miles driven. On the contrary, the senior citizen is more logically the subject of a discount on the premium of a no-fault policy.

Your Committee, after thorough examination of all testimonies presented, has concluded that many of our senior citizens are on fixed income and are in much need of assistance to help defray their many expenses. In repealing the student discount, it is not the intent of your Committee to place undue hardships on our many student drivers. The Motor Vehicle Insurance Division testified that youthful drivers, by the statutory elimination of such factors as age, sex and marital status, already experience a rate reduction.

Your Committee has amended the bill by excluding the proposed term "for no-fault benefits" so that discounts for senior citizens will provide for the total no-fault policy instead of only on the no-fault portion.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1747-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1747-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 342-78 Consumer Protection on S.B. No. 1954-78

The purpose of this bill is to refine the measure passed by the 1977 legislature, by including the circumstance where a car is brought into a licensed dealer or licensed repair shop for servicing in addition to repair work. In this circumstance, the No Fault Coverage on the vehicle brought in for repair or service goes with the user or a loaner, or temporary substitute vehicle, provided that it is made available free of charge.

After the law was enacted, there were some confusion with respect to service and repair and the providing of a temporary substitute vehicle under such circumstances.

Your Committee has adopted minor amendments to this bill to better clarify the intent and purpose of this bill. We have also adopted other minor amendments to make style changes to the original bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1954-78 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1954-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators R. Wong and O'Connor.

SCRep. 343-78 Consumer Protection on S.B. No. 2075-78

The purpose of the bill is to enable the appealing of certain board of review decisions relative to real property assessments notwithstanding the apparent failure on the part of concerned property owners to meet the procedural requirements of refiling their appeals.

Your Committee finds that from the facts presented to it, a substantial and significant cause for the procedural failure was on the part of the State Department of Taxation. This came in the form of an interpretation of Act 228, SLH 1976, as being a change in the assessment. Such an interpretation would than necessitate the refiling of tax appeals by the taxpayers concerned herein. This they failed to do and this is where your Committee feels an inequitable situation exists.

Your Committee on Consumer Protection has considered the said bill and recommends that it pass First Reading by title, in the amended form attached hereto, be printed 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 O'Connor.

SCRep. 344-78 Consumer Protection on S.B. No. 2606-78

The purpose of this bill is to amend Chapter 437 Hawaii Revised Statutes to: (1) limit the responsibility of licensed motor vehicle dealers for their employees and agents, (2) increase the bonding requirements for new and used motor vehicle dealers on the neighbor islands, and (3) empower the motor vehicle industry licensing board to levy fines against licensees who violate the licensing law or rules. The bill also amends Chapter 286 to limit the liability of licensed motor vehicle dealers who comply with the Highway Safety Law by properly effectuating the transfer of motor vehicle documents by and on behalf of their customers.

By deleting the word "strictly" from Section 437-15, Hawaii Revised Statutes, there is a fair balance of responsibility between dealers and their agents and employees.

Section 437-17, Hawaii Revised Statutes, is amended so that neighbor island dealers are aligned with the Oahu dealers and the discrepancy in the law is corrected.

The powers given to the Motor Vehicle Industry Licensing Board are strengthened with the amendment in Section 437-28, Hawaii Revised Statutes, so that it is hoped a better enforcement of the Statutes will exist, while also serving as a deterrent to the potential violators.

The amendment in Section 286-52, Hawaii Revised Statutes, will give motor vehicle dealers the same protection from civil and criminal liability with the addition of a new subsection.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2606-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 345-78 Health on S.B. No. 1752-78

The purpose of this bill is to repeal Section 46-14, Hawaii Revised Statutes, thus enabling those jurisdictions responsible for the provision of ambulance services to either continue to provide free service or charge reasonable fees.

Due to nearly universal coverage of health insurance for residents of the State under the mandated prepaid health care law, your Committee on Health finds that 95 per cent of the people of the State will not have to look to or use additional resources not already available to them to receive the benefits of Hawaii's advanced emergency medical services system.

It is the intent of your Committee on Health that no unit of state or county government, in the case of an emergency, shall deny ambulance service to any person unable to pay, or make any inquiry regarding ability to pay prior to the rendering of ambulance service to the person in need thereof. It is the expressed intent of the committee that this principle be closely adhered to in all emergency situations.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1752-78 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. 346-78 Health on S.B. No. 1978-78

The purpose of this bill is to increase funding requirements to meet the costs of substance abuse program services through the generation of alternative sources of funds. Serious attention has focused on the principle of dedicated alcohol taxation.

Your Committee finds that, based on past sales and tax collection data, the proposed tax increase of 5% earmarked for comprehensive prevention treatment and rehabilitation could generate approximately \$4 million for Hawaii's substance abuse treatment services.

Your Committee further finds that the proposed 5% dedicated alcohol tax could generate sufficient funds for federal fund matching requirements and direct services for both alcohol and drug services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1978-78 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 Ching.

SCRep. 347-78 Health on S.B. No. 2050-78

The purpose of this bill is to provide for an appropriation sufficient to cover the addition of 20 staff positions at Kauai Veterans Memorial Hospital and 16 staff positions at Samuel Mahelona Memorial Hospital.

The 20 staff positions requested for Kauai Veterans Memorial Hospital are necessary to staff the new areas and services associated with the completion of Phase I of the building program underway at the hospital. The new portion of the hospital which is scheduled to begin operations in early April of 1978, consists of business offices, pharmacy, laboratory, x-ray, central supply, two operating suites, a new emergency department, medical records, and a six-bed intensive and coronary care unit. Sufficient staffing [will be] is essential for the delivery of good patient care at Kauai Veterans Memorial Hospital.

The 16 staff positions for Samuel Mahelona Memorial Hospital are necessary to provide adequate care and treatment for the psychiatric patients at this hospital. Samuel Mahelona Memorial Hospital is designated as the hospital to provide psychiatric services for the County of Kauai but is unable to obtain a staffing grant from the National Institute of Mental Health due to noncertification because of inadequate facilities and staffing. To meet, maintain and provide the essential psychiatric services required by this program, and to be in compliance with Hawaii's mental health law, 15 positions are needed to staff the psychiatric unit. One registered pharmacist is required to comply with Chapter 12 of the State of Hawaii, Health Regulations.

Your Committee has amended the bill to correct a typographical error on line 5.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2050-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2050-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ching.

SCRep. 348-78 Health on S.B. No. 2092-78

The purpose of this bill is to make an appropriation of \$47,208 to the Department of Health to be expended for the work activity program of the Lanakila Rehabilitation Center, a program for severely disabled adults to help them achieve economic independence through gainful employment.

Your Committee finds that this work activity program serves a gap group of severely developmentally disabled persons who have no alternative but this program because, not being former patients, they do not qualify for Waimano Training School and Hospital programs and they are not yet ready for advance programs provided by the Division of Vocational Rehabilitation.

Your Committee further finds that the Department of Health Education and Welfare funding will stop on June 30, 1978 for this successful, three-year-old program. With an appropriation, the Lanakila work activity program will be able to continue training people to move into gainful employment.

Your Committee has amended the bill by replacing the words "adults from the Kalihi-Palama" with the words "adults, giving first priority to residents of Kalihi-Palama," in line 5 and replacing the words "social services and housing" with the word "health" in line 8.

Your Committee concurs with the intent and purpose of S.B. No. 2092-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2092-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Ching and Nishimura.

SCRep. 349-78 Health on S.B. No. 2116-78

The purpose of this bill is to appropriate \$5,000 for fiscal year 1978-79 for the maintenance of the Veterans Cemetery on the island of Hawaii.

The State of Hawaii subsidizes the neighbor islands in the care and maintenance of veterans cemeteries. In 1974, the State of Hawaii identified approximately seven acres of state

land to be transferred to the County of Hawaii for an additional veterans cemetery.

Your Committee finds that the care and maintenance cost for the veterans cemetery will increase from \$12,934 to \$19,744. The Department of Health already has \$7,500 appropriated to this function. The County of Hawaii seeks a subsidy of \$12,500; therefore, an additional appropriation of \$5,000 is needed from the State Legislature.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2116-78 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. 350-78 Health on S.B. No. 2324-78

The purpose of this bill is to appropriate \$25,000 to the Maui Health Center.

Your Committee finds that the appropriation is needed to install humidity control equipment for the laboratory at the Maui Health Center including plans for extension of the facility.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2324-78 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 Ching.

SCRep. 351-78 Health on S.B. No. 2382-78

The purpose of this bill is to provide an appropriation for the continuing education and training of emergency medical services personnel from the Neighbor Islands in the techniques of advanced life support emergency medical care.

Your Committee on Health finds it necessary and desirable to subsidize the transportation, subsistence and per diem expenses of certain advanced life support emergency medical personnel from the Neighbor Islands to receive their training on Oahu where sufficient real life clinical emergency experience can be gained under the supervision of highly trained and experienced emergency medical professionals. Your Committee further finds that this training program will be most effective if conducted within our state emergency medical services system to maximize upon the opportunity to develop communication and trust between the physician and the advanced life support personnel who is called upon to be an extension of the physician at the scene of the accident or illness.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2382-78 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 Ching.

SCRep. 352-78 Health on S.B. No. 2383-78

The purpose of this bill is to appropriate \$500,000 to complete and maintain the statewide Medicom system and to implement a "911" emergency phone system on Maui and Kauai.

Your Committee finds that Medicom, medical radio communication with a physician, is an ultrahigh frequency microwave communication which enables a paramedic at the scene of an accident or illness to communicate and receive orders from the hospital based physician. The paramedic is thus able to become an extension of the physician increasing the patients' chance of survival or improved chance of recovery.

Your Committee further finds that the medical communications system is complete for the island of Oahu and is capable of transmitting voice and such physiological data as telemetered electrocardiograms from the scene of an emergency or the ambulance directly to the emergency room of the hospital. The completion of the statewide Medicom system will enable the prolongation of life and decrease suffering of the people on the Neighbor Islands, just as it has been possible for the residents of Oahu.

Your Committee further finds that the extension of the "911" emergency phone system to Maui and Kauai will greatly enhance the efficiency of the emergency medical services delivery to the residents of those islands. It is a universal telephone number which gives the public easily called, direct access to an emergency answering and call-routing center thus reducing emergency response time and increasing public confidence in the ability of emergency resources to respond to their needs.

Your Committee further finds that implementation of "911" for Hawaii county is not economically feasible at the present time, but shall become feasible with the planned installation, in 1981, of a electronic switching center in Hilo.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2383-78 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 Ching.

SCRep. 353-78 Health on S.B. No. 2387-78

The purpose of this bill is to provide for an appropriation for the period of July 1, 1978 - June 30, 1979 to enable the Hawaii Medical Association - Emergency Medical Services Program to continue for one year until funds for the program are secured.

Your Committee on Health finds that the HMA-EMS program is nationally recognized for excellence. Dr. David Boyd, national director of the Emergency Medical Services Division of the U.S. Department of Health, Education, and Welfare, during his recent visit in Hawaii reported that:

- 1) Honolulu has one of the top emergency medical service in the country and should lead a statewide emergency medical services plan;
- 2) Honolulu cannot expect to have its own paramedic program funded forever by the federal government and that the HEW grant money expended thus far for the City and County of Honolulu program was provided as start-up money and will not be available after July 1, 1978;
- 3) the HMA-EMS program operating currently in the City and County of Honolulu can provide the expertise to aid in the implementation of an emergency medical services plan for the entire State perhaps qualifying for as much as \$2.4 million in federal dollars to be spent largely for the development of the neighbor islands program;
- 4) Additional Federal HEW grant money would not be available for at least one year; and
- 5) the HMA-EMS personnel, working in Honolulu, have made a tremendous investment which should be applied to the neighbor islands program.

Your Committee on Health further finds that through the provision of federal and local grants, amounting to nearly 4.5 million dollars over the past seven years, the residents of the City and County of Honolulu have benefited tremendously from the Hawaii Medical Association Emergency Medical Services program. This has been possible only through the cooperative work of the Hawaii Medical Association and HEW in conjunction with the City and County of Honolulu.

Your Committee on Health further finds that the residents of the City and County of Honolulu have been the beneficiaries of this innovative program and that the City and County of Honolulu has a moral, if not legal, obligation to contribute a proportionate share of the costs of maintaining the current level of services provided by HMA-EMS and to jointly participate in an effort to keep the program intact until such time as other sources of funding are available.

Your Committee on Health has made a minor word change on line 17 of page two and amended the wording of lines 7-12 to read, "The legislature further finds that an interim appropriation of one-year's duration is needed to further develop the program on the Neighbor Islands through providing technical assistance in all aspects of the development of a comprehensive statewide emergency medical services system."

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2387-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2387-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ching.

SCRep. 354-78 Health on S.B. No. 2411-78

The purpose of this bill is to make an appropriation of \$25,000 to the department of health to provide funds to continue two clerical positions within the Central Oahu

Community Mental Health Center for fiscal year 1978-79.

Your Committee finds that following the deinstitutionalization of the Hawaii State Hospital, the urgency of delivering services which are accessible in communities where clients live brought on the establishment of satellite mental health facilities. The rapid growth of the Central Oahu Community Mental Health Center and its clerical workload requires continued permanent clerical support.

Your Committee has amended the bill on page 1, line 2, by replacing the word "provide" with the word "continue" and deleting the word "additional"; page 1, line 3 by inserting the word "Community" between the words "Oahu" and "Mental"; and on page 1, lines 3 to 8, by deleting these two sentences: "One of the two positions is for the Central Oahu Community Mental Health Center (administration) and the second at the Pearl City Counseling Service. Currently, neither the center administration nor the Pearl City Clinic possess permanent clerical support."

Your Committee has further amended the bill on page 2, line 3 by replacing the words "clerk-stenographer" with the word "clerical."

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2411-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2411-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Nishimura and Henderson.

SCRep. 355-78 (Majority) Judiciary on S.B. No. 2594-78

The purpose of this bill is to appropriate \$3,500,000 for the payment of a settlement between Mark Construction, Inc., and the State of Hawaii of Civil Nos. 38134, 44113 and 45060. These three civil actions were filed to recover damages totaling \$12,000,000 allegedly suffered as a consequence of construction of three separate federal-aid highway projects for the Department of Transportation.

Your Committee finds that the State may be subject to substantial liability exposure if it had litigated these cases to final judgment. Due to the complex nature of the three cases, the substantial exposure of liability, and the extensive time and cost which would be expended to continue litigation, your Committee finds it is in the best interest of the State to appropriate the funds necessary to pay for the settlement.

Your Committee recommends that for purposes of clarification, this bill be amended to reflect that appropriations would be made out of general obligation bond funds rather than reimbursable general obligation bond funds, and that debt service costs would be paid out of the State Highway Fund.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2594-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2594-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Kawasaki and Taira. Senators Chong and Leopold did not concur.

SCRep. 356-78 Judiciary on S.B. No. 2463-78

The purpose of this bill is to support increased efforts by prosecuting attorneys' offices to prosecute career criminals through organizational and operational techniques that have been proven effective in selected counties in other states.

Your Committee finds that all funds appropriated to the Office of the Attorney General for the purposes of this chapter shall be administered and disbursed by the Attorney General in consultation with the State Law Enforcement and Juvenile Planning Agency and shall to the greatest extent feasible be coordinated or consolidated with Federal funds that may be available for these purposes. Such allocation of funds shall be made upon application executed by the county's prosecuting attorney and approved by its council. The Attorney General shall prepare and issue written program and administrative guidelines and procedures for career criminal prosecution program consistent with this chapter. The Attorney General shall also prepare a report to the legislature describing in detail the operation of the statewide program and the results obtained of career criminal prosecuting units of prosecuting attorneys' offices receiving funds under this chapter, and under comparable federally financed awards.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2463-78 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 Ching, Kawasaki and F. Wong.

SCRep. 357-78 Intergovernmental Relations on S.B. No. 2478-78

The purpose of this bill is to amend Section 67-2 to provide that methods of assessment may include assessment on a frontage basis or according to the area of land within the improvement district or any combination thereof. Under existing state law assessment may be made only on a frontage basis or according to area of land within an improvement district. Your Committee believes that the proposed amendment will give the counties greater flexibility in assessing land within an improvement district.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2478-78 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 Kawasaki, Taira and F. Wong.

SCRep. 358-78 (Joint) (Majority) Intergovernmental Relations and Government Operations and Efficiency on S.B. No. 1476

The purpose of this Bill is to re-structure the executive branch of the state government so that it is responsive to the needs of the people of the state; to promote economy and efficiency in state government; to improve the delivery of services to the people; and to fix responsibility and accountability for governmental programs and policies.

Among other things the bill reduces principal departments within the state government from seventeen to twelve and reallocates several of the functions, powers, and duties of most of the existing departments.

At a joint hearing of your Committees, members heard testimony from Mr. Myron B. Thompson, Chairman of the Commission on Organization of Government, that one of the priority recommendations of the Commission was the establishment of a Department of Planning, Budget and Management.

Testimony from Mr. Jensen Hee, Deputy Director of the Department of Budget and Finance, and Mr. Don Botelho, Director of the Department of Personnel Services, expressed some reservation regarding several aspects of the proposed reorganization.

Your Committees, after due deliberation, find many of the proposals of the Commission on Organization of Government require further consideration and separate legislative deliberation. Your Committees have amended S.B. No. 1476 to limit the scope of the bill to the establishment of a Department of Planning, Budget and Management.

With this amendment, your Committees find that no appropriation is necessary at this time. Therefore, the appropriation provided for in the original bill has been deleted.

The title of the bill amended to conform to the contents of the bill as amended.

Your Committees on Intergovernmental Relations and Government Operations and Efficiency are in accord with the intent and purpose of S.B. No. 1476 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1476, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Anderson.
Senator Kawasaki did not concur.

SCRep. 359-78 Ecology, Environment and Recreation on S.B. Nos. 1956, 1957, 1958, 1960, 1962, 1963, 1964 and 2207

Your Committee on Ecology, Environment and Recreation has considered the above-listed bills and recommends that they pass First Reading by title and be recommitted to the Committee on Ecology, Environment and Recreation.

Signed by all members of the Committee.

SCRep. 360-78 Ecology, Environment and Recreation on S.B. No. 2473-78

The purpose of this bill is to make an appropriation for the youth conservation corps.

Your Committee heard testimony from the department of land and natural resources to include an appropriation of \$35,000 as the State's participating share of the youth conservation corps program established by the United States Congress for the year 1978 which would enable the State to receive a matching Federal share of \$125,000. The 1978 program is proposed to consist of two Federal assistance summer camps of 30 youths each; one a summer camp on the island of Hawaii ongoing since 1975 and the other a new summer camp on the island of Maui.

The department of land and natural resources testified in response to a question that the \$35,000 was not included in the Supplemental Budget because they had not made the deadline for submission. Your Committee has amended the bill by filling in the amount of the appropriation on line 4 to read \$35,000.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2473-78, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2473-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 361-78 Health on S.B. No. 1750-78

The purpose of this bill is to establish a statewide school health services program within the department of health as a permanent comprehensive school health services program for grades kindergarten through twelve in all the public schools of the State.

Your Committee has amended the bill to accept the recommendation of the department of health that the nurses hired to be in the program not be limited to "public health nurses" but rather "registered professional nurses with public health nursing background, school health nursing background or the equivalent."

Secondly, your Committee accepted the recommendation of the Department of Health that the school health services advisory committee should consist of at least eleven members and no more than fifteen members and to include at least one school health aide. Appointment to the school health services advisory committee has been made subject to the advise and consent of the Senate.

Your Committee has amended the provision relative to the vacation days of the school health aides to conform with that of other employees in their appropriate bargaining unit.

In conformance with testimony received at public hearing your Committee has deleted the provision on lines 14-18 on page 4 relative to the transfer of personnel hired six months prior to the effective date of this Act.

Your Committee has made other minor changes in the arrangement of the bill by inserting titles to the sections of the bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1750-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1750-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Ching and Nishimura.

SCRep. 362-78 Health on S.B. No. 2386-78

The purpose of this bill is to establish and maintain a state comprehensive emergency medical services system throughout the State of Hawaii by providing a framework for the implementation of a fully integrated, cohesive network of components designed to effectively assure the provision of emergency medical services consistent with the needs of the people.

The Department of Health is designated as the lead agency within the State of Hawaii with full responsibility to establish, administer, implement and maintain the statewide emergency medical services system while fully utilizing the expertise developed by the Hawaii Medical Association's Emergency Medical Services program. The financing of the HMA-EMS program over the past seven years has amounted to nearly \$4.5 million

dollars, largely from federal grants, and has resulted in "One of the top programs in the country" according to Dr. David Boyd, national director of the Emergency Medical Services Division of U.S. Department of Health, Education and Welfare. The intent of this legislation is to not only continue the level and quality of service achieved thus far, but to build on this experience and expand the scope of such advanced emergency medical services throughout the State.

An emergency medical services advisory committee is created to advise the department, upon request of the department or upon its own initiative, regarding the functioning of the statewide system and providing for public participation in the consideration of plans and policies. Your Committee has amended the bill relative to the composition of the advisory committee by adding the following persons to serve as ex-officio members with voting power: (1) the Director of the Department of Transportation, (2) the Adjutant General, and (3) the Administrator of the State Health Planning and Development Agency.

The bill further provides that the Department of Health shall contract with professional medical organizations with expertise in emergency medical services for technical assistance and consultation, including categorization, data collection, and evaluation.

The system is to be administered by the Department of Health, and provides for the optional assumption by all counties of the day-to-day and other operational facets of emergency medical services should the county so choose. Each county shall have representation on the emergency medical services advisory committee. The Department of Health, in consultation with the advisory committee, shall determine the levels of emergency medical services which shall be implemented in each county, whether the services shall be performed by the Department of Health or by the respective counties.

The bill further provides that the Department of Health shall establish reasonable fees for emergency medical services rendered to the public provided that all such revenues collected by the Department of Health and the respective counties are deposited in the state general fund.

Your Committee on Health finds that Hawaii's pioneering approach to prepaid health care plays a significant part in enabling the State of Hawaii to develop a comprehensive statewide emergency medical services program due to the mandated prepaid health care coverage. Consequently 95 per cent of the people of the State will not have to look to or use additional resources not already available to them to meet the needs of the advanced emergency medical services envisioned in this legislation. For the remaining small percentage of the population without health insurance, it is the intent of your Committee on Health that no unit of State or County government, in the case of an emergency, shall deny ambulance service to such persons. It is the expressed intent of the Committee that in all cases involving emergency medical services, no inquiry regarding the ability to pay shall be made prior to the rendering of emergency services.

Your Committee has further amended the bill by adding a new part to Chapter 453, Hawaii Revised Statutes, relative to certification and continuing education of emergency medical personnel, thus placing the certification of this profession, along with other health professionals, directly under the Board of Medical Examiners. This is deemed appropriate and necessary in that medical standards for qualification will be uniform throughout the State. It will also give assurance and confidence to the physician who must ultimately assume responsibility for the emergency medical personnel in the field who are under his supervision and direction that they have received proper medically determined training. Section 453-2, Hawaii Revised Statutes is amended to require that any person who provides emergency medical service as a full or part-time employee of any emergency ambulance service shall be certified by the Board of Medical Examiners. Your Committee has provided that the effective date of this Act will be July 1, 1979 thus provided sufficient time for the development of standards for regulation of the emergency medical services personnel and the development of procedures for the implementation of this Act.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2386-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2386-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Ching and Nishimura.

SCRep. 363-78 Health on S.B. No. 2142-78

The purpose of this bill is to appropriate \$80,000 to Molokai General Hospital.

Your Committee finds that appropriation is needed for the operating expenses of Molokai General Hospital.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2142-78 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 Ching.

SCRep. 364-78 Ecology, Environment and Recreation on S.B. Nos. 1552-78 and 1961-78

Your Committee on Ecology, Environment and Recreation has considered the above-listed bills and recommends that they pass First Reading by title and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators Hulten, Nishimura and Soares.

SCRep. 365-78 Ecology, Environment and Recreation on S.B. No. 2370-78

Your Committee on Ecology, Environment and Recreation has considered the above-listed bill and recommends that it pass First Reading by title and be referred to the Committee on Transportation.

Signed by all members of the Committee except Senators Hulten, Nishimura and Soares.

SCRep. 366-78 Health on S.B. No. 2068-78

The purpose of this bill is to appropriate \$60,000 to the Hilo Association to help retarded citizens.

Your Committee finds that an appropriation is needed to continue the group-home treatment of deaf-blind multi-handicapped children at Hilo, Hawaii for the fiscal year 1978-89. Your Committee has corrected a typographical error in the appropriation amount reflecting the intent of an appropriation of \$60,000.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2068-78 and recommends that it pass Second Reading, as S.B. No. 2068-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 367-78 Legislative Management

Informing the Senate that S.C.R. Nos. 58 to 62, S.R. Nos. 226 to 238 and Stand. Com. Rep. Nos. 230-78 to 366-78 and 368-78 to 372-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 368-78 Health on S.R. No. 111

The purpose of this resolution is to request of the Department of Health that a review of the existing laws be made to determine if further use might possibly be made of Waimano Training School and Hospital to provide respite care to those families seeking relief from the day-to-day rigors of caring for a developmentally disabled member.

Your Committee found in reviewing a report of the Department of Health regarding community based services for the mentally retarded that there is a need for additional respite care services for families who seek to keep the developmentally disabled member with the family and that additional study is needed to explore the possible use of Waimano Training School and Hospital for this purpose. The department reports that, "If the goal of the State is to prevent institutionalization as well as to depopulate Waimano, there is a need for a good, strong respite system to provide relief to the families with developmentally disabled individuals in the home."

Your Committee on Health concurs with the intent and purpose of S.R. No. 111 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 369-78 Intergovernmental Relations on S.R. No. 4

The purpose of this resolution is to request various State and county agencies to work together in formulating and adopting rules relating to the energy problem. Because the energy requirements of the society are largely determined by the inter-related concerns of transportation planning, land use and energy needs, it is resolved that the appropriate designated agencies utilize their expertise and initiative in formulating the appropriate rules.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 4 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 370-78 Intergovernmental Relations on H.B. 1604

The purpose of this bill is to give the counties the full responsibility of maintaining all roads, alleys, streets, ways, lanes, trails, and bridges in the State, opened, laid out, or built by private parties and dedicated or surrendered to the public use and declared to be public highways.

Your Committee finds that there are many private roads, alleys, streets, ways, lanes, trails, and bridges throughout the State which have been heavily used by the public. Your Committee also finds that these private roads have not been adequately maintained and therefore, should be dedicated or surrendered for public use and maintained by the counties.

Your Committee partially concurs with the testimony by several counties that maintenance costs would increase under this bill and finds that this bill should be more limited in scope.

Your Committee has amended Section 1 of the bill as received by the Committee by:

- (1) Deleting the words "to the county of jurisdiction" from lines 8 and 9 on page 2;
- (2) Removing the brackets on lines 12 and 15 on page 2; and
- (3) Bracketing the period after the word "highway" on line 15 on page 2 and adding the following phrase which will maintain the law on surrender of public highways but also provide that public highways within urban areas shall be deemed surrendered, without any county resolution, to any county with a population of 500,000 or more if there is no act of ownership for five years and if all of the adjoining owners of land dedicate enough land for the highway to meet county standards.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1604, S.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 371-78 Human Resources on S.B. No. 2567-78

The purpose of this bill is to amend the State's current unemployment insurance trust fund financing system to strengthen the solvency of the fund and to provide a more sound and equitable taxing system.

Your Committee finds that the current Unemployment Insurance (UI) financing system is no longer able to insure the solvency of the trust fund during prolonged periods of high unemployment and that alternative means of financing the fund must be sought. In seeking a more effective financing system, your Committee reviewed two alternative proposals for a new financing system...one based on a modification of the current reserve ratio system as recommended by the department of labor and industrial relations and a second proposal, the benefit ratio system as recommended by economist Dr. Thomas Hitch.

Based on the review, your Committee found that the reserve ratio financing system as reflected in S.B. No. 2567-78 would be more effective than the benefit ratio proposal in meeting the needs and objectives of the State's UI program. Before reaching this decision, your Committee reviewed the legislative reference bureau's study of the two

financing proposals entitled Hawaii Unemployment Insurance Benefit Financing System: A Review of Two Proposals and considered testimonies relating to both proposals. Your Committee's major findings and conclusions are summarized below.

DESCRIPTION OF THE ALTERNATE PROPOSALS

The financing concepts of the alternate proposals are vastly different. The department's revised reserve ratio system is a "forward looking" system which is designed to accumulate reserves against future liabilities. In determining an employer's tax rate this system considers the employer's total history of both contribution and benefits charged to the employer's account. An employer's total tax rate under this system is the sum of the employer's basic contribution rate (which varies according to the amount of an employer's reserve) and a fund factor (a flat surcharge to adjust the level of the fund). The maximum tax rate under this system is 5 per cent.

The benefit ratio system is a replenishment or pay-as-you-go type of financing system, which is designed to recover all benefits paid out of the trust fund in the following year. Because of the replenishment nature of this system, a smaller trust fund reserve is required as compared to the reserve ratio system.

Under this system, an employer's total contribution rate, would be the sum of three separate tax components, subject to a maximum of 5 per cent. The tax components include an experience factor (which is based on an employer's most recent 3 years experience), a socialized factor (which is designed to cover benefits paid out of the fund in the prior year that is not effectively financed by the experience factor) and a fund factor which is designed to adjust the trust fund balance. In addition, the benefit ratio proposal has a surtax, included as part of the experience factor, which is applied to excessively high cost (i.e., bad experience) employers. In determining the experience factor under the benefit ratio proposal, only the most recent 3 years experience of an employer (i.e., the benefits charged to but not the contribution made by an employer) is considered. This system is therefore geared to the employer's short-term experience and the contributions and benefits charged to the employer's account prior to the 3 years under consideration are not included in the determination of an employer's experience factor. This is the so called "forgiveness" provision in the benefit ratio proposal.

A SUMMARY OF THE COMPARISON OF THE ALTERNATIVE PROPOSALS

Your Committee reviewed the alternate proposals with respect to various criteria as follows:

Solvency

The proposed systems were examined to determine the adequacy of the alternative proposals in maintaining the solvency of the trust fund. Two separate analyses were reviewed. The first involved the application of the proposed systems to the period between 1970 and 1977 when the UI trust fund started its downward spiral to a completely depleted level in 1976. This was done to determine whether or not the proposed systems would have prevented the bankruptcy of the fund had they been in operation during this period. The results of this analysis indicated that both systems would have adequately financed and prevented the depletion of the trust fund had they been in operation during this period. A second review involved the application of the proposed financing systems under various unemployment rate scenarios in the future. Three different unemployment scenarios were projected including one based on relatively low flat unemployment rate of 4 per cent; another on a higher flat rate of 5 per cent; and a third projection based on variable unemployment rates, including a very high rate of 6.4 per cent in 1980 one year after the proposed implementation of the alternate proposals. The results again indicated that both systems will be able to adequately finance the UI program in the future under the various economic conditions tested.

Equity

Your Committee also reviewed the manner in which costs are allocated to the employers under both proposals. Most UI financing systems utilize the experience rating system as a basis for allocating costs. The practice of setting maximum rates, however, limits the degree of experience rating. Benefits paid to former employees of employers in excess of their contributions must therefore be covered by the contributions of other employers. As a result, the UI financing system must involve some socialization of costs. The socialized costs, however, should not be such a very big amount that it would render meaningless the experience rating system as a basis for allocating costs. So while some costs must be socialized, some consideration in the form of lower taxes should be given to low cost employers (i.e., employers with good experience).

In comparing the proposed systems in regards to the equity in allocation of costs, your Committee reviewed the results of the projected assessment of taxes to employers by applying the proposed financing systems to actual 1976 UI program data. The results indicate that the reserve ratio system allocates socialized costs in a more equitable manner since most employers would be paying their basic contribution rate and their full share of socialized cost. This is not so under the benefit ratio system, particularly during adverse economic conditions. Only the relatively good experience employers would pay their full share of the socialized and fund factor costs. Other employers would not pay the full surcharge because they would have reached their 5 per cent maximum tax rate before the full surcharge had been added. This in essence shifts the burden of the surcharges to employers with relatively good experience.

Employment Stability Incentives

A review was conducted on the employment stability incentives provided by the alternative proposals. This is one of the objectives of the UI program. If employers perceive that their UI tax rates would rise with the frequency of lay-offs, they would be encouraged to practice a more stable employment policy. Fundamentally, the financing system would provide an incentive for employers if the system provided sufficient differences in premium rates between good experience and bad experience employers. Your Committee found that the reserve ratio proposal provides greater incentives than the benefit ratio proposal when the proposals were applied to actual 1976 program data. The reserve ratio provided a wider spread of contribution rates between the lowest and highest rates (2.6 per cent vs. 1.7 per cent) and in addition affected a larger number of employers by the spread than under the benefit ratio system (86 per cent vs. 49 per cent).

Your Committee noted, however, that conceptually the benefit ratio proposal may also offer employment stability incentives to employers in another way. Because of the forgiveness provision which discounts experience longer than the most recent 3 years, incentives may be provided poor experience employers to improve and for good employers to maintain stable employment.

Sensitivity and Countercyclical Effect

Your Committee reviewed both proposals with respect to (1) the sensitivity of the financing proposals to respond to changes in the economic conditions and (2) the countercyclical effect of the financing systems. By countercyclical effect is meant a system which allows the UI trust fund to increase in level during periods of prosperity to assure the payment of benefits in years when benefit costs exceed tax collections, thus negating the necessity of drastically increasing the tax burden on employers during periods of economic distress.

Your Committee's review on this measure revealed that the benefit ratio financing structure by design is more flexible and sensitive to changes in the economic conditions. This is due to the pay-as-you-go nature of this financing system which must respond rapidly to benefits paid out of the trust fund. However, due to the sensitivity of the system, the benefit ratio system is not generally countercyclical in economic impact. The system tends to increase the tax rates quite drastically during economic downturns when most employers could least afford them, and tends to quickly reduce the tax rates in years of near full employment. Conversely the reserve ratio system, while lacking the sensitivity and flexibility of the benefit ratio proposal, appears to act in a more countercyclical manner. Thus, relatively higher taxes are assessed for longer periods during prosperous times to build a large trust fund balance to meet liabilities during downturns in the economy. This precludes the need to drastically increase employer taxes during a period when employers could ill afford them.

Long-Term vs. Short-Term Experience

Your Committee also reviewed the issue of time frame in measuring employer experience. Under the benefit ratio proposal an employer's experience, and therefore the tax imposed, is based on the short-term experience of the employer and takes into account only the benefits (but not the contributions) charged to the employer's account during the most recent 3-year period. All experience prior to the 3-year period under consideration, whether good or bad, will not be considered. As a result, an employer's adverse unemployment experience will be quickly reflected in the employer's contribution rate under this system. This will compound problems for such employers during prolonged economic downturns since the unemployment contribution tax assessed will substantially increase before such employers may have a chance to recover from their bad economic experience. Conversely under this system, in years of full or near full employment, when such employer's tax requirements are most easily met, the UI tax rates would be at their lowest level.

The reserve ratio system, on the other hand, considers the employer's total history of both contributions and benefits charged to the employer's account in determining the employer's tax rate. This permits an employer to build up reserves during good periods to pay benefits during adverse economic periods without significantly increasing the employer's UI tax. As a result the reserve ratio system has a countercyclical effect as opposed to the benefit ratio system which tends to significantly increase taxes for these employers during economic downturns.

Your Committee further finds that the short-time frame utilized under the benefit ratio proposal to determine experience will in effect minimize experience rating and tend to group all tax rates near the maximum particularly during an economic recovery period. Many employers will not be paying their full costs during this period because of the 5 per cent maximum tax limitation. Due to the 3-year limitation on experience rating under this system, those employers who had significantly high costs more than 3 years old for which the tax charged was insufficient will benefit since these cost overruns will be forgiven and not recovered. Your Committee finds that for experience rating to work over a long period, those long time charges which employers have not covered in the past must be made up in the future. This is not done under the benefit ratio system.

High Cost Employers

Your Committee also reviewed the effect of both proposals on certain high cost employers who are currently experiencing cyclical downturns in their industry. Your Committee found that due to the length of the business recession for these industries, the maximum tax rate of 5 per cent will be imposed and will continue to be imposed on these employers under both proposals. During this period, good experience employers will be subsidizing the costs of these high cost employers under both proposals. During the recovery period for these industries, however, the high tax rates imposed will be reduced at a faster rate under the benefit ratio proposal than under the reserve ratio proposal. This reflects the differences in the time frame utilized in measuring experience under the alternative proposals as discussed in the previous section. As a result greater employment stability incentives may be provided to these employers during this recovery period under the benefit ratio proposal. Under the reserve ratio proposal these employers will not qualify for lower rates until their debts have been paid and reserves in their accounts have been established. As noted previously, however, most employers would be better able to meet their tax obligations during this period. In addition, once reserves have been established in these employers' accounts taxes will be reduced and during a subsequent cyclical downturn, tax increases will be moderate because of the reserves. This is not so under the benefit ratio proposal as discussed in the previous section.

Other Miscellaneous Features

Your Committee also reviewed other features of both proposals and found that the reserve ratio system would require approximately 2 to 3 months to implement at a cost of approximately \$2,400 while the benefit ratio system would require a lead time of 9 to 12 months and \$45,000 to implement. Your Committee also found that the computation of employer tax under the reserve ratio proposal is simpler and will be easier to administer than the benefit ratio system since the rates will be established by schedules. Under the benefit ratio system, the computation of the employer tax, particularly the socialized factor, will be much more complex and in addition will require an annual estimation for this tax component. Your Committee has serious reservations concerning the imposition of a tax component that will be based on a guess.

CONCLUSION

As indicated in the foregoing review, both proposals have advantages and disadvantages because of the different financing concepts inherent in both proposals. Based on the overall effect of the proposals on the UI program, however, your Committee has selected the reserve ratio proposal over the benefit ratio proposal. The selection of the reserve ratio proposal is based primarily on the following factors:

First, the reserve ratio proposal appears to be more countercyclical in economic impact than the benefit ratio proposal. While higher taxes will be imposed under both systems during a prolonged downturn in the economy, the overall tax increase under the reserve ratio proposal is more moderate than the benefit ratio proposal. Under the benefit ratio proposal, an extremely heavy tax burden will be imposed on a greater number of employers during this period when most employers could probably least afford them. The imposition of higher UI taxes plus recent increases in the Social Security taxes for all employers were of particular concern to your Committee. What effect this widespread imposition of heavy taxes would have on the solvency of individual

businesses is not known and could not be determined in this review.

Second, the reserve ratio proposal effectively meets an important objective of the UI financing program, i.e., the accurate and equitable allocation of costs. The revised reserve ratio proposal recognizes and rewards good experience employers by imposing lower taxes on these employers, imposes higher taxes on employers with less favorable experience, and also allocates the flat rate socialized cost (fund factor) equally among all employers. The benefit ratio proposal, on the other hand, shifts the socialized costs and levies higher taxes on good experience employers particularly during multi-year downturns in the economy. This is required under this proposal because of the "replenishment" nature of the financing system, the forgiveness provision of the system, and the need to recover all benefits paid out in the previous year. Because of the maximum tax ceiling of 5 per cent on all employers the taxes must be increased for the good experience employers to raise the required revenues.

Third, the implementation of the reserve ratio proposal will continue to recognize the overall good experience of an employer. Some employers over the years have contributed substantially to the UI trust fund, have had very little turnover in employment, and consequently have built up large reserves in their accounts. In recent years, however, due to the prolonged economic downturn, many of these employers have experienced employee turnovers. Under reserve ratio, the system will continue to recognize the overall good experience of these employers, and will assess these employers with moderate tax rates. Under the benefit ratio system, however, such employers will be heavily penalized because of the consideration of only the most recent 3-year experience of these employers. Thus, all past contributions and large reserves accumulated will be "forgotten". This results in these overall good employers being taxed heavily during adverse times. Your Committee's review indicated that many of these employers would be small business concerns which may find it difficult to assume the higher tax rates.

In conclusion, the revised reserve ratio proposal would be able to expeditiously return the UI trust fund to solvent levels, maintain the solvency of the trust fund, and further provide a more sound and equitable taxing system.

Your Committee has amended S.B. No. 2567-78 as received by your Committee by bracketing the word "standard" and adding the word "maximum" to page 4, line 15, of the bill to correct an error in drafting. With this amendment, employers who are delinquent in filing their unemployment insurance reports would be assigned the maximum tax rate rather than the standard rate of 3.0 per cent to avoid having an employer receive a reduced rate for being delinquent.

Your Committee has further amended the bill to require the tax rate for ineligible (new) employers be set at the maximum tax rate rather than 3.0 per cent as written in S.B. No. 2567-78. These new employers will qualify for an experience rating, or lower tax rate, after they have had employment, covered by the unemployment insurance law, for a full calendar year. Your Committee believes that setting the tax rate for new employers at less than the maximum gives such employers an economic advantage over existing employers. This is especially true in the construction industry where new joint ventures may be formed for one big job, or mainland contractors may bid for local jobs, taking into account a lower unemployment insurance tax rate than local firms.

Your Committee has reviewed the definition of "adequate reserve fund" and has found that the definition should be revised. Under the current definition, it is estimated that the "adequate reserve fund" would be \$208 million by the end of 1985. This would represent 4.3 per cent of total wages for the fiscal year ending June 30, 1985 and appears to be excessive. Accordingly, your Committee has redefined "adequate reserve fund" as the amount derived by multiplying the highest cost rate by total wages for the last completed fiscal year ending June 30, rather than 1.5 times that amount. As redefined, the "adequate reserve fund" would be \$138 million, or 2.9 per cent of total wages in 1985. Also, because the "adequate reserve fund" would be a lower amount, the Fund Solvency Contribution Rate Schedule on page 14 of S.B. No. 2567-78 was adjusted to reflect the lower amount and make it more sensitive to changes in the fund level.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2567-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2567-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 372-78 Education on S.R. No. 8

The purpose of this resolution is to request the Superintendent of Education to report to the Legislature twenty days prior to the closing of the 1978 legislative session on the implementation of school-by-school budgeting.

The legislature introduced the school-by-school budget display in the department of education's operating budget in 1977 in a move calculated to allow individual schools to develop programs that would enhance their strengths and remedy their weaknesses.

Your Committee is aware that the successful introduction of new procedures and practices is oftentimes dependent upon an adequate monitoring system. With this in mind, the resolution seeks to satisfy this need.

Your Committee on Education concurs with the intent and purpose of S.R. No. 8 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 373-78 Legislative Management

Informing the Senate that S.R. Nos. 239 to 244 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 374-78 Legislative Management

Informing the Senate that S.C.R. No. 63, S.R. Nos. 245 to 248 and Stand. Com. Rep. Nos. 375-78 to 378-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 375-78 Judiciary on S.B. No. 2515-78

Your Committee on Judiciary has considered the above-listed bill and recommends that it pass First Reading by title, in the amended form attached hereto, and be recommitted to the Committee on Judiciary as S.B. No. 2515-78, S.D. 1, for further consideration.

Signed by all members of the Committee.

SCRep. 376-78 Intergovernmental Relations on S.B. No. 36

The purpose of this bill is to amend Chapter 83, Hawaii Revised Statutes, to allow greater flexibility in temporary intergovernmental transfers of public employees.

Your Committee finds that the delivery of government services can be greatly improved if personnel within one element of government have a fuller understanding of the programs, processes, and problems of their counterparts. The U.S. Intergovernmental Personnel Act of 1970 provided the general statutory authority allowing temporary assignments of federal employees to other governments. S.B. No. 36 will facilitate the temporary assignments of public employees to and from other jurisdictions in accordance with the Federal Act.

S.B. No. 36 is supported by the State Department of Personnel Services and the Department of Civil Service of the City and County of Honolulu and your Committee has accepted certain recommended amendments to the bill from those departments. These amendments improve existing law by lengthening the period of assignment possible and by spelling out the status and rights of employees on assignment.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 36, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 36, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 377-78 Ways and Means on S.B. No. 1772-78

The purpose of this bill is to include service rendered as a full-time employee of Pioneer Mill Hospital in the definition of membership service for purposes of the employees'

retirement system of the State of Hawaii.

Your Committee received testimony from Stanley Siu, secretary of the employees' retirement system of the State of Hawaii, who said that because of the minimal number of employees, about two, who would be covered under the provisions of this bill, there would be no actuarial cost to the employees retirement system.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1772-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 378-78 Ways and Means on S.B. No. 2612-78

The purposes of this bill are to allow a department in determining costs of issuing bonds to include the cost of insuring payment on the bonds and payment for such cost from proceeds of such bonds; allow revenue bonds to be sold at such price as the department may determine rather than at the maximum discount of 2 per cent; and correct an apparent clerical error inserting language which was omitted when the current law was enacted, providing for immunity for certain agents in relation to imprinting of CUSIP identification numbers.

Testimony from the department of transportation supported passage of this bill but also recommended amending the bill to provide that revenue bonds shall be sold at a maximum 5 per cent discount. Your Committee is concerned that the bill as received by your Committee is too broad and has amended the bill adopting the recommendation of the department.

Your Committee has amended this bill as received by your Committee by:

(1) Amending lines 8 through 10 on page 5 by removing the brackets, placing brackets around the words "ninety-eight", deleting the words "such price as the department may determine", and inserting after the words "ninety-eight", "ninety-five" per cent.

(2) Making certain technical changes to conform the language of this bill with the statutes and making certain grammatical changes which do not affect the substance of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2612-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2612-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 379-78 Legislative Management

Informing the Senate that S.R. No. 249 and Stand. Com. Rep. Nos. 380-78 and 381-78 have been printed and are ready for distribution.

Signed by all members of the Committee except Senator Henderson.

SCRep. 380-78 Education on S.B. No. 2114-78

The purpose of this bill is to establish a pilot project within the Department of Education that will test the feasibility of job-sharing among certain classes of certificated personnel in the public schools of Hawaii.

This project is undertaken in the hope that alternate employment patterns such as job-sharing will result in the expansion of employment options, and thus have a dampening effect upon the rising level of unemployment.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2114-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 381-78 Education on H.B. No. 77

The purpose of this bill is to establish a school council at each school in the department

of education. The members of each council would be elected from among the parents or guardians of enrolled students, teachers and students or any qualified votes within the particular community served by the school. One of the prime functions of the council would be to review any matter concerning the policies, management, and operations of the school and to advise the principal thereon. Another prime function would be the assessment of the school's needs and its evaluation of how well those needs are being met. It is also incumbent upon the council to submit a report, the subject matter of which as well as the recipients thereof is covered in detail, on or before May 15 of each year.

Your Committee held a hearing on this bill during the 1977 legislative session and received testimony at that time indicating a considerable measure of public support for this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 77, 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. 382-78 Legislative Management

Informing the Senate that S.C.R. Nos. 64 to 68, S.R. Nos. 250 to 261 and Stand. Com. Rep. No. 383-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 383-78 Intergovernmental Relations on S.B. No. 1590-78

The purpose of this Bill is to enable the State to comply with Title III, Part C of the Energy Policy and Conservation Act of 1975 (P.L. 94-163) by requiring counties to incorporate energy efficiency standards in building codes.

Senate Bill No. 1590-78, S.D. 2 was recommitted to this Committee to clarify some ambiguities in the bill and to correct a typographical error.

Your Committee has made the necessary typographical correction on page 3, line 16 of the bill by replacing the term "emergy" with "energy". Your Committee has made an additional language change by replacing the term "construction" with "buildings or structures" on page 6, line 9, to clearly indicate that this section would apply to alterations on existing facilities and not to facilities already undergoing construction.

Your Committee has clarified the effective date of the bill by specifying a July 1, 1978 date in Section 4 of the bill.

Finally, your Committee has further amended the bill by inserting the phrase "After July 1, 1978" on page 3, line 23, and page 6, line 3 of the bill. This amendment would then clearly specify that the building and light standards apply to any plan or specification pertaining to the construction or alteration of any building or structure submitted after July 1, 1978.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1590-78, S.D. 2, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1590-78, S.D. 3.

Signed by all members of the Committee.

SCRep. 384-78 Legislative Management

Informing the Senate that S.C.R. Nos. 69 to 71, S.R. Nos. 262 to 266 and Stand. Com. Rep. Nos. 385-78 to 393-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 385-78 Ways and Means on S.R. No. 223

The purpose of this resolution is to request the governor to declare that the island of Hawaii is a natural disaster area under chapter 234 of the Hawaii Revised Statutes, relating to tax relief.

Your Committee finds that severe drought conditions exist on the island of Hawaii forcing a severe economic crisis for many people in the cattle industry.

Testimony supporting passage of this resolution has been submitted by various individuals, the county of Hawaii, and the department of agriculture.

Your Committee has adopted the recommendation of Mr. Eric Soto, representing the office of the economic development coordinator of Maui county, that Maui county be included in this resolution. Your Committee finds that severe drought conditions on Maui justify inclusion of Maui county in this resolution requesting the governor to declare these counties as natural disaster areas eligible for tax relief.

Your Committee has amended this resolution by:

- (1) Amending the title to include the island of Maui;
- (2) Amending various parts of the resolution, including the findings and resolution clause to include Maui county;
- (3) Making grammatical changes which do not affect the substance of this resolution.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 223, S.D. 1.

Signed by all members of the Committee.

SCRep. 386-78 Military and Civil Defense on S.B. No. 1759-78

The purpose of this bill is to repeal Section 79-23, Hawaii Revised Statutes and to amend Section 79-24, Hawaii Revised Statutes to require compliance with federal laws applicable to reemployment upon termination of military service.

Testimony submitted by Mr. Donald Botelho, Chairman of the Conference of Civil Service Commissioners and Personnel Directors, indicated that Section 79-23 is no longer necessary in light of the expansion of federal legislation, specifically Chapter 43 of Title 38 of the U.S. Code, to include reemployment rights for state and local government employees. The testimony also indicated that administration of this subject will be made easier with only one set of reemployment rights laws instead of two.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of S.B. No. 1759-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 387-78 Human Resources on S.B. No. 1756-78

The purpose of this bill is to amend Section 76-23 Filling Vacancy of the civil service law, to "longest government service" as it applies to non-competitive promotions of employees.

Under current civil service law, an "employee with the longest government service" has a distinct advantage in being considered for non-competitive promotions. Your Committee finds that the phrase "employee with the longest government service" as contained in Section 76-23 has been open to various interpretations. It may be interpreted as service not only to the State or any of the several counties but also to the federal government, including military service.

Your Committee further finds that the statute should be clarified in order to recognize an employee's long and faithful service in his particular state or county jurisdiction and exclude, for example, any federal civil service employment as a factor in determining which employee may be non-competitively promoted when there is no material difference between the qualifications of the employees concerned.

Your Committee notes that this bill contains several technical amendments to correct typographical errors in the statute.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1756-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 388-78 Human Resources on S.B. No. 1799-78

The purpose of this bill is to establish a state policy to aid in the continuing development of volunteer services within the executive, legislative, and judicial branches of state government. This bill does not apply to those agencies which function at the county level of government.

Your Committee finds that the goals of this bill with respect to volunteers working with state government are: to set basic recruiting principles and volunteers' rights and responsibilities; to encourage and guide administrators who may wish to develop volunteer staff; and to clearly establish that volunteers provide vital support services and do not compete with nor replace paid employees.

Your Committee further finds that this bill provides for a clear definition of the role of a volunteer; the various agencies' authority to use volunteers; the essential elements of effective volunteer programs (recruitment, training, job responsibilities); allowable expenditures in line with volunteer services which are performed; and the inclusion of a volunteer count in the annual reports of agencies which use the services of volunteers.

Your Committee believes that the State's volunteer force is a great yet underutilized asset. Volunteers work because they choose to do so, and they provide services which the State could not ordinarily afford.

Your Committee is in accord with the intent and purpose of S.B. No. 1799-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 389-78 Energy/Natural Resources on S.R. No. 186

The purpose of S.R. No. 186 is to request the Legislative Reference Bureau to conduct a study to determine the practicality of combining all State departments and agencies related to marine resources and aquaculture into a separate Department of Marine Resources and Aquaculture.

The present fragmentation of aquaculture and marine resources programs in various State agencies impedes the effectiveness of coordinating and developing these activities in the State. If the State is to encourage aquaculture and marine sources development, coordination of efforts to produce a coherent, structured plan addressing all aspects of management, research and development in marine resources and aquaculture is essential.

Your Committee received testimony which indicated strong support for S.R. No. 186. Dr. John Craven, Marine Affairs Coordinator, Mr. Charles Yamamoto, a representative of the Marine Fisheries Advisory Council, and Mr. Wilvan G. Van Campen, Executive Director of the Western Pacific Regional Fishery Management Council, strongly endorse the resolution. All spoke of the dispersion of efforts and resources through a number of agencies which has resulted in fragmentation of authority, duplication of effort and conflicts regarding priorities and goals.

Your Committee on Energy/Natural Resources concurs with the purpose and intent of S.R. 186 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 390-78 Ways and Means on S.B. Nos. 2201-78, 2202-78, 2203-78, 2204-78, 2205-78, 2283-78 and 2284-78

Your Committee on Ways and Means 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.

Signed by all members of the Committee except Senator Henderson.

SCRep. 391-78 Ways and Means on S.B. No. 2614-78

The purpose of this bill is to exempt the executive secretary of the commission on population and the Hawaiian future from the civil service laws as contained in chapters 76 and 77, Hawaii Revised Statutes.

Your Committee received testimony from Paul T. Tajima, former executive secretary of the commission on population and the Hawaiian future, who said that because the

role of executive secretary is especially sensitive to the specific inclinations of the administration as well as of the commission, the executive secretary should not be constrained by the provisions of chapters 76 and 77.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2614-78 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 Henderson.

SCRep. 392-78 Economic Development on S.B. No. 1885-78

The purpose of this bill is to repeal Section 205-16, Hawaii Revised Statutes, relating to the interim statewide land use guidance policies, and to include the revisions in this bill by requiring adherence to the Hawaii State Plan and newly established guidance policies. These policies establish criteria for urban districts, clarify uses in rural districts, and require ongoing monitoring of district reclassifications.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1885-78 and recommends that it pass Second Reading and be recommitted to your Committee on Economic Development.

Signed by all members of the Committee except Senators Henderson and Soares.

SCRep. 393-78 Economic Development on S.B. No. 2442-78

The purpose of this bill is to amend Section 205, Hawaii Revised Statutes, by adding a new section requiring that lands within agricultural districts which are designated "prime agricultural land" be put only to agricultural use and that these lands shall not be taken out of that agricultural district. Sections 205-4(a), 205-5(b) and 205-6, HRS, are amended to conform.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2442-78 and recommends that it pass Second Reading and be recommitted to your Committee on Economic Development.

Signed by all members of the Committee except Senators Henderson and Soares.

SCRep. 394-78 Judiciary on S.B. Nos. 30, 1562-78, 1563-78, 1564-78, 1565-78, 1566-78 and 2517-78

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 Senator O'Connor.

SCRep. 395-78 Legislative Management

Informing the Senate that S.C.R. No. 72, S.R. Nos. 267 and 268 and Stand. Com. Rep. Nos. 394-78 and 396-78 to 401-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 396-78 Higher Education on S.B. No. 1879-78

The purpose of this bill is to specify that the State Post-Secondary Education Commission shall, in addition to its other functions, advise and coordinate the activities of higher education institutions in the State so that the State is properly serviced and overlapping is kept to a minimum.

Your Committee has received and agreed with testimony on the bill that a less authoritative role by the Post-Secondary Education Commission should be specified.

Your Committee has therefore amended the bill by deleting the last two sentences of Section 2 and substituting therefore the following sentence:

"The commission shall advise and promote the coordination of postsecondary education activities and programs among and between public and private institutions so that the state is properly serviced and undesirable overlapping and duplication is kept to a minimum."

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1879-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1879-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 397-78 Higher Education on S.B. No. 2380-78

The purpose of this bill is to empower the Board of Regents of the University of Hawaii to appoint the Secretary of the Board of Regents to serve its pleasure rather than to elect the Secretary for a fixed term.

Presently, the Secretary of the Board of Regents who shall not be a Regent is elected annually by the members of the Board of Regents, while all positions at the University of Hawaii are appointed by the Board of Regents including the President. Other State, County boards and commissions and department heads appoint their executive secretaries rather than elect them. The change provided by this bill will make it consistent with other appointments in the University of Hawaii system and with other boards and commissions.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2380-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 398-78 Human Resources on S.C.R. No. 15

The purpose of this Senate Concurrent Resolution is to request the United States Secretary of Labor to certify the Occupational Safety and Health program of the State of Hawaii and to respectfully urge Hawaii's delegation to the United States Congress to support certification for Hawaii and to review the basic intent of the Federal Occupational Safety and Health law.

Your Committee finds that according to Section 18, paragraph 18, paragraph b, of the Occupational Safety and Health Act, when a state elects to develop and enforce an occupational safety and health program which will be at least as effective as that developed by the Federal Occupational Safety and Health Administration under the Act, it may, following approval of that plan by the United States Secretary of Labor, begin a period of active enforcement of safety and health standards in the private sector and is given three years to completely develop all aspects of the State OSH plan.

When a state has taken all of the necessary actions for the assumption of complete jurisdiction under their plan, the plan is then certified by the Secretary of Labor and a final period of actual demonstration of the effectiveness of the plan begins.

In January, 1974 the United States Secretary of Labor approved the proposed State of Hawaii Occupational Safety and Health Plan and the Division of Occupational Safety and Health (DOSH) of the Hawaii State Department of Labor and Industrial Relations became operational replacing the former Industrial Safety Division.

Your Committee finds that the Hawaii Occupational Safety and Health Law (HOSHL) contains the same basic powers as the Federal Occupational Safety and Health Administration (OSHA), but there are some important differences between Hawaii's program and the federal one including, but not limited to: HOSHL covers all workers except for federal employees, domestic servants, and those in certain industries which remain in federal jurisdiction; HOSHL provides for free on-site consultation services for employers without risk of citation or penalty and for education services for employees; some of the Hawaii State Safety and Health Standards are more inclusive than those included in the federal program.

During the three-year developmental period, the Federal OSHA regional offices made several semi-annual evaluations of the State's operations. Federal OSHA found that DOSH performance was at an acceptable level or had improved significantly in specific areas of concern including, but not limited to: employee complaint response; public employee program progress; hazard abatement; training and education of employers and employees; and quantity and type of inspections.

Your Committee finds that notwithstanding certain deficiencies in Hawaii's program, the overwhelming sentiment expressed by employers and employees in both the public

and private sectors of the State is that Hawaii has an effective program which substantially achieves the key purposes and objectives of the occupational and safety and health program of the State.

Your Committee further finds that the Congress of the United States in passing the Occupational and Safety Act declared that it was its purpose and policy to protect the safety and health of the American worker by, among other things: encouraging the states to assume the fullest responsibility for the administration and enforcement of their occupational safety and health laws and to improve the administration and enforcement of State occupational safety and health laws. However, despite the manifest intent of the Congress to encourage states to experiment and innovate in the development of their plans, OSHA has consistently attempted to force State plans into being replicas of the Federal plan. This Senate Concurrent Resolution, among other things, respectfully requests Hawaii's Congressional Delegation to review the basic intent of Congress in developing OSHA programs and to actively support the State's effort to achieve certification.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 15 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 399-78 Human Resources on S.B. No. 1757-78

The purpose of this bill is to remove the specific condition that the director of personnel services may extend a provisional appointment beyond 180 days only if an open continuous examination has failed to secure any qualified available eligibles.

Your Committee finds that the current statute is too restrictive in its preconditions to an extension of a provisional appointment. Testimony presented by the director of personnel services on behalf of the Conference of Civil Service Commissioners and Personnel Directors indicates that there are circumstances which may warrant the extension of a provisional appointment, such as when an appointment is pending or an appointment is made, but the applicant is not able to report to duty until after the 180th day (provisional appointments are good for 180 days out of any twelve-month period). Your Committee feels that the conditions under which a provisional appointment may be extended are better set under departmental rules and regulations rather than mandated as in current statutes.

Your Committee believes that this bill provides the director of personnel services the necessary flexibility to promulgate appropriate rules and regulations in compliance with Chapter 91, Administrative Procedure.

Your Committee has amended this bill to comply with Ramseyer rules of bill drafting.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1757-78 as amended herein, and recommends that it pass Second Reading, in the form attached hereto as S.B. No. 1757-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 400-78 Human Resources on S.B. No. 1758-78

The purpose of this bill is to allow the public employer and the exclusive bargaining representatives to negotiate the rate to be received by each arbitrator in instances wherein the arbitrator is selected by the two parties instead of by HPERB.

Your Committee finds that under current law, HPERB sets the rates at which all mediators, members of fact-finding boards, and arbitrators are to be compensated. Your Committee further finds that the rate of \$70 per hour is considered generally excessive, especially for some inexperienced arbitrators. According to testimony given by the director of personnel services, Mr. Ted T. Tsukiyama, the primary liaison in Hawaii for the American Arbitration Association, reports that the current range in mainland arbitrator's rates is from about \$250 to \$400 per day (usually six or seven hours per day).

Since the public employer and the exclusive bargaining representative contract with the arbitrator they select in the foregoing instance, the terms of the contract should be determined by these parties who share the cost of the arbitrators' pay.

While the \$70 per hour rate may not be excessive for experienced arbitrators, the compensation should be related to the individual's experience and qualifications. In a recent study by Professors Donald Peterson and Julius Rezler of Loyola University

of Chicago, the majority responding arbitrators related their fees to others of similar experience and caseload.

Your Committee also takes note that in a similar capacity of government appeals-level decision-making, a part-time unemployment compensation appeals referee earns \$82.96 per day.

Your Committee finds that to encourage the selection of newer arbitrators, thus expanding the field of those qualified, a lower rate should be negotiable as provided in this bill.

Your Committee has made technical amendments to this bill to conform to Ramseyer rules of bill drafting.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1758-78, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as S.B. No. 1758-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 401-78 Human Resources on S.B. No. 2074-78

The purpose of this bill is to repeal section 346-72, Hawaii Revised Statutes (pertaining to applications for general assistance).

Your Committee finds that "public assistance" is comprehensively defined in section 346-1, and the procedure for applying for public assistance is contained in section 346-29. Your Committee further finds that "general assistance", as a state-funded money payment program is in essence a "public assistance" program as defined in section 346-1; and therefore, all the application procedures for public assistance as contained in section 346-29 also apply to general assistance. This bill repeals section 346-72 which, under the foregoing circumstances, is essentially a repetition of certain matters already covered by section 346-29.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2074-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 402-78 Legislative Management

Informing the Senate that S.R. Nos. 269 to 273 and Stand. Com. Rep. Nos. 403-78 to 428-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 403-78 Health on S.B. No. 2220-78

The purpose of this bill is to authorize the State Department of Health to delegate, to the various counties, the inspection and enforcement functions which are established pursuant to rules that it may adopt.

Your Committee is of the belief that such authorization would result in greater efficiency and yet maintain adequate inspection and enforcement procedures.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2220-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 404-78 Intergovernmental Relations on S.B. No. 1773-78

The purpose of S.B. No. 1773-78, S.D. 1, is to amend Chapter 46, Hawaii Revised Statutes, concerning county organization and administration provisions common to all counties, by the addition of a new section which would allow the four counties of the State to become involved in the production and distribution of energy.

Your Committee received a written statement in opposition to S.B. No. 1773-78, S.D. 1, from Mr. Peter C. Lewis for the Hawaiian Electric Company and its two wholly-owned subsidiaries in Maui and Hawaii Counties, respectively. However, Mr. Lewis' statement

reported that as a result of recent discussions, the County of Hawaii, Kauai Electric Company and Hawaiian Electric Company have agreed on the following amended language which would make S.B. No. 1773-78 acceptable to the Hawaiian Electric Company:

"Section 46- Development of alternate energy resources.
Each of the counties may participate in the development of alternate energy resources defined as geothermal, solar, wind, ocean power, biomass and solid wastes in joint venture with an end user or public utility pursuant to a plan for the direct utilization of the energy source by an end user or public utility."

Mr. John P. Keppeler, Managing Director of the County of Hawaii, testified that Hawaii County believes that the proposed amendment as stated above will fully satisfy the County's desires of encouraging early development of alternate energy sources at this time.

Mr. Keppeler also emphasized that it is not the intent of Hawaii County to enable municipal public power authorities to duplicate or take over the conventional energy production or distribution facilities and services provided by franchised and regulated public utilities, if those services are rendered in a satisfactory manner, but to provide a means to assist in the development and practical use of alternative energy resources.

Your Committee finds that in the event a joint venture partner is not available to the counties in the development of alternate energy resources, the counties should be authorized to proceed with the development of those resources for their own consumption or for furtherance of a plan for direct utilization. S.B. No. 1773-78, S.D. 1, has been amended by your Committee to provide this authority.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.B. No. 1773-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1773-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 405-78 Intergovernmental Relations on S.B. No. 2208-78

The purpose of this bill is to impose a time limit within which all counties must comply with the requirement of Act 105, Session Laws of Hawaii, Regular Session of 1975.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2208-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 406-78 (Majority) Transportation on S.B. No. 2464-78

The purpose of this bill is to allow the Director of Health to:

- (1) Include watercraft as a vehicle in establishing rules for the control of noise; and
- (2) Commission, in addition to actually conducting, state educational and training programs on noise prevention, control, and abatement, including the preparation and distribution of information relating to excessive noise and its effect on people and wildlife.

The bill broadens the noise quality responsibilities and powers of the Director of Health. Testimony from both the public and private sector was generally favorable.

Your Committee has amended the bill to delete reference to the effect of excessive noise on wildlife in the paragraph relating to state educational and training programs. It was felt that:

- (1) Noise quality, as a specific variety, affects people much more than wildlife. While your Committee recognizes that noise also affects wildlife, its effect on people should be stressed in this type of educational and training program; and
- (2) The responsibility of addressing wildlife may be beyond the technological and scientific capabilities of the Director of Health. Wildlife is not an appropriate or specific area of responsibility of the Director and thus, is not germane to the Director's main function.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2464-78, S.D. 1, as amended herein, and recommends that it pass Third Reading

in the form attached hereto as S.B. No. 2464-78, S.D. 2.

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

SCRep. 407-78 Transportation on S.B. No. 2190-78

The purpose of this bill is to require the State Director of Transportation to insure that the state highway system conforms to the safety standards and construction criteria required by the Federal Highway Safety Act of 1966, as amended.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2190-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 408-78 Transportation on S.B. No. 2469-78

The purpose of this bill is to increase the allowable agricultural vehicle length.

Your Committee has amended this bill to incorporate a suggestion of the State Department of Transportation to provide that the semitrailer portion of a motor vehicle in agricultural use shall not exceed forty-five feet in length.

Your Committee has also made other style and technical amendments.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2469-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2469-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 409-78 Housing and Hawaiian Homes on S.B. No. 1882-78

The purpose of this bill is to qualify the department of Hawaiian homes lands to participate in any federal program that renders assistance in program areas that the department is mandated by the Act to implement.

Present legislation allows the department to qualify for Farmer's Home Administration (FmHA) mortgage loans. However only rural areas qualify for Farmer's Home Mortgage financing ---Papakolea and Keaukaha are subdivisions in urban areas and therefore, do not qualify. Previous attempts to secure federal assistance have been unsuccessful, the major obstacle being, the department serves a special class of people. Once ratified by Congress this bill would relieve the State of some financial burden as well as create opportunities to accelerate and expand department services and programs.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1882-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 410-78 Housing and Hawaiian Homes on S.B. No. 1946-78

The purpose of this bill is to amend Chapter 519, Hawaii Revised Statutes, to change the term "owner's basis" to "lessor's basis" to eliminate any confusion between the use of the term "owner's basis" in Chapter 516 and Chapter 519 since the meanings in these respective chapters are different.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. 1946-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 411-78 Intergovernmental Relations on S.B. No. 2455-78

The purpose of this bill is to make the cleaning of streams, canals, and other waterways the responsibility of the counties.

Section 46-12, Hawaii Revised Statutes, now makes the various counties responsible

for cleaning shores and beaches of seaweed, limu, and debris which are likely to create an unsanitary condition or to otherwise become a public nuisance. The State assumes responsibility in certain other functions relating to the clearing of waterways.

S.B. No. 2455-78 would add to county responsibility the clearing of streams, canals, rivers, and waterways situated within the respective counties and would also make the law applicable when seaweed, limu and debris are likely to create a hazardous condition.

Your Committee finds that the public would be better served and government efficiency improved by eliminating the existing dual responsibility with respect to the clearing of waterways.

Your Committee on Intergovernmental Relations is in accord with the purpose and intent of S.B. No. 2455-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 412-78 Intergovernmental Relations on S.B. No. 2489-78

The purpose of this bill is to provide a more flexible and efficient method of processing special land use permits by county planning commissions.

Essentially, the bill allows each county, through its respective planning commission, to (1) establish an appropriate fee for processing a special permit petition, and (2) establish its own time requirements for processing and acting on special permits.

Existing requirements that a hearing be held not less than thirty nor more than one hundred twenty days from receipt of a petition and that the planning commission act on a petition no earlier than fifteen days after public hearing are repealed.

Other minor changes are made to the present law to clarify and define certain terms and requirements of the status.

Your Committee has received statements in support of S.B. No. 2489-78 from the State Land Use Commission and from Ramon Duran, Chief Planning Officer for the City and County of Honolulu, to the effect that the rigid time frames set in the present law have caused unnecessary delays and have otherwise hampered the efficient handling of special use permit applications.

Mr. Duran has recommended that authority to establish fees for processing special permit petitions be granted to each county instead of to the county planning commissions for the reason that in some counties fees are established by the legislative body and not the planning commission. Your Committee has accepted this recommendation and has amended the bill accordingly.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2489-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2489-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 413-78 Health on S.B. No. 1347

The purpose of this bill is to amend the health planning law.

Your Committee on Health is aware of the far reaching responsibilities of the State Health Planning and Development Agency, created in response to Public Law 93-641 through Act 159 of 1975.

Your Committee finds that the administrator of the State Health Planning and Development Agency is currently appointed by the Governor. Your Committee finds that Section 323D-11, Hawaii Revised Statutes, should be amended to require the advice and consent of the Senate to ensure the appropriate qualification of any appointee to the position. The administrator of the State Health Planning and Development Agency, as the chief executive officer of the State's primary health planning agency, implements the certificate of need program which significantly determines the growth and future development of all health programs and facilities in the State of Hawaii.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1347,

as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 414-78 (Majority) Ecology, Environment and Recreation on H.B. No. 1998-78

The purpose of this bill is to amend Section 343-4, Hawaii Revised Statutes by adding to the classes of action for which an environmental impact statement shall be required a new subsection covering all actions proposing the development of water resources which will probably have significant environmental effects.

Your Committee finds that wise management of water is crucial to the future of our State and that the effects of development or diversion of water should be carefully examined prior to implementation. In spite of this compelling need for careful examination, in the past significant actions have been approved without the benefit of an environmental impact statement. Your Committee has therefore amended the bill to include water diversion and to preclude the filing of negative declarations.

Your Committee has further amended the bill to limit the application of the new paragraph only to actions by State and county agencies.

In accordance with the foregoing, your Committee has amended SECTION, 1, subparagraph (F) on page 3, lines 9 through 11, as follows:

"(F) All actions by any State or county agency proposing any water development or diversion project."

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 1998-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto, as H.B. No. 1998-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 415-78 Ways and Means on S.B. No. 2520-78

The purpose of this bill is to eliminate totally the \$30,000 exemption limit placed on the inheritance and estate taxation of the residual proceeds of pensions so that such proceeds would be fully exempt from such taxation.

Your Committee finds that the present taxation of such residual proceeds in some instances results in a gross inequity to the taxpayers of this State. The inequitable situation occurs when a spouse dies and the surviving spouse or the other heirs are entitled to residual proceeds of a pension. Such residual proceeds are paid over the period of the surviving spouse's remaining life as determined under the American Experience Tables of Mortality. The present law provides that such residual proceeds once valued, if over \$30,000, shall be taxed under the Hawaii Inheritance and Estate Taxation Law. In such a situation where the residual proceeds are to be paid over a number of years the proceeds which are taxed are not available and have not been received by the surviving spouse or other heirs of the deceased individual. Thus, the State is taxing moneys which are not available to the person taxed. The situation may be worse, if the spouse does not live for the computed number of years, as for example, where the surviving spouse dies shortly after the deceased spouse, and the value of the proceeds may have been computed over a life-time expectancy of twenty years.

Your Committee also finds that under section 88-91, Hawaii Revised Statutes, the pension benefits of Hawaii's public employees are exempt from "any tax of the State". Since the State does exempt pension payments to all individuals from income taxation it should also make the residual proceeds of such pensions exempt from inheritance and estate taxation so that all the people of the State are treated equally.

Your Committee finds, however, that the bill as drafted does more than overcome the inequity, it provides a total exemption of such residual proceeds even if they are paid in a lump-sum amount to the surviving spouse of the heir at the time of death. In this instance there is no inequity, since such spouse or heir has the money in hand. Your Committee has amended the purpose of the bill and the bill to limit the exemption to only those proceeds paid on a periodic basis where no right or option exists to take a lump sum payment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2520-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2520-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 416-78 Ways and Means on S.B. No. 2463-78

The purpose of this bill is to support increased efforts by prosecuting attorneys' offices to prosecute career criminals through organizational and operational techniques that have been proven effective in selected counties in other states.

Your Committee finds that the Career Criminals Program is calculated to make maximum use of federal funds available through the Law Enforcement Assistance Program (LEAP). The intent of this bill is to provide the statutory mechanism necessary to enhance the State's chances of obtaining federal funds in order to further the State's fight against crime.

Your Committee set January 1, 1979 as the date by which the Attorney General is (1) to prepare and issue written program and administrative guidelines and procedures for the program, and (2) to submit the complete and final draft of such guidelines and procedures to the House and Senate Judiciary Committees of the State Legislature.

Your Committee set the appropriation figure of \$25,000 to be expended by the Office of the Attorney General for the purposes of developing programs and plans for implementation of this bill, submission of the program to the appropriate federal agency in order to apply for federal funds, and to report to the legislature by 1979 on its progress.

In addition, certain minor changes were made in the language of this bill which do not affect its substantive content.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2463-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2463-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 417-78 Ways and Means on S.B. No. 2080-78

The purpose of this bill is to amend chapter 47, Hawaii Revised Statutes, by adding a new section relating to the restoration of general obligation bond authorization by counties, under certain conditions.

Your Committee received testimony from James K. Sakai, Director of Finance for the City and County of Honolulu, who explained the necessity for the bill as follows:

A \$10 million authorization of the Council of the City and County of Honolulu was irrevocably lost when, on December 15, 1975, the City and County retired \$10 million principal amount of general obligation bond anticipation notes from the general fund out of real property tax proceeds rather than from the proceeds of the sale of general obligation bonds. Section 47-2.2, Hawaii Revised Statutes, provides that to the extent that the principal of outstanding general obligation bond anticipation notes is paid from moneys other than the proceeds from the sale of general obligation bonds, the aggregate of bonds authorized and unissued shall be reduced by the amount of notes paid in such manner. Thus, it was necessary to reduce the amount of bonds authorized in the City's general improvement bond fund by \$10 million, which reduction caused an increase of \$10 million in the City's general fund deficit for the fiscal year ending June 30, 1977. This bill is offered to reinstate the \$10 million reduction in bond authorization. Such a legislative remedy to the situation is the only feasible one available, in the view of the parties involved.

Your Committee has amended this bill to conform its language to the Hawaii Revised Statutes, and has made no substantive changes thereby.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2080-78 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2080-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 418-78 Ways and Means on S.B. No. 2302-78

The purpose of this bill is to amend section 47-7, Hawaii Revised Statutes, relating to the issuance, interest rate, denominations, maturities, places payable, registration, redemption, medium of payment, sale, or other disposal of county bonds authorized for issuance by the governing body thereof and section 47-52, Hawaii Revised Statutes, relating to the refunding of bonds authorized.

Your Committee received testimony from Stanley A. Nakamae, Director of Finance of the county of Hawaii, who explained the underlying intent of the bill as follows:

The bill allows the use of the true interest cost (TIC) method of determining best bidder on bonds in addition to the presently allowed net interest cost (NIC) method. The TIC method is difficult to compute but because it considers the time value of money it renders a more meaningful measure than the NIC method.

The bill abolishes the statutory requirement that a notice of bond sale be published in a newspaper circulating in the State. Since all general obligation bond sales are made in New York City and prospective buyers subscribe to trade publications and financial newspapers in New York City, Chicago, or San Francisco, a notice of sale published in a financial newspaper such as the Daily Bond Buyer will suffice. Local publication can be made voluntarily for information.

The bill permits the private sale of bonds to the United States or the State of Hawaii or to any of their boards, agencies, or instrumentalities, such as the Farmers Home Administration.

Finally, the bill permits the private sale of refunding bonds. This gives the issuer the flexibility of tailoring a plan. Coupon rate can be compared to market rate to determine reasonableness.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2302-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 419-78 Ways and Means on S.B. No. 1810-78

The purpose of this bill is to minimize the administrative cost of collecting the state vehicle registration fee and the state vehicle weight tax, and to eliminate inequities and to provide for the imposition of penalties in relation to the collection thereof.

The bill provides that the state motor vehicle registration fee and the state motor vehicle weight tax shall be paid to the county director of finance together with all other taxes and fees levied in chapter 249, Hawaii Revised Statutes. This will result in the collection of sufficient revenues for the State Highway Fund in a timely and efficient manner. The bill further provides for penalties in case of failure to pay the fee or tax levied. It also eliminates the 6,000 pounds weight limit, and provides credit toward gross motor vehicle fee.

Your Committee received testimony from James K. Sakai, director of finance of the city and county of Honolulu, upon whose recommendation the following changes in Senate Draft 1 of S.B. No. 1810-78 were made.

(1) The imposition of the state vehicle weight tax on vehicles other than motor vehicles as required by amendments made in SECTION 3 is deferred until January 1, 1979, so that the owners of such vehicles who have already registered their vehicles for 1978 without paying such taxes are not unduly favored. SECTION 6 of Senate Draft 1 of S.B. No. 1810-78 contained the provision that this tax was to take effect upon approval of this bill. SECTION 9 of Senate Draft 2 contains the new provision.

(2) The above concern also applies to the deletion of the exemption from the state vehicle weight tax for motor vehicles weighing 6,000 pounds or more. SECTION 6 of Senate Draft 1 provides that the deletion takes effect upon approval of this bill. SECTION 9 of Senate Draft 2 provides that the deletion takes effect on January 1, 1979.

(3) Delinquent penalties are made applicable only to the failure to pay the state vehicle weight tax and not the registration fee. SECTION 4 of Senate Draft 2, creating a new section in chapter 249, Hawaii Revised Statutes, makes this change in the bill. The administrative costs of penalizing the failure to pay the \$1 registration fee were determined to outweigh the possible benefits of such a penalty provision.

Your Committee also made the following changes in Senate Draft 1.

A provision is added to SECTION 3 of Senate Draft 2 amending section 249-33, Hawaii Revised Statutes, so that vehicles with a net weight of 6,000 or more used for agricultural purposes may obtain a refund of the state vehicle weight tax.

A provision in SECTION 4 of Senate Draft 1 allowing motor carriers who have paid the state vehicle weight tax to a credit against the gross weight fee under section 286-215, Hawaii Revised Statutes, is eliminated.

SECTION 6 provides that a new section be added to chapter 248, Hawaii Revised Statutes, so that the department of transportation may expend funds from the state highway fund to defray expenses of the motor vehicle safety office.

SECTION 7 of Senate Draft 2 allows a refund, for the calendar year 1978, from the gross weight fee, for vehicles with a net vehicle weight of 6,000 pounds or more used for agricultural purposes, and motor carriers who have paid both the gross weight fee and the state vehicle weight tax.

Finally, your Committee made amendments to the purpose clause of the bill to make it more concise.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1810-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1810-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 420-78 Ways and Means on S.B. No. 1811-78

The purpose of this bill is to provide the legal and regulatory structure to encourage and permit local private industry to design, construct, and operate a semi-submersible platform (SSP) ferry as a supplement to the existing barge system.

This bill also seeks \$160,000 to assist in the establishment of a privately owned and operated SSP interisland ferry system.

Your Committee has amended the bill by making grammatical changes in its language and deleting the section providing for Ramseyer which is unnecessary.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1811-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1811-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 421-78 Ways and Means on S.B. No. 2610-78

The purpose of this bill is to amend sections 93 and 93A of Act 195, Session Laws of Hawaii 1975. These amendments authorize the substitution of airport and harbor revenue bonds in lieu of reimbursable general obligation bonds authorized by Act 195, Session Laws of Hawaii 1975 as amended by Act 226, Session Laws of Hawaii 1976, and Act 110, Session Laws of Hawaii 1977.

These amendments authorize the use of revenue bonds to fund certain essential capital improvement projects. Act 110, Session Laws of Hawaii 1977 failed to include projects authorized under Act 226, Session Laws of Hawaii 1976. This bill corrects that omission.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2610-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 422-78 Ways and Means on S.B. No. 2414-78

The purpose of this bill is to allow the State Employees Retirement System to make residential mortgage loans insured by private mortgage insurance companies, and to increase the maximum amount made under an eighty per cent value loan from \$50,000 to \$75,000.

Your Committee received testimony from Stanley Siu, Secretary of the Hawaii State Employees' Retirement System, that expressed opposition to investments in private

mortgage insurance loans due to the fact they may not be adequately secured.

Your Committee has amended the bill to exclude investments in private mortgage insurance loans and has amended the purpose clause to reflect this amendment.

Your Committee has also added the word "in" on page 10, line 6, of the bill as received by your Committee which appears to have been inadvertently left out when typing the bill and other technical corrections have been made to the bill which does not affect its substance.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2414-78, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2414-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 423-78 Ways and Means on S.B. No. 2620-78

The purpose of this bill is to amend pertinent chapters of the Hawaii Revised Statutes to make funding and administrative provisions to enable recipients of social services to satisfy statutory requirements imposed by state and federal tax and employment insurance programs resulting from the receipt of such services, and to exempt them from statutory requirements under state wage loss replacement programs.

Your Committee agrees with the sentiments of the Senate Committee on Human Resources as expressed in Senate Standing Committee Report No. 314-78.

We have, however, reduced the amount appropriated by this bill from \$144,000 to \$110,902. The portion of this total mandated to be reimbursed by federal funds has been correspondingly reduced from \$108,000 to \$83,176.50. A lapsing provision has also been included.

In addition, your Committee has made numerous nonsubstantive clerical and technical corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2620-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2620-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 424-78 Ways and Means on S.B. No. 2386-78

The purpose of this bill is to establish and maintain a state comprehensive emergency medical services system by providing a framework for the implementation of a fully integrated, cohesive network of components designed to assure the provision of emergency medical services consistent with the needs of the people.

The proposed system, to be established, implemented, and administered by the Department of Health, is designed to take advantage of particular expertise in emergency services which has developed in the State of Hawaii, and to ensure the continuation of the development of appropriate and adequate services.

Upon consideration of the bill, your Committee has made various amendments to the bill.

Your Committee has amended this bill to require the advisory committee to formulate and submit to the legislature a master plan for emergency medical services, to ensure the systematic development of state emergency medical services. Your Committee has further amended the bill to clarify the responsibility for the training of first responders and other basic life support personnel, as well as the intent that all state as well as county activities in emergency services are to be implemented through the state system. The provision relating to quorum requirements of the advisory committee has also been amended, to clarify that a majority vote of the members present at a meeting at which a quorum is established is required to validate any action of the committee.

The Department of Health, in addition, has been allowed rather than mandated to contract for technical assistance, consultation, and evaluation appropriate to the needs of the state system. The Department of Health has further been given the authority to review any grant applications prepared with regard to the state system, or any part thereof, and is allowed rather than required to seek technical assistance in the preparation of grants.

Your Committee finds that the exigencies of emergency care require the extension of services to the public without regard to the ability of a patient to pay for such services. Accordingly, your Committee has amended the bill to provide specifically that no services shall be denied to any person on the basis of the ability of the person to pay therefor, or because of the lack of prepaid health care coverage, or the lack of proof of ability to pay or of insurance. The bill has been further amended to require the Department of Health to determine whether the recipient of services who has not paid fees required to be paid, is financially capable of paying for the services. In the event the person is determined by the Department of Health to be without sufficient resources to pay the required fees, the Department of Health is prohibited from taking further action to secure payment thereof. Where services are provided by a county or other entity, and the fees pertaining thereto are contractually required to be collected by the county or other entity, they are required to forward information relating to unpaid fees to the Department of Health for determination of ability to pay. The bill has been further amended to provide that no county or other entity can make a final determination on whether or not a person is financially able to pay for the services rendered. Fees for emergency medical services, including ambulance service, have been given an effective date of January 1, 1979, so that services provided prior to January 1, 1979 shall not be subject to such fees.

The bill provides for the certification of emergency ambulance personnel who provide emergency medical services, and your Committee finds that provision should be made to allow sufficient time for persons currently employed in such capacities to gain such certification. The bill has been amended to provide that the certification of such persons must take place within two years of the effective date of the measure, if enacted.

Your Committee finds that the Hawaii Medical Association-Emergency Medical Services Program, a program nationally-recognized for its excellence, should be funded through a grant-in-aid to enable the continuation of the services which have evolved thereunder during the past years. Until the full establishment and implementation of the state system is reality, the HMA-EMS program should be continued so that the vital training, continuing education, data collection, analysis, evaluation, research, and dissemination of information to the public, relating to emergency medical services, which forms an information and technical expertise base for the proposed state system, will not be lost. Your Committee has therefore amended the bill to include a grant-in-aid for that purpose.

The effective date of the bill has been amended to July 1, 1978, and a severability clause has been added to ensure the fullest and most expedient possible implementation of legislative intent.

Your Committee has also made other technical and style amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2386-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2386-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 425-78 Ways and Means on S.B. No. 1985-78

The purpose of this bill is to amend Act 151, Session Laws of Hawaii 1975, as amended, to continue the state comprehensive employment and training (SCET) component of the state program for the unemployed (SPU).

Your Committee received testimony from Joshua C. Agsalud, director of labor and industrial relations, who stated the department of labor and industrial relations' support for the bill. Mr. Agsalud noted that the SCET program, designed to provide temporary public service jobs to the unemployed and underemployed, has at present approximately 1,100 participants. It is anticipated that by June 30, 1978, there will be approximately 900 participants in the program. The department proposes to continue reduction of SCET enrollments in fiscal year 1979 through natural attrition and through the placement of SCET participants into employment not supported by the program.

The executive budget contains an appropriation of \$2.5 million for the continuation of the SCET program in fiscal year 1979. The department also anticipates receipt of an additional \$2.5 million in federal funds through the Public Works Employment Act of 1976 (PEWA), Title II. The combined total of \$5 million will enable the department to place SCET participants into unsubsidized employment on a planned basis.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1985-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 426-78 Ways and Means on S.B. No. 1673-78

The purpose of this bill is to exclude University of Hawaii bookstores from the requirement of advertising for bids, and in this manner, provide the retail establishments with sufficient flexibility to provide the desired materials and supplies and to operate at a profit.

A memorandum submitted by Fujio Matsuda, President of the University of Hawaii, suggested language clarifying S.B. No. 1673-78 to clearly exclude the University of Hawaii bookstores from the bidding requirement of Hawaii Revised Statutes section 103-22 and to add a new section to the Hawaii Revised Statutes, Chapter 103.

Your Committee also received testimony from Keith Snyder, Vice Chancellor for Administration at the University of Hawaii, who testified in favor of the proposed amendments to S.B. No. 1673-78.

Your Committee adopted these recommendations by amending S.B. No. 1673-78. The new language would delete the University Bookstores from the political subdivisions of the State from which state agencies may make purchases under the exemptions in section 103-22, by addition of the words "... other than University of Hawaii bookstores..." and would add a new section which reads "Notwithstanding any other provisions, purchases of materials, supplies and books by the University of Hawaii bookstores for resale shall be exempt from public bidding requirements of this chapter."

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1673-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 427-78 Transportation on S.B. No. 782

The purpose of this bill is to provide for the definition and regulation of a vehicle to be known as a "motor-driven bicycle". It establishes a maximum speed limit of 25 miles per hour and a maximum machine operating speed of 35 miles per hour. Additionally, this bill, as amended, requires that operators be licensed in one of the categories established in Section 286-102, Hawaii Revised Statutes. The definitions of "bicycle", "motor scooter", and "motor vehicle" have been redefined so as to conform to this bill and existing statutory usage.

With the increased popularity of these vehicles as an inexpensive and efficient form of transportation, it has become evident that clarification of their status as a vehicle is necessary. It is your Committee's concern in this regard, that a definition be established which, while providing adequate regulation and ensuring safe operation, will not overly restrict the market or discourage the use of these vehicles. Accordingly, the definition, as amended, will allow the vehicle to be registered and insured as a bicycle yet maintain an identity independent from a bicycle. Section 281-81, Hawaii Revised Statutes, has been amended by providing that protective devices need not be worn by operators or passengers of motor-driven bicycles. Further changes include amending Section 286-110, Hawaii Revised Statutes, to exempt holders of temporary instruction permits from being accompanied by a licensed operator in operating motor-driven vehicles and prohibits these temporary permit holders from operating these vehicles at night and from carrying passengers. This bill, as amended, restricts the vehicle to an engine maximum piston or rotor displacement of 3.05 cubic inches (50 cubic centimeters), which is able to propel the vehicle unassisted at a speed not to exceed 35 miles per hour.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 782, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 428-78 Transportation on S.B. No. 2525-78

The original purpose of this bill was: (1) to limit the location along a public highway where sign-holding may be conducted, and (2) to limit the number of people that may hold such signs along a public highway. Upon consideration, your Committee has

changed the purpose to prohibit sign-holding, with two exceptions, within the right-of-way of a public highway upon which the speed limit is twenty-five miles per hour or greater.

Testimonies of several witnesses revealed that bad traffic accidents have occurred on high speed public highways where drivers have had their attention diverted by movable signs which were waved or moved specifically to attract the attention of passing drivers.

Your Committee, after careful consideration of those and other testimony presented, finds that persons holding movable signs along high speed public highways pose a significant threat to the safety and well-being of the public; and that such holding, waving, and moving of movable signs which primarily intend to attract the attention to passing motorists should be prohibited from all highways with a speed limit of more than 25 miles per hour. The bill is amended accordingly.

Your Committee also makes an exception to this prohibition by allowing authorized picketers in labor disputes to hold such signs so long as their primary purpose is in connection with the labor dispute, and not in attracting the attention of passing motorists.

In balancing the health, safety, and welfare of the community with the right of certain political candidates and proponents of public issues to exercise their freedom of speech, the other exception allows limited political sign holding on these highways.

The purpose clause is also amended to reflect the new direction.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2525-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2525-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 429-78 Human Resources on S.B. No. 1533-78

The purpose of this bill is to eliminate the functional duplication that exists among the three units of State government involved in statewide and multi-departmental in-service training and staff development programs.

Your Committee finds that currently, the Hawaii Institute for Management and Analysis in Government (HIMAG) of the Department of Budget and Finance; the Training and Safety Division of the Department of Personnel Services; and the Center for Governmental Development of the University of Hawaii share the responsibility for in-service training and staff development in the State. During the regular session of 1977, the legislature by resolution requested these three State government agencies to jointly review and evaluate their functions, responsibilities, and authorities with specific attention to be directed toward actions which would eliminate duplication of services, programs, manpower, and fiscal resources. In November, 1977, these three State government agencies submitted their findings and recommendations as summarized in the preamble of this bill.

This bill implements the foregoing findings and recommendations as follows:

1. The Center for Governmental Development is abolished. Your Committee finds that under the current statutory arrangements, the Center is under dual management... the budget rests with the University of Hawaii, while program control is with the Director of Personnel Services. The abolishment of the Center paves the way for the transfer of its functions, powers, and duties to the Department of Personnel Services as provided in this bill. Your Committee feels that this arrangement best strengthens existing State in-service training programs by consolidating the heretofore segregated in-service training program resources of the University and the Department of Personnel Services.

2. A joint committee made up of representatives of the various government departments and agencies concerned with in-service training programs is established. This committee shall maintain an advisory role with respect to the planning of State in-service training programs.

Upon due consideration, your Committee has amended this bill as follows:

1. Section 76-38 (the Director of Personnel Services's authority for the coordination of State in-service training programs) is repealed, and the exact contents thereof are

made into a new section 81-1. Your Committee has done this in order to consolidate all pertinent in-service training program statutes under one chapter (chapter 81 currently includes provisions for HIMAG).

2. The joint committee section has been amended as follows:

(a) the joint committee is changed to advisory committee;

(b) provisions for the membership of three employee representatives from among the exclusive bargaining agents of collective bargaining units 1, 2, 3, 4, 9, 10, and 13 have been added;

(c) the committee shall meet quarterly instead of semiannually; and

(d) the Director of Personnel Services shall chair the committee instead of rotating the chairmanship every six months between the representative of the Training and Safety Division of the Department of Personnel Services and the representative of HIMAG.

3. Clarifying language has been added and technical amendments have been made to conform to the Ramseyer rules of bill drafting.

Your Committee notes that the new section 81-1 in this bill provides the Director of Personnel Services with the authority to coordinate in-service training program efforts with related activities of the University, and your Committee intends for this cooperative relationship to be pursued to its fullest.

With the membership of three employee representatives on the advisory committee, your Committee stresses the importance of involving employee participation during the formulation of in-service training programs and plans. It is your Committee's intent that the exclusive representatives of the bargaining units named in the advisory committee section of this bill shall submit the names of three individuals to the chairman of the advisory committee for appointment to the committee.

The involvement of union representatives is important to our future in-service training programs because the unions will be more active in demanding more in-service programs in future collective bargaining sessions. It is necessary that we structure the delivery of in-service training programs more efficiently and effectively.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1533-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1533-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 430-78 Human Resources on S.B. No. 1654-78

The purpose of this bill is to change the method of providing veterans preference to job applicants on a list of eligibles certified by the director of personnel services.

Under current rules and regulations of the department of personnel services, veterans preference points are added on to the examination scores of veteran applicants who are on the open-competitive list. The top five eligibles among all applicants are then certified, and this list of five is then sent to the hiring agency. Your Committee finds that qualified veterans could always prevent other higher-scoring applicants from being named to the certified list of five under the foregoing method of applying veterans preference points.

Under this bill, after the applicants are rated, the director identifies the top five eligibles to be certified without yet applying veterans preference. After this list of five is certified, the director then adds on the veterans preference points to each veteran applicant's examination score, and those veterans whose examination scores are then equal to or exceed the examination score of the fifth eligible certified, shall also then be certified in addition to the original top five ranking eligibles (thus there is always the possibility that more than five may be certified, but no otherwise qualified applicant is displaced from the list).

Your Committee believes that this complies with the merit principles of selection and allows fairer competition to all qualified applicants, and does not deny any veteran his rights. Your Committee further finds that this amendment is consistent with equal employment opportunity objectives in providing fair treatment to all applicants, specifically

females and non-veterans.

Your Committee has amended this bill in order to give a higher priority for civil service job placement to involuntarily laid-off regular employees. Under current statute, the director of personnel services compiles his eligible list of five applicants by taking applicants from the following lists in the following order: first the promotional list; second the reemployment list; and third the open-competitive list. Presently, these involuntarily laid-off (due to lack of work or funds) regular employees are classified in the reemployment list along with those who are voluntarily terminated, or voluntarily demoted, or voluntarily accepting demotions because of reduction in force, or whose positions were reallocated to a class at a lower salary range, or whose current class is repriced downward. Under this amendment, a "recall list" is created; the involuntarily laid-off regular employees are separated from the reemployment list and placed in this "recall list"; this "recall list" of involuntarily laid-off regular employees is then assigned second priority in the compilation of the eligible list; and the order of priority would be: first the promotional list; second the recall list; third the reemployment list; and fourth the open-competitive list.

Your Committee has further made technical amendments to this bill to remove repetitious amendments to the statutes.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1654-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1654-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 431-78 Human Resources on S.B. No. 1682-78

The purpose of this bill is to amend section 378-32 to make it unlawful for an employer to suspend or terminate an employee for cooperating in the prosecution or defense of a criminal charge at the request of a party thereto or the State.

Your Committee finds that an employee who cooperates as a witness in the prosecution or defense of a criminal charge, is performing a civic duty and should not be deprived of his present employment.

Your Committee finds it more appropriate to amend Chapter 621, Evidence and Witnesses, Generally, rather than Section 376-32, Unlawful suspension or discharge from employment because the subject matter of chapter 621 is more germane to the intent and purpose of this bill. Amending chapter 621 to protect witnesses' employment is thoroughly compatible with similar existing provisions for the protection of the employment of jurors (section 612-25) and voters (section 11-95). Your Committee has amended this bill accordingly.

Your Committee further notes that the intent of this bill as received by your Committee was to protect the employment of a cooperating witness. As amended, this bill protects the employee who receives a summons, responds thereto, and serves as a witness or attends court as a prospective witness, in order to emphasize a full cycle of cooperation as opposed to an uncertain, indefinite period of cooperation as provided in the original bill.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1682-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1682-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 432-78 Human Resources on S.B. No. 1787-78

The purpose of this bill is to define the term "resident" as it applies to employment in State and county government and to give residents who have filed tax returns and their dependents "preference" when applying for State or county government jobs.

Your Committee finds that this bill enhances job opportunities for our State's residents and assists our unemployed by promoting the hiring of residents for jobs with State and county government agencies. This bill is not intended to halt in-migration to the State, but rather to encourage the employment of persons who currently reside here.

The geographic location of our State poses severe problems for residents who are unable to find work locally. Unlike the unemployed in mainland states, unemployed

Hawaii residents cannot readily or easily commute to another state in order to seek work. To find gainful employment, Hawaii's unemployed residents may have to physically move to another state, thereby incurring substantial financial burdens, and in many cases, family ties may be disrupted. Your Committee further finds that concern in this area is warranted. A recently completed study by the State Administration indicates that approximately 10% of those hired for jobs in State government during fiscal year 1976-77 were either non-residents or residents of less than one year duration at the time of their job application. This figure represents more than two and one-half times the incidence of "less than one-year residents" in the State's employed labor force.

Your Committee further finds that this bill shall:

- (1) require applicants for State and county government jobs to be residents of the State at the time of their job application, thereby effectively deleting the current provisions which stipulate a one-year durational residency requirement;
- (2) provide a definition of the term "resident" as it applies to public employment; and
- (3) provide for the granting of preference to those qualified public employment applicants who have filed, or are dependents of persons who have filed, resident income tax returns with the State.

Your Committee feels that a statutory definition of the term "resident" as it applies to public employment is necessary in order to establish legislative intent, and at the same time to clarify ambiguities which may arise because of the different meanings which could be ascribed to this term. For example, definitions of the term "resident" as used to determine residency status for tax purposes may differ from those used for the computation of tuition at the University of Hawaii. A definition of the term "resident" as provided in this bill, however, removes many ambiguities with respect to residency requirements for public employment, and would assist government agencies, particularly the department of personnel services, the department of education, and the University of Hawaii by establishing a common definition to be used in determining the resident status of job applicants.

Your Committee further finds that the application of residency per se as a condition of employment is valid, although the courts have thus far invalidated durational residency requirements for employment. A number of jurisdictions on the mainland require residency as a condition of employment, and your Committee further finds that this bill's criteria for defining residency are based on precedents established by court cases and are legally supportable.

The provisions of this bill which deal with the granting of preference to tax-filing residents are intended to provide these residents and their dependents rightful consideration for job opportunities which tax dollars create. Your Committee notes that the granting of preferences to tax-filing residents does not bar any other resident from applying for public employment, and does not bar any qualified resident (tax-filing or otherwise) from being considered, interviewed, or hired for a State or county government job.

Your Committee believes that there is a compelling State interest underlying the intent and purpose of this bill. It is difficult to develop plans to continue to make the State of Hawaii a good place to live in a socially, economically, and environmentally comfortable manner without some consideration of the State's population growth rate. This civilian population growth rate was twice as fast as that of the entire United States from 1960 to 1975 due largely to the influx of new residents. New residents create greater demands for housing, police, transportation, schools, sewers, and other public services. Uncontrolled population growth also adds to the crowding and congestion which may contribute to the erosion of the Aloha Spirit and our quality of life. By controlling the population growth rate, certain related costs can be avoided, and State government can then channel its spending into programs designed to benefit its residents and to sustain a unique multi-cultural community. This bill will aid in reducing the strain on our limited resources and in achieving the growth management objective of providing and enhancing employment opportunities to meet our labor force needs without encouraging in-migration.

After due consideration, your Committee has amended this bill as follows:

- (1) The method of granting preference by awarding five points to tax-filing residents and their dependents is replaced by a method whereby preference is granted through the employment certification process. Under this latter method any resident among the top five eligible for employment consideration would not be displaced, and the list would be supplemented by an equal number of qualified tax-filing residents (and/or

dependents) on a one-for-one basis for each person on the list who has not achieved that same tax-filing resident status.

(2) The definition of the term "resident" has been broadened, but criteria for determining a person's intent to make Hawaii his permanent residence has been added.

(3) Clarifying language has been added and technical changes have been made to that paragraph of the bill dealing with the treatment of University of Hawaii personnel under this measure. These amendments conform to the provisions of the bill exempting faculty and certain other personnel who are in positions requiring highly specialized technical or scientific skills and knowledge from residency requirements.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1787-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1787-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 433-78 Human Resources on S.B. No. 1805-78

The purpose of this bill is to allow the Board of Trustees of the health fund to use rate credits or reimbursements from medical and dental plan insurance carriers to defray the cost of county contributions to finance the children's dental plan premiums.

Your Committee finds that the 1972 Legislature amended section 87-4 (pertaining to State and county contributions to the health fund) to require each county to contribute specific amounts of monies as payment toward a portion of the costs of certain employee health benefits plans. The State previously paid the entire costs of these plans for the several counties.

The 1973 Legislature then amended section 87-6 (pertaining to contributions for an employee-beneficiary) to additionally require the counties to pay for their retiree fringe benefit costs. Your Committee finds that in view of this additional burden on the counties with respect to their contributions to the health fund, section 87-3 should have also been amended at that time to allow the several counties to derive occasional benefits from insurance rate credits or refunds which are made to the board of trustees from time to time. This bill would accomplish that end by allowing the board to use such insurance rate credits and refunds to offset the several counties' contributions toward the children's dental benefits plan. Your Committee notes that the State already derives benefits from the foregoing arrangement under current statutes.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1805-78 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 F. Wong.

SCRep. 434-78 Human Resources on S.B. No. 2100-78

The purpose of this bill is to delete from the Hawaii Employment Security Law the provision of disqualification for benefits of those individuals who have been suspended for misconduct connected with their work.

Under current law, an individual who has been suspended from his job for misconduct connected with his work must be disqualified from receiving unemployment insurance benefits. This disqualification period lasts until the individual has subsequently worked for five consecutive weeks.

Your Committee finds that unemployment insurance is meant to be paid only to involuntarily unemployed individuals. An individual suspended for misconduct has, by his own actions, brought about his own temporary unemployment; therefore, he should not be immediately entitled to unemployment insurance benefits.

Your Committee believes, however, that a fixed disqualification period in a case of suspension would prevent a form of abuse by an employer which could occur under present law whereby an employer could impose an unreasonably long period of suspension as a punitive measure against an employee, with the employer's full knowledge that the employee would be unable to return to work or unable to collect unemployment insurance benefits for the duration of the suspension. Your Committee has therefore amended this bill to retain the disqualification for suspension for misconduct connected

with work, but has reduced the disqualification period to two weeks.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2100-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2100-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 435-78 Human Resources on S.B. No. 2609-78

The purpose of this bill is to amend certain sections of chapter 346, Department of Social Services and Housing, and to add new sections thereto in order to enable the department to more effectively administer the medicaid program, particularly in those areas relating to the control of fraud and abuse.

Your Committee finds that the several sections of this bill accomplish the following:

Section 1 defines a provider of service as that term is used in medicaid.

Section 2 defines conditions to regulate the department's handling of confidential information relating to recipients.

Section 3 provides a penalty for the unauthorized release of confidential information relating to recipients.

Section 4 gives the director of social services subpoena power in matters relating to its program. Your Committee has made a technical amendment to this section to conform the director of social services' title to section 26-14.

Section 5 defines fraud in the public assistance programs including medical assistance and establishes the penalties to be applied upon conviction under this section.

Section 6 establishes the law under which providers of service to medicaid recipients must maintain records and make them available to the Department in the course of its administration of the program. Your Committee has amended this section to provide for a three-year retention of records instead of six years.

Section 7 permits the department of health, the department of social services and/or the Attorney General's Office to inspect medical facilities including hospitals, and nursing and intermediate care facilities which receive medicaid payments for the purpose of determining compliance with the various State and federal requirements imposed on such facilities.

Section 8 sets forth the procedures for obtaining and using administrative inspection warrants. Such warrants would be necessary in case of refusal by an institution or other provider of service to permit access to a facility or other place of business for the purpose of the department's examining records, books of account, diagnostic equipment and supplies used in or relating to the services rendered to a medicaid recipient.

Your Committee finds that the department has been experiencing difficulty in obtaining access to providers' records to investigate suspected cases of fraud and abuse.

Your Committee feels that it is necessary for the department to review records to determine if a service was rendered in accordance with the bill which was submitted and to determine the medical necessity for such service. Since the department pays on the reasonable cost of the service rendered, it must have access to the providers' books of account in order to make a determination of that cost.

Your Committee further finds that federal regulations require that each provider of service in the medicaid program "keep such records as are necessary fully to disclose the extent of the services provided" and also to "furnish the State agency with such information regarding any payments claimed" for providing those services as the State agency may request. This section of this bill shall enable the department to attain compliance with the federal regulations.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2609-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2609-78, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 436-78 (Majority) Ecology, Environment and Recreation on S.B. No. 2047-78

The purpose of this bill is to add a new section to Chapter 340A, Hawaii Revised Statutes, to regulate and control the disposition of all solid waste generated in the State.

Your Committee heard supporting testimony from the Department of Public Works, City and County of Honolulu; the Mitre Corporation, the consulting firm retained by the Office of Environmental Quality Control, State of Hawaii, and the Department of Public Works, City and County of Honolulu; and AMFAC. Written testimony in support of the bill was received from the Hawaiian Sugar Planters' Association and the Hawaii Food Industry Association.

The City and County of Honolulu's Department of Public Works supported the bill as a means of providing a predictable and continuous supply of solid waste to realize what the Department maintains would be "the benefits of economy of scale realized from a facility processing practically all of Oahu's refuse." The Department testified that investors would view the lack of positive control as a detriment to the project. The Mitre Corporation testified that the proposed resource recovery facility would receive and dispose of solid wastes and produce energy and material products for sale, and further that the bill would provide assurance for economic efficiency and environmental benefit to the public. AMFAC's support was based on the conclusion that energy recovery from municipal solid waste is feasible and economical if done on a large scale and that the City and County of Honolulu presently controls an insufficient quantity of municipal refuse to guarantee the economy of scale for a refuse-to-energy plant. They stated that from their studies they believe that a resource recovery facility will not be built in Honolulu unless the delivery of a quantity of refuse in excess of 1,000 tons per day can be guaranteed.

The Hawaiian Sugar Planters' Association indicated reservations regarding the inclusion of all solid wastes under the proposed bill, recommending clarification that it would apply only to wastes collected by the County agency or by a licensed collector.

Testifying in opposition to the bill were the United Refuse Collectors Association of Hawaii; Meyer S. Bogost, and environmental engineering consultant retained by Hawaii Capital Fund; and I. Irving Berns, president of Hawaii Capital Fund, which proposes the Enterprise Pyrolytic Conversion System of resource recovery. Also in opposition to the bill was the National Solid Wastes Management Association, representing more than 2,000 companies in the private collection area, which sent a telegram objecting to legislation mandating "the direction of the waste stream to some predetermined facility and which in effect takes ownership away from the collector."

Also testifying against the bill was Koolau Refuse, Inc. which stated that the establishment of such a large plant in an outlying area would result in additional hauling costs that would have to be passed on to the consumer. Testimony indicated that the kind of plant being considered would require from 15 to 25 acres and that Campbell Industrial Park is the site being considered. The Department of Public Works testified that costs could range up to 80-85 million dollars. Your Committee is heartened by the department's testimony, however, that although it had originally considered feasible only a plant handling a minimum of 1,000 to 1,200 tons per day, its intention now is to include in their Request for Proposal a 600-ton-per-day plant. Meyer S. Bogost had pointed out that the tonnage required by the size of plant being considered might inhibit the recycling of materials, in addition to his testimony that giving the counties total control over solid waste "would effectively prevent private industry and private capital from seeking and implementing techniques and methods which might reduce costs of disposal." The City and County of Honolulu Department of Public Works responded that Requests for Proposals would be sent to all parties interested, and all proposals would be considered.

Your Committee has amended the bill in accordance with the Hawaiian Sugar Planters' Association recommendation to clarify the Delivery requirements by deleting ", whether" at the end of line 4 on page 2 and the comma at the end of line 5.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2047-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2047-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senators Hara and George did not concur.

SCRep. 437-78 Ecology, Environment and Recreation on S.B. No. 2436-78

The purpose of this bill is to amend Act 2 of the Special Session Laws, 1977, First Special Session, to permit the sale of beverages in containers using pressure sensitive

tape to cover the opening of the container.

Your Committee heard supporting testimony from Roy A. Vitousek, Jr., who said degradable pressure sensitive tape is being used to seal can openings by processors of fruit and vegetable juices. Such pressure sensitive tabs would be banned in the State of Hawaii as of January 1, 1979 under the existing language of the Litter Control Act, which bans the sale of "any beverage in a metal container so designed and constructed that a part of the container is permanently detached in opening the container." Mr. Vitousek further stated the tapes can be affixed on the side of the container after the container has been opened to mitigate against contributing to the litter problem.

Also testifying in support of the bill was the Hawaii Food Industry Association.

The Department of Health testified in opposition to the bill on the grounds that detachable tabs could contribute to the litter stream and the size of the tabs would make it difficult to clean up.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purposes of S.B. No. 2436-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 438-78 Ecology, Environment and Recreation on S.B. No. 2604-78

The purpose of this administration bill is to expand the construction grant scope eligibility for water pollution control facilities and plans to include other related projects intended for waste water reclamation or waste management, in particular, recycling and utilization of wastewater for irrigation or for aquacultural projects requiring high nutrient additions.

Your Committee heard testimony in support of the bill from the Department of Health which stated that expansion of the grant eligibility would include "innovative and alternative wastewater processes and techniques which provide for the recycling and utilization of wastewater for irrigation, for aquaculture projects requiring high nutrient additions and for new or improved methods of waste treatment management." The Department pointed out that this is state policy, especially as it relates to the conservation ethic and the conservation of our water resources.

The Department of Health stated that pursuant to the Clean Water Act of 1977, P.L. 95-217, federal grants in the amount of 85 per cent of the cost of constructing, reuse or innovative wastewater treatment alternatives is provided but that to receive such federal funding certain amendments to the bill were necessary.

Your Committee, therefore, has amended the bill on page 2, lines 7 and 8, by deleting the words "at least fifteen per cent" and inserting in lieu thereof the words "sixty per cent of the nonfederal share."

Your Committee has further amended page 1 of the bill at line 8 to rectify the inadvertent omission of the word "than" in the phrase "by other than conventional means."

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 2604-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2604-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 439-78 (Majority) Ecology, Environment and Recreation on S.B. No. 2533-78

The purpose of this bill is to provide the temporary protection of the Historic Preservation Act for a historic property between the time it is properly nominated and the time it is entered on the historic register.

Your Committee heard favorable testimony from the Department of Land and Natural Resources, the Environmental Center, University of Hawaii, and Life of the Land. Written statements were received from the General Contractors Association in opposition, and from the Sierra Club in support, although the Contractors Association indicated support for a six-month time limit.

Your Committee is in agreement with the recommendation by the Environmental Center that a time limit be placed on the period. Your Committee has therefore amended

the bill on page 1, lines 12, 13 and 14 by deleting the words "or properly nominated to the Hawaii register of historic places, as certified by the State historic preservation officer" and substituting the words "or historic property in nomination status, from the date of notification to the property owner by the Hawaii historic places review board of consideration for nomination."

Your Committee is in accord with the intent and purpose of S.B. No. 2533-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2533-78, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 440-78 Economic Development on S.B. No. 1912-78

The purpose of this bill is to amend Chapter 46, Hawaii Revised Statutes, by adding a new section requiring that each new structure using water include water conservation devices to reduce the normal amount of water used.

Your Committee finds that studies indicate that a savings of up to ten percent can be attained by using water conservation devices. This bill should not have any significant effect on the cost of new buildings; water conservation devices are available on the market at comparable cost with standard devices.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1912-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 441-78 Economic Development on S.B. No. 2030-78

The purpose of this bill is to amend Section 363-4, Hawaii Revised Statutes, to include Lanai under the provisions of this Section.

Your Committee finds that the acquisition of one acre of land on Lanai for the purpose of establishing a veterans cemetery has great merit and provides a means of honoring those who served in the armed forces of the United States. Under this provision the Department of Land and Natural Resources would acquire the property, which would then be developed and maintained by the County.

Your Committee heard testimony from the Department of Land and Natural Resources and supports the intent of this bill. Your Committee would like, however, to recommend that preference be given to incorporating a cemetery for veterans on Lanai into an existing cemetery rather than locating it in a new area.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2030-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 442-78 Economic Development on S.B. No. 2279-78

The purpose of this bill is to amend Section 155-13, Hawaii Revised Statutes, by extending the time within which the installments of principal may be paid from two to five years.

Your Committee finds that the present limitation of two years within which installments of principal payments can be extended may be too restrictive. Conditions such as depressed prices, high production costs, extended poor weather conditions, and spiraling inflation make it difficult for an otherwise reliable borrower to meet his loan payments. The federal government has recently given the U.S. Department of Agriculture Farmers Home Administration the option of deferring payments for up to five years to alleviate the current farmers' plight resulting from inadequate farm incomes and increased production costs.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2279-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 443-78 (Majority) Economic Development on S.B. No. 2427-78

The purpose of this bill is to amend Section 171-36, Hawaii Revised Statutes, subsection (b) to include aquaculture and mariculture under the provisions of this section.

Your Committee finds that Section 171-36, HRS, presently allows the Board of Land and Natural Resources to modify or eliminate the restrictions contained in any intensive agriculture or special livestock lease in order to qualify the lease for mortgage lending or guaranty purposes. This includes extending the term of the lease.

Your Committee has amended this bill to allow the Board of Land and Natural Resources to modify or eliminate any of the restrictions in order to qualify a lease for mortgage purposes after a lease is issued for any State leases, including but not limited to special livestock, intensive agricultural, industrial, commercial, aquacultural and maricultural leases. This bill has been further amended to cover State and private mortgage lenders and to provide that any modifications to the leases shall be subject to restrictions contained in this bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2427-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2427-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senators King, Nishimura and Soares did not concur.

SCRep. 444-78 Economic Development on S.B. No. 2448-78

The purpose of this bill is to amend Section 164-1, Hawaii Revised Statutes, to provide that the appointment of two farmers to the Governor's Agricultural Coordinating Committee be with the advice and consent of the Senate.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 2448-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 445-78 Housing and Hawaiian Homes on S.B. No. 389

The purpose of this bill is to coordinate State housing policy with the development of housing projects by the creation of a planning mechanism which phases housing project financing over a two year fiscal period.

The bill provides that program strategy plan be adopted by the authority which identifies housing need, available resources, and development strategy. The bill provides that requests for housing project assistance be reviewed by a project review panel and acted upon by the authority within ninety days of submission of proposal requests.

Your Committee has amended the bill by redesignating the "program strategy plan" as a "housing development plan", and requiring that the plan be in consonance with the housing functional plan adopted pursuant to Chapter 225. Your Committee has also deleted the "intermediate housing needs element."

Your Committee has amended the bill to provide a procedure for solicitation and selection of housing project proposals. The provision for project review panel has been deleted.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 389, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 446-78 Housing and Hawaiian Homes on S.B. No. 1950-78

The purpose of this bill is to amend the definition of residential project found in Section 206E-2(4)(A), Hawaii Revised Statutes, by deleting reference to accommodations for persons or families of low income.

The provisions of this bill, in conjunction with the provisions of S.B. No. 1535-78, which deletes similar limitations from the authority's joint venture authorization, will

provide the authority with the flexibility necessary to participate in development of projects other than those exclusively for persons or families of low income. This is in keeping with the existing legislative mandate as stated in the Kakaako Development Guidance Policies which provides that, "Residential development shall ensure a mixture of densities, building types, and configurations in accordance with appropriate urban design guidelines; integration both vertically and horizontally of residents of varying incomes, ages, and family; and an increased supply of housing for low- or moderate-income shall be required as a condition of redevelopment in residential use."

While it is your Committee's intent that the authority continue to emphasize the housing of our residents most in need of assistance; it recognizes that in order to effectively participate in the development of an integrated and well designed community, it must be provided the flexibility to participate in projects which are not exclusively aimed at such persons or families. Your Committee has therefore amended this bill to include the provisions of S. B. No. 1535-78.

Section 206E-3(a), Hawaii Revised Statutes, places the Hawaii community development authority under the department of planning and economic development for administrative purposes. Your Committee has further amended this bill to clarify the status of the authority by providing it with the autonomy necessary to insure direct accountability and to specifically provide the fiscal and administrative powers necessary to fully carry out its legislative mandate. Included among these provisions are, that the chairman of the authority shall represent the authority in communications with the legislature and the governor, that the authority's budget shall be submitted to the governor without amendment by the department of planning and economic development, that the authority shall have access to all funds appropriated by the legislature not vetoed by the governor except when comparable limitations are imposed on all departments and programs, the power to hire and fire personnel, and the power to purchase supplies equipment and furniture.

Your Committee on Housing and Hawaiian Homes, is in accord with the intent and purpose of S. B. No. 1950-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1950-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 447-78 Judiciary on S. B. No. 1983-78

The purpose of this bill is to amend Chapter 367, Hawaii Revised Statutes, relating to the establishment and function of a county committee on the status of women within each county.

Your Committee finds that the bill, among other things, broadens the function of the county committee on the status of women to include making recommendations and advising the county as well as the State Commission on the Status of Women of the problems facing women.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1983-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 448-78 Judiciary on S. B. No. 2146-78

The purpose of this bill is to include residential leasehold condominium units under Chapter 516, Hawaii Revised Statutes. Said Chapter 516 currently applies only to leased residential lots.

Your Committee finds that the inclusion of residential leasehold condominium units under said Chapter 516 is proper and concurs with the findings of your Committee on Housing and Hawaiian Homes as expressed in Standing Committee Report No. 323-78.

Your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2146-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S. B. No. 2146-78, S. D. 1.

Signed by all members of the Committee.

SCRep. 449-78 Judiciary on S.B. No. 2494-78

The purpose of this bill is to exclude real estate salesmen and brokers who are paid solely by commissions from temporary disability insurance coverage.

Your Committee concurs with the findings of your Committee on Human Resources as expressed in Standing Committee Report No. 235-78.

Your Committee amended the bill by making technical changes without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2494-78, S. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S. B. No. 2494-78, S. D. 2.

Signed by all members of the Committee.

SCRep. 450-78 Judiciary on S.B. No. 1698-78

The purpose of this bill is to amend Section 621-9, Hawaii Revised Statutes, by placing the responsibility of compensating witnesses with the public prosecutor or county attorney of the respective county, or the public defender, whoever has subpoenaed the witness.

Your Committee has amended the bill in certain respects. The purpose of this amendment is to clarify the procedure to be used to pay a witness the fees due to him upon his discharge as a witness in a criminal case. The attorney who causes the issue to be subpoenaed will issue to the witness a certificate certifying certain information. Upon presentation of the certification to the Judiciary, the fee shall be paid from the Judiciary imprest funds and be reimbursable to the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1698-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1698-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 451-78 Judiciary on S.B. No. 1695-78

The purpose of this bill is to authorize the court, except as provided in Section 706-606, Hawaii Revised Statutes, to sentence a person convicted of a crime to perform community services where certain criteria are met.

Your Committee finds that punitive sentences such as incarceration and the payment of fines under certain circumstances have a counterproductive effect. Your Committee feels that under the circumstances set forth in the bill, a sentence to perform community services may be more beneficial to both the offender and society.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1695-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 452-78 Judiciary on S.B. No. 1702-78

The purpose of this bill is to clarify Section 291C-103, Hawaii Revised Statutes, relating to racing on highways by specifically providing that the offenses covered by said Section 291C-103 may be committed by an individual driver without the participation of other drivers; providing that the offenses of exhibition of speed and exhibition of acceleration are separate offenses; and setting out the elements of the offense of exhibition of acceleration. This bill also provides for decriminalization of the offenses covered by said Section 291C-103 by eliminating the penalty of imprisonment.

Your Committee received testimony from the Judiciary to the effect that Section 291C-103 requires clarification in several respects. Your Committee finds that this bill will satisfy the concerns of the Judiciary by providing that the offenses covered by said Section 291C-103 may be committed by an unlicensed driver without the participation of other drivers; by providing that the offenses of exhibition of speed and exhibition of acceleration are separate offenses; and by setting out the elements of the offense

of exhibition of acceleration.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1702-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 453-78 Judiciary on S.B. No. 1919-78

The purpose of this bill is to bring within the ambit of the extended term of imprisonment statute, those convicted of certain felonies when the victim of the felony is elderly or handicapped.

Your Committee finds that elderly or handicapped persons are especially vulnerable to criminal acts and incapable of taking preventive or defensive measures to protect themselves. Your Committee believes that perpetrators of such offenses are of the same mentality as those that are currently eligible for an extended term and therefore believes that this proposal is warranted.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1919-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 454-78 Judiciary on S.B. No. 1979-78

The purpose of this bill is to amend the existing law by making the possession of silencers or devices for deadening or muffling the sound of discharged firearms a Class A felony offense.

Your Committee finds that silencers and similar type of devices have no lawful purpose and that the intended use of such devices in most instances is for criminal purpose. Therefore, your Committee strongly feels that possession of such devices should be classified as a Class A felony.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1979-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 455-78 Judiciary on S.B. No. 2154-78

The purpose of this bill is to exempt an applicant for examination in electrolysis from the additional requirement of six hundred hours of additional training in electrolysis when the applicant intends to practice the removal of superfluous hair by use of an electrical instrument which does not touch nor penetrate the skin.

Your Committee amended the bill by deleting the proviso in lines 9-13 on page 2 and insert in lieu thereof the following proviso "provided further, that the removal of superfluous hair by use of an electrical instrument or device which neither touches nor penetrates the skin shall not constitute the practice of electrolysis for purposes of this section;".

Your Committee heard testimony from the Board of Cosmetology supporting the intent of this bill. However, the language expressed in the original bill might be construed to require an exempted person to apply for and take the electrolysis examination which, your Committee feels is not the intent of the bill. The inclusion of the phrase "that an applicant for the examination" seems to lead to this interpretation. In essence, an exempted person would be required to take an examination covering "pure" electrolysis for which he has not been trained.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2154-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2154-78, S. D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 456-78 Judiciary on S.B. No. 2480-78

The purpose of this bill is to provide that the insurer's right of subrogation arises only where a no-fault claimant has recovered in tort for the same items of damages previously paid by the no-fault insurer.

Your Committee finds under the present practices of many no-fault insurers, subrogation is applied to a claimant's tort recovery regardless of whether the claimant has been fully compensated therefor. This practice is contrary to the original intent of the legislature to provide fair and equitable compensation for the injured party. This bill would therefore allow subrogation only where the same items of damages are recovered once from the no-fault insurer and again from the tortfeasor.

Your Committee recognizes that in some cases there may be difficulties in determining whether there has been a double recovery. This problem, however, can be resolved by the adoption of better settlement practices and closer monitoring of claimants tort suits by the insurance industry.

Your Committee amended the bill by making minor grammatical changes to clarify the intent and purpose.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2480-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2480-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 457-78 Judiciary on S.B. No. 2483-78

The purpose of this bill is to provide a judgment debtor with notice of post-judgment garnishment hearing at least 5 days prior to the date of said hearing and allows the judgment debtor the opportunity to challenge the propriety of the proposed garnishment.

Your Committee finds that a judgment collector should serve upon a judgment debtor either by personal service or by first class mail, written notice of a post-judgment garnishment hearing at least 10 days prior to the date of the hearing. Your Committee further finds that a judgment debtor should have the opportunity to question whether a proposed garnishment will affect any of his exempted income or assets.

Therefore, your Committee has amended this bill by providing that the notice by mail be sent by first class mail and that such notice, whether by first class mail or personal service, be served at least 10 days prior to the date of the hearing.

Your Committee has further amended this bill by deleting the words "that includes but is not limited to an inquiry into the notice and extent of any" in line 2 on page 3 and substituting in lieu thereof the following words "to determine whether the proposed garnishment affects". This amendment clarifies that the hearing is limited to the determination of whether any exempted income or assets is affected by the proposed garnishment.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2483-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2483-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 458-78 Judiciary on S.B. No. 2485-78

The purpose of this bill is to make it a criminal offense, subject to a class C felony, to promote child abuse by disseminating, producing, or otherwise assisting etc. in any material or performance which uses a minor who engages in or assists others to engage in actual or simulated sexual conduct. This bill makes the fact that the defendant engaged in the conduct prima facie evidence that the defendant did so with knowledge of its content and the fact that a person used in the material or performance was a minor prima facie evidence that the defendant knew this.

This bill places the offense under chapter 707 of the Hawaii Revised Statutes relating to offenses against the person rather than chapter 712 relating to pornography since this bill is directed toward action which involves sexual conduct by a minor and does not attempt to define the offense in terms of pornography. This bill makes it a criminal

offense to engage in such conduct where the material or performance involves a minor engaging in actual or simulated sexual conduct whether or not the material or performance is also pornographic.

Your Committee finds that the use of children in sexual conduct in material or performances is seriously detrimental to the health and welfare of the child and has become sufficiently widespread to require immediate legislative action.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2485-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 459-78 Judiciary on S.B. No. 2487-78

The purpose of this bill is to permit industrial loan companies to collect in advance or otherwise from borrowers charges for certain fees such as title insurance, on real estate loans.

Your Committee has amended this bill for technical reasons without affecting the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2487-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2487-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 460-78 Judiciary on S.B. No. 2490-78

The purpose of this bill is to set out a priority for distributions in a liquidation of an insurer, and to set out procedures for disbursement of the assets of an insurer following final determination of insolvency and order of liquidation.

Your Committee finds that claims arising out of and within the coverage of insurance policies issued by an insurer being liquidated should be paid prior to claims of general creditors. Your Committee finds that by establishing the system of priority for distribution in a liquidation of an insurer set forth in this bill, it will be clear that policy claims are to be paid before the claims of general creditors. The provision allowing the Insurance Guaranty Association immediate access to the funds of the liquidated insurer would expedite distribution of the assets of the insurer to claimants which, your Committee finds, is desirable.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2490-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 461-78 Judiciary on S.B. No. 2595-78

The purpose of this bill is to upgrade the penalty for tampering with a witness or engaging in conduct which obstructs justice.

The bill proposed to repeal the existing section dealing with tampering with a witness, and to incorporate that offense, together with the offense of refusing to testify after having been given immunity, under a new section called obstruction of justice.

Your Committee has amended the bill in several respects. Your Committee has decided to retain Section 710-1072, relating to tampering with a witness. A new section, relating to obstruction of justice, makes it a class C felony offense for a witness to refuse to testify after having been given immunity.

Your Committee has also amended the bill to provide that the sentence for the offense of obstruction of justice shall be 5 years without possibility of probation or parole.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2595-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 462-78 Judiciary on S.B. No. 2545-78

The purpose of this bill is to permit the court, when it sentences a person who has been convicted of a felony to be placed on probation, to require that the person serve a term of imprisonment not exceeding one year.

Present law permits the court, when it sentences a person convicted of a felony or a misdemeanor to be placed on probation, to require that person to serve a term not exceeding six months. Your Committee recognizes the difference between a misdemeanor and felony and feels that the court should have the discretion to require a person convicted of a felony to serve a longer term of imprisonment than a person convicted of a misdemeanor.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2545-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 463-78 Judiciary on S.B. No. 2591-78

The purpose of this bill is to transfer the Intake Service Centers, presently assigned to the Office of the Governor, to the Department of Social Services and Housing (DSSH).

Your Committee finds that there is a need for efficient and effective government, control, and supervision of all correctional facilities, services, and operations under one director.

Your Committee further finds that the transfer of the Intake Service Centers to the DSSH will enable the centers to meet this need and more effectively and efficiently achieve the goal of protecting society and providing offenders with opportunities for rehabilitation and redirection.

Your Committee amended the bill by making technical changes without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2591-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2591-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 464-78 Human Resources on S.B. No. 1782-78

The purpose of this bill is to amend section 346-71 (pertaining to the General Assistance program administered by DSSH) in order to limit participation in the State general assistance program to those persons who are temporarily disabled, or are at least 55 years of age, or have their own minor children in the home; and who are unable to provide sufficient support for themselves and those dependent upon them. This bill further provides that persons receiving General Assistance shall be bona fide residents of the State.

Under current General Assistance statutes, the department of social services and housing administers public assistance in the form of money paid to those needy persons who can satisfactorily prove to the department that they are unable to provide sufficient support for themselves or those dependent upon them; provided that such persons are residents of the State.

Your Committee finds that this bill limits this pool of "needy persons" to those who are temporarily disabled, or are at least 55 years of age, or have their own minor children at home, and additionally, are unable to provide sufficient support for themselves or those dependent upon them. This bill further requires that such recipients be bona fide residents of the State.

Your Committee notes that this bill does not provide for any form of durational residency requirement for public assistance. However, this bill does provide for criteria which the department shall consider in determining if a person is a "bona fide resident" of the State. These criteria in effect provide the department with the necessary and critical guidelines with which to implement the "bona fide resident" of the State.

Your Committee further finds that General Assistance (GA) is a program for money assistance for which there is no federal financial participation; it is supported 100% by State funds. GA is available to individuals and families who are not eligible to receive assistance from existing federal programs.

The present program is a result of Act 1, Special Session Laws 1974. Although the original intent of the bill was to exclude able-bodied persons from qualifying for GA unless they had a disabled spouse or minor dependent children in the home, the Act as amended was intended only to check certain abuses by persons characterized as "freeloaders" or "professional recipients" by excluding them from eligibility. To accomplish this, statutorily specified work requirements were established. Both houses agreed, however, that all needy persons not otherwise eligible for federally funded programs should not be penalized for the abuses of a few.

Your Committee recognizes that the present bill further limits eligibility for the general assistance program by again proposing that able-bodied persons unable to satisfy certain criteria be excluded from receiving GA payments. Testimony presented to your Committee on the present bill, however, brings to light a new concern which we must address. Since 1974 the Department of Social Services and Housing, operating under the provisions of Act 1, Special Session Laws 1974, has been faced with an ever-increasing GA caseload. In FY 74-75 the average monthly caseload was 5,860 representing 11,821 individuals. In FY 75-76 the corresponding figures rose to 6,621 and 12,706; in FY 76-77 7,561 and 14,693. The present GA program is serving an average monthly caseload of 8,143 representing 16,648 individuals. The estimated average monthly caseload projected for the close of the current fiscal year is 9,020.

The current average monthly caseload and the projected increase in that caseload before the current fiscal year expires has made it necessary for the Department to seek an additional \$1.8 million to continue paying GA benefits to those currently eligible and to avoid the anticipated deficit of the current fiscal year. The total public assistance deficit for FY 77-78 is approximately \$21.4 million. DSSH has also requested inclusion of \$1.7 million in the Supplementary Budget for FY 78-79, bringing the total FY 78-79 GA budget to \$26.6 million.

Your Committee further finds that the current statutorily stated intent to provide money assistance to all needy residents who are willing to work but are not otherwise qualified to participate in federally-funded assistance programs not only evades adequate financial planning and budgeting but also necessitates cutbacks or postponement of other much-needed programs and projects which do not enjoy similar statutory mandates. It is apparent to your Committee that the financial requirements of supporting this open-ended and specifically mandated program consistently make increased demands on the State's limited financial resources. We find that general fund tax revenues have not increased proportionately with the demands of our public assistance programs for those revenues. During FY 75-76 and FY 76-77 the State spent more money than had been received in tax revenues. The Department of Budget and Finance's revised tax revenue estimate for 1978 is 8.3%, down from the original estimate of 10.0%. To date, seven months into the fiscal year, tax revenues are at 7.3%. It is obvious to your Committee that further spending restraints need to be enforced in order to maintain a balanced financial position.

Recognizing these financial concerns and fiscal realities, your Committee concludes that the State can no longer be expected to provide assistance to all needy residents of the State without regard to the various conditions and differences which are inherent in the needy population. Instead, your Committee finds that we must recognize that certain residents of our State are compelled to avail themselves of the State's assistance because of conditions which can only remotely be changed. We are compelled to recognize that those employed parents with minor children in the home who are unable to earn an amount equal to the State's monthly assistance standard are subject to conditions or circumstances different from those persons who are without children. Furthermore, we cannot ignore the fact that there are residents in our State who, no matter how willing, are for reasons of disability or age, unable to secure employment. These persons therefore have been provided for in our efforts to face up to the fiscal realities of today.

We have heard testimony which points out that what is proposed here is not unique; eligibility requirements of federal and other state public assistance programs already limit the availability of public assistance benefits. The need for an entirely state-funded assistance program such as our GA program is evidence of the limited and selective nature of existing federal programs. The AFDC and SSI programs require applicants and recipients to meet eligibility criteria which eliminate otherwise needy persons from their rolls. Massachusetts excludes employable persons without dependent children from eligibility for its General Relief program. Oregon limits general assistance to

only certain needy persons; age and employability are considered in determining eligibility.

Your Committee has heard specific testimony to support the provisions of this bill. The Committee is satisfied that the proposed age limit of 55 years or older is warranted; (1) it is the upper limit used by the U.S. Department of Labor for defining the "prime working" years of a person's life; (2) it is the age at which Federal, State, and County government workers in Hawaii may choose to retire; (3) several studies indicate that 55 years is an age when persons seeking employment are most likely to encounter difficulties which are unrelated to the job market.

The other specific eligibility provisions of this bill are not new to the GA program. What is new however is the exclusion of able-bodied persons less than 55 years of age from GA eligibility. In adopting this exclusion your Committee continues to be aware of the needs of this segment of the population. However, in light of the current fiscal limitations of the State, it is reasonable to expect that these particular persons are better able to adjust to denial of GA payments. Your Committee anticipates that these persons can be more flexible in adapting to the complexion of the job market. There are no children in the home to demand their presence or time. They would more likely be able to make necessary moves to take proffered employment. The fact that they are able-bodied would not preclude them from doing or being trained to do new types of work. Employers would be less hesitant to train someone who is not near retirement age.

The bill also assists DSSH in determining whether persons seeking GA benefits are residents of the State. Your Committee notes that the term "resident" was included in the statute as passed into law in 1974. Testimony before your Committee indicates that in the four years since that passage, this provision has not been challenged.

Your Committee further notes that requiring applicants and recipients to be bona fide residents of the State should not be confused with durational residency requirements which have been struck down by the courts. Your Committee believes that it is important that applicants or recipients show a bona fide intent of making Hawaii their place of residence.

Recognizing that "residency" necessitates being able to determine a particular state of mind, your Committee endorses the non-inclusive criteria which DSSH shall consider in determining GA eligibility as provided in this bill. Your Committee recognizes that "residency" requires a showing of intent, and therefore concurs with the need to include the descriptive term "bona fide" in the statutory language.

Your Committee is in accord with the intent and purpose of S.B. No. 1782-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 465-78 Human Resources on S.B. No. 1785-78

The purpose of this bill is to amend Act 151, Session Laws of Hawaii 1975, (State Program for the Unemployed) as amended, to include in the definition of "unemployed individual" the requirement that the program participants be residents of the State of Hawaii.

The State Program for the Unemployed (SPU) was enacted to alleviate high unemployment in the State by establishing a public employment and training program which would provide immediate temporary employment to the State's unemployed and underemployed. At that time, the State was suffering from an unemployment rate of eight to nine percent along with the rest of the nation. The Hawaii State Legislature was one of the few state legislatures to create a massive public employment program to meet a need of the times.

Your Committee finds that the State Program for the Unemployed has been successful in alleviating one of the State's major concerns - the high number of unemployed. At the same time, however, the Department of Labor and Industrial Relations has found that the SCET program provides attractive and an immediately available source of employment for newly arrived in-migrants. It appears that approximately 15 percent of SCET participants had been in Hawaii less than one year. Comparatively, less than two percent of the general population has been in Hawaii less than one year at any given time.

Your Committee is not against the employment of recent in-migrants, but your Committee believes that temporary emergency employment programs such as the State Program for the Unemployed should be reserved for the benefit of the unemployed residents of the State as provided in this bill.

Your Committee on Human Resources is in accord with the intent and purpose of

S.B. No. 1785-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 466-78 Human Resources on S.B. No. 2556-78

The purpose of this bill is to revise the method used to charge employers' unemployment insurance accounts for claimant's benefits when there are two or more base period employers whose wages are used to compute the claimant's benefit entitlement.

Your Committee finds that under this bill each employer's potential liability for benefit charges is determined by using the current method, whereby each employer is potentially chargeable with the same proportion of the claimant's total benefit entitlement as the wages each employer paid toward the claimant's total base period wages. Under current law, each base period employer is charged with each employer's proportion of the employee's weekly benefit amount, so that all base period employers are simultaneously charged. This bill however, proposes that the claimant's last employer should be charged with all of his potential charges first. Then the next most recent employer charged with his potential charges, and so on, until the total benefits paid to the claimant have been charged.

Your Committee has amended the bill to require the charging of all of the claimant's benefits to the claimant's most recent employer rather than the bill's proposed "inverse order of employment" method of charging. This amended method of charging is based on the theory that the last employer is the cause of the claimant's unemployment and therefore should be charged for the total benefits paid to the claimant.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 2556-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2556-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 467-78 (Jointly) Economic Development and Ways and Means on S.B. No. 1797-78

The purpose of this bill is to raise the penalties under the deferred or roll back tax and land dedication programs of the real property tax law from ten to twenty-five per cent.

Under the present real property tax law, deferred or roll back tax and land dedication programs are provided to give special privileges to users of land for agricultural purposes if the land is reclassified to nonagricultural use or is subdivided. One condition for the special privileges is that the users continue to use the land for agricultural purposes or be subject to a penalty. Your Committees agree with the administration that the ten per cent penalty, which is presently provided, is an insufficient deterrent against converting land from agricultural to higher uses. Thus, it is hoped that the penalty provided under this bill will prevent or delay the conversion of nonagricultural uses of land.

Your Committees have amended the bill to correct clerical errors and to make certain nonsubstantive technical amendments.

Your Committees on Economic Development and Ways and Means are in accord with the intent and purpose of S.B. No. 1797-78, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1797-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 468-78 Ways and Means on S.B. No. 1786-78

The purpose of this bill is to amend section 155-1(2), Hawaii Revised Statutes, by changing the definition of "qualified farmer" to mean a "Hawaiian resident", thus limiting the eligibility for state-funded agricultural loans to residents of the State of Hawaii.

Your Committee finds that this bill is one of several measures aimed at providing residents of the State preference in obtaining benefits from state assistance and loan programs. This bill does not change the eligibility requirements for applicants under

chapter 155, Hawaii Revised Statutes, Agricultural Loans, but the intent of this bill is to clarify the residency requirement in the definition of "qualified farmer".

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1786-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 469-78 Ways and Means on S.B. No. 2005-78

The purpose of this bill is to appropriate \$1,500,000 to be expended by the department of agriculture for supplementary loans to independent sugar growers by amending Act 19, Special Session Laws of Hawaii 1977. This bill would also extend the time during which loans can be made.

Your Committee has amended the bill to delete the appropriation of funds for loans to sugar growers. This appropriation may be determined and set later by your Committee as a part of the supplemental budget. Conforming amendments to the bill were also made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2005-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2005-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 470-78 Ways and Means on S.B. No. 71

The purpose of this bill is to recodify, with substantive changes, Hawaii's housing laws. Many times, legislation is enacted on a piecemeal basis, without regard for clarity or organization, with administrative and program provisions scattered throughout several chapters. Many times, language enacted years ago becomes archaic or obsolete. Such is the case with much of our housing statutes.

Your Committee has made additions and deletions which are simply transfers of language from existing sections or chapters, made for the purposes of clarifying and consolidating existing law, and a few substantive changes.

Your Committee has amended Chapter 356 as follows:

1. The findings and declaration of necessity contained in Section 356-1 has been deleted.

2. New Section 356-1. The definitions of "State", "Governor", "Lieutenant governor", "political subdivisions", and "commissioner" in Section 356-2, and the definitions of "contract" and "real property" in Section 356-4 have been deleted since these terms are either defined by general law or are self-explanatory.

The definition of "housing project" has been amended to delete reference to "low income" in consonance with the Hawaii State Constitutional amendment which was ratified by the electorate in November, 1976.

All remaining definitions have been compiled into a new Section 356-1.

3. New Section 356-5. Section 356-5 has been amended to include the provision in Section 359G-3 allowing the authority to hire persons on a contractual basis where services are "unique and essential." The six year maximum and the project proviso have not been included. There is no need for administrative provisions such as staff hiring authority to be scattered among various chapters. Thus, the enabling language in Section 359G-3 has been consolidated into Section 356-5.

The provisions regarding holdover commission members, the filling of vacancies to the commission, the filing of a certificate of appointment of a commission member, and the appointment of an acting commission member have been deleted. Article IV, Section 6 of the Constitution of the State, Section 26-34, and Section 26-36 incorporate these provisions as standard procedures; thus, such language in Chapter 356 is now unnecessary.

4. Section 356-6, which confirms the actions of the commission made prior to May 17, 1949, need not be contained in statute. Thus, this provision has been repealed and included in Section 5 of the bill to be set out in the session laws instead.

5. Section 356-7, which requires the authority to comply with statute and contractual provisions, has been deleted as unnecessary.
6. Section 356-8, which requires disclosure of interest and prohibits conflict of interest has been repealed. Chapter 84, the State Ethics Law, enacted under Act 163, SLH 1972, supersedes this section. Chapter 84 applies to all State boards and commissions, offers a more modern approach to conflict of interest problems, is more comprehensive, and provides penalties for violation.
7. Section 356-9, regarding the removal of authority commission members, has been repealed. Section 26-34, which delineates general language for removal of members of boards and commission, is adequate.
8. New Section 356-6. The old Section 356-10, General powers, has been amended for style, and the powers to construct housing projects, investigate housing conditions, and study and make recommendations concerning the government's plans for providing housing have been deleted from this section and have been transferred to new sections. Additionally, existing powers granted in 356-22, 356-23, and 356-14 have been transferred to this General Powers section.
9. New Section 356-7. Section 346-31 has been redesignated as Section 356-7.
10. New Section 356-8. Section 356-13, Hearings, witnesses, etc., has been redesignated as Section 356-8, Investigatory powers. Additionally, a portion of old Sections 356-10 allowing the authority "to conduct investigations or to make surveys or soundings" has been transferred to this new section.
11. New Section 356-11. Section 356-11 has been amended to provide that acquisition of real property by exchange be in accord with Section 171-50. Other provisions of the section have been transferred to other new sections.
12. New Section 356-12. New Section 356-12, Eminent Domain, has been amended to include the eminent domain provision contained in Section 357-3 as well as the provision of old Section 356-18.
13. New Section 356-13. The section has been created from provisions allowing the authority to "own or hold property" in old Section 356-11.

The provision exempting property owned by the authority from "mechanics or materialmen's liens and from levy and sale by virtue of an execution" has been transferred to this section from old Section 356-25 which has been deleted under this bill.

The provision exempting the authority from all taxes and assessment has been transferred to this section from old Section 356-24.
14. New Section 356-14. New Section 356-14 has been created from a portion of old Section 356-11.
15. New Section 356-15. New Section 356-15(a) has been created from a portion of old Section 356-11. Subsections (b) and (c) have been transferred from Section 359G-5. Subsection (d) has been transferred from Section 356-16(9).
16. New Section 356-16. Subsection (a) has been created by transfer of authority from Section 359-3(6). Subsection (b) has been created from old Section 356-32.
17. New Section 356-17. New Section 356-17 has been created from a portion of old Section 356-11.
18. New Section 356-18. Items (a)(1) and (2) have been created from old Section 356-12. Item (a)(3) has been transferred from old Section 356-38. Subsection (b) has been transferred from Section 358-1. Subsection (c) has been transferred from Section 358-2.
19. New Section 356-19. Subsection (a) has been created from provisions in old Sections 356-21, 356-16, and 356-11. Subsection (b) has been created from old Section 356-37.
20. Section 4 of the bill repeals Section 359G-3. Since this administrative hiring provision has been included in Section 356-5, this section is not necessary. It is the intent of your Committee that the authority's ability to contract for staff under the Act 105 program not be affected in any manner by this recodification.

21. Section 5 of the bill confirms actions taken by past commission members as deleted under Section 356-6.

22. The provisions regarding the authority's revenue bond issuance power under this chapter have been repealed. Section 6 of the bill states that the intent of this repeal is not intended to affect any bonds issued under this chapter.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 71, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 71, S.D. 3.

Signed by all members of the Committee.

SCRep. 471-78 Ways and Means on S.B. No. 2084-78

The purpose of this bill is to raise the ceiling on the additional receipts portion of the Hawaiian Homes Commission Act from \$5 million to \$10 million in order to provide a continued source of funds to the department's loan, development and education programs.

The existing ceiling of \$5 million on funds from State cane and water leases transferred into various additional receipts accounts was reached in May, 1976. Since that time, monies earmarked by the Hawaiian Homes Commission Act of 1920 for the benefit of native Hawaiians have reverted to the State's general fund. Your Committee finds that continued funding of loan, development and education programs through cane and water receipts would be both to the benefit of native Hawaiians and in keeping with the intent of the original Hawaiian Homes Commission Act.

Insofar as the monies which would revert to the department of Hawaiian home lands through this bill have already been accounted as general fund income in the calculations of the governor's supplemental budget for FY 1978-1979, your Committee has amended this bill to establish the effective date of this Act as July 1, 1979. This will provide the administration the time necessary for the fiscal and program adjustments necessitated by the loss of general fund revenues. However, if the existing balance of the department of Hawaiian home land's education fund proves to be insufficient for the purposes of maintaining the Act 4 education program at its present level, your Committee will seriously consider the inclusion of an additional appropriation for this program as a part of the supplemental budget.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2084-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2084-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 472-78 Ways and Means on S.B. No. 1622-78

The purpose of this bill is to appropriate funds for the payment of claims filed for the refund of taxes, court-approved judgments and settlements against the State, and other claims.

Section 37-77, Hawaii Revised Statutes, provides that claims for refunds, reimbursements, or other payments shall, as a condition to their being considered by the legislature, be filed with the director of finance. The director shall refer claims to the agency concerned for investigation and recommendation. All claims and supporting data shall then be transmitted to the legislature in an appropriate bill form.

The director of finance has submitted this bill to provide for such payments of claims against the State.

Your Committee has adopted the recommendation of the director to make certain additions and deletions to this bill and has amended this bill to provide for such additions and deletions of claims. As a result of these additions and deletions the bill now incorporates 42 claims totaling \$745,324.57.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1622-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1622-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 473-78 Ways and Means on S.B. No. 1925-78

The several purposes of this bill are to continue the operation of the Hawaii Crime Commission through June 30, 1980, to assure the independence of the Commission, and to clarify certain aspects of the Commission's powers and operation.

Your Committee finds that there is substantial justification for the continuation of the Commission: there continues to be a widespread concern with crime, especially with organized crime; there are recognized problems in the effective operation of the criminal justice system; and the Commission itself has recently demonstrated its success in conducting an impartial and thorough study of criminal activities and the criminal justice system.

This bill proposes to continue the Commission for an additional period of eighteen months with an appropriation of \$35,000. Also, in seeking to assure the Commission's independence, the bill proposes to have the chairman appointed by a two-thirds vote of each house which vote will be taken in a joint session: The chairman would be empowered to vote only in case of a tie. This tie-breaking function appears to be of greater significance with respect to the Commission's executive committee, of which the chairman is the third member.

The bill requires the agencies of the State and the counties to cooperate with the Commission in the performance of its duties. Thus, where agencies are in possession of data relating to criminal activities or law enforcement or the operations of the criminal justice system or any other relevant data this provision mandates cooperation to that degree necessary for the Commission to accomplish its duties. This would undoubtedly result in a more efficient accomplishment of the Commission's duties.

The bill would expressly authorize the Commission to receive and expend funds from private sources. An opinion by the State Ethics Commission approved the use of privately donated funds to finance a survey of public opinion by the Crime Commission. This provision is merely to provide the authority in express terms.

This bill further clarifies the Commission's powers by expressly providing for its investigatory and evidence gathering powers. It would appear to your Committee that such powers are strongly implied throughout the existing law, however, this provision appears advisable so as to avoid any unnecessary challenge to these powers.

The subpoena powers of the Commission have been clarified by this bill wherein it is provided that the powers is exercisable even where a "hearing" is not called by the Commission. Your Committee believes that by the very nature of the Crime Commission, the subpoena power must be an integral part of its investigatory function. There appears to be no rational reason why the subpoena power should be limited to the type granted to other boards and commissions since the Crime Commission would not be involved in the typical "contested case" situation. It seems more appropriate, to arm the Crime Commission with a power similar to that granted the Attorney General (S28-2.5, HRS) and the Director of the Office of Consumer Protection (S487-9, HRS).

Your Committee has made several amendments to this Bill which are as follows:

1. Section 1 has been deleted in its entirety since the same was taken almost verbatim from Act 16, SLH 1977, First Special Session. The remaining sections of the bill have been renumbered accordingly.

2. Section 2 has been amended in the following respects: (a) Section -2 (b), to provide that the terms of the commission members and the commission chairman are to expire on the same date that the commission expires--June 30, 1980; and to provide that any vacancy in the chairmanship is to be filled by the Legislature which would then be consistent with the original manner in which the appointment of the chairman is to be made under this bill; and to continue the present chairman until his successor is appointed by the Legislature since the omission of such a provision would leave the Commission without a chairman upon the bill taking effect.

(b) Section -6, by deleting subsection (c), which begins on page 7, and placing the concept of the investigatory subpoena power at the end of subsection (a). In so doing, your Committee has also provided that the subpoena power is exercisable in connection with the Commission public or closed hearing. This precautionary move is merely to dispel any doubt that the subpoena power under Charter 92 is exercisable by the Crime Commission notwithstanding the fact that its hearings are not adversary in nature; further, by deleting the provision relating to the taking of accurate minutes

beginning at line 18 and ending in line 20, page 7.

(c) Section -7, relating to civil immunity for commission members and staff, has been deleted.

3. Section 4 has been amended by providing for an appropriation of \$165,000. The reduction to \$35,000 was a result of a misunderstanding. The section was further amended by designating the Lieutenant Governor's office as the expending agency and providing for the lapsing of the unexpended or unencumbered funds on June 30, 1979.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1925-78, S.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1925-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 474-78 Ways and Means on S.B. No. 2478-78

The purpose of this bill is to amend the Hawaii Revised Statutes to provide that methods of assessment may include assessment on a frontage basis, according to the area of land within the improvement district, or any combination thereof. Under existing state law assessment may be made only on a frontage basis or according to area of land within an improvement district. Your Committee believes that the proposed amendment will give the counties greater flexibility in assessing land within an improvement district.

This bill also prohibits any county from imposing or collecting any ad valorem assessments for the establishment, maintenance, or replenishing of any reserve funds established to provide security, in addition to moneys collected on assessments for improvements, for payment of principal and interest on bonds issued for such improvements.

Your Committee finds that under existing law, a county may collect an annual ad valorem assessment against all landowners within an improvement district whether or not such owners were delinquent in payment of their assessments. This ad valorem assessment is used to replenish the reserve fund as additional security for payment of improvement bonds. Where the number of delinquent landowners is disproportionately high, the harsh burden of replenishing the reserve fund falls, for all practical purposes, upon those few owners who have consistently paid their assessments on time. Your Committee finds that use of an ad valorem assessment is inequitable and that prohibition of such use would leave the counties sufficient flexibility to deal with such problems.

Your Committee finds that this bill, as originally drafted and received by this Committee, is possibly unconstitutional. According to Attorney General Opinion No. 62-11, a special law applying to named counties such as section 67-32.2, Hawaii Revised Statutes, can not be repealed. Furthermore, amendment of section 67-2 may be inappropriate since that section only applies to the counties of Hawaii, Kauai, and Maui and not to the City and County of Honolulu.

Your Committee has amended this bill to provide similar provisions as in the original bill within chapter 46 of the Hawaii Revised Statutes to deal with these problems and has amended the bill to conform to these changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2478-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2478-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 475-78 Ways and Means on S.B. No. 2559-78

The purpose of this bill is to allow state and county employees who are elected as delegates to the Constitutional Convention to either take leave without pay and receive the salary permitted delegates or to take vacation with pay in lieu of such salary.

The Constitutional Convention is an important occurrence which will undoubtedly affect the future of Hawaii. Thus, incentives must be provided for participation of all concerned citizens. Many private businesses are allowing their employees to receive vacation with pay benefits while serving as delegates to the Convention. Presumably, they will also receive the salaries provided to delegates. This bill, while it does not go so far as to provide simultaneous receipt of vacation pay benefits and delegate salaries, provides public employee-delegates with an option for compensation during the Convention. Your Committee agrees with the findings of the Senate Committee on Judiciary, as expressed

in Senate Standing Committee Report No. 337-78, that it will serve as an adequate incentive for participation of public employees.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2559-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 476-78 (Majority) Ways and Means on S.B. No. 897

The purpose of this bill is to provide that all public employees who have sixty days or more of unused sick leave allowance at the time of their termination from state or county government service, shall receive full credit for this unused sick leave upon subsequent re-employment with the state or county government.

Your Committee believes that an employee who has worked arduously and judiciously during his employment with the State or county should receive full credit for the unused sick leave upon his re-employment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 897, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee. Senators Anderson, Henderson and Soares did not concur.

SCRep. 477-78 Ways and Means on S.B. No. 780

The purpose of this bill is to provide members of the state investigations and narcotics control section of the department of health with the same retirement benefits as police officers, corrections officers, and firefighters.

Your Committee finds that under existing statutes, the retirement benefit formula for policemen, firemen, and corrections officers consists of 2-1/2 per cent of average final compensation for each year of service limited, however, to 80 per cent of average final compensation. To qualify for this benefit, policemen, firemen, and corrections officers must have at least ten years of credited service of which the last five years must be as police officers, firefighters, or corrections officers. For this benefit, this group contributes at a rate of 12.2 per cent of gross salaries as compared to all other members of the retirement system who must contribute at a rate of 7.8 per cent. Police officers and firefighters do not have social security coverage.

Your Committee finds that the five narcotics investigators affected by this bill are all former police officers with many years of experience with the police force. They have had training as police officers and have gone on to specialized training with the Bureau of Narcotics and Dangerous Drugs, the International Narcotics Enforcement Officers Institute, the Drug Enforcement Officers Academy, and other related schools. They conduct extensive investigations and make on-view arrests and accompany police officers on their narcotics raids and investigations. The cases handled by their section are mainly felonies and generally involve the state drug population.

Your Committee further finds that these investigators are exposed to the same hazards as police officers and firefighters and feels that they are at least entitled to the same benefits as those of the police officers with whom they extensively work.

Actuarial cost figures for this measure are currently unavailable, but the Employees' Retirement System Administrator expects the cost impact to be minimal because of the few individuals involved.

Your Committee has amended this bill as follows:

- (1) By changing the effective date of the Act from on approval to July 1, 1978.
- (2) By providing for contributions of 10-4/10 per cent by the investigators after June 30, 1978 and amending the provision for post-retirement contribution, both in section 88-45, Hawaii Revised Statutes (section 1 of this bill).
- (3) By renumbering sections 2 and 3.
- (4) By making certain nonsubstantive grammatical changes and certain technical changes to conform the language in this bill to the language in statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 780, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 780, S.D. 2.

Signed by all members of the Committee.

SCRep. 478-78 Ways and Means on S.B. No. 2605-78

The purpose of this bill is to increase the examination fee assessed for psychologist certification.

Your Committee finds that the costs to examine the qualifications of persons desiring a certificate authorizing the practice of psychology has increased significantly. This increase should be reflected in the fees assessed of certification candidates.

Your Committee has conformed the bill to present statutory form by making technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2605-78, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2605-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 479-78 Judiciary on S.B. No. 673

The purpose of this bill is to amend Section 519-2, Hawaii Revised Statutes, which sets the maximum lease rent that can be calculated at the time of residential lease renegotiation. The renegotiated lease rent shall be tied to changes in the consumer price index for the county in which the leased land is situated, as determined by the U. S. Department of Labor, measured from the date of the most recent price renegotiation. However, in no event shall the lease rent payable exceed the amount derived by multiplying the "owner's basis" by four per cent.

Your Committee concurs with the findings of your Committee on Housing and Hawaiian Homes as expressed in Standing Committee Report No. 188.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 673, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 480-78 Judiciary on S.B. No. 1555-78

The purpose of this bill is to discontinue the providing of free no-fault insurance coverage for public assistance recipients through the joint underwriting plan.

Your Committee finds that when the present no-fault insurance program was enacted, the Legislature believed that premiums paid into the Hawaii Joint Underwriters Plan, hereinafter referred to as "HJUP", by commercial vehicles would adequately fund the cost of the "free" insurance to the public assistance recipients. However, because of the availability of lower rates for commercial vehicles in the open, competitive insurance market, only eight per cent of the total vehicles in the HJUP are commercial vehicles as opposed to 71 per cent in the HJUP belonging to the public assistance recipients. The law also specified that the automobile insurance companies would be assessed to finance the HJUP if funds were not sufficient.

The Commissioner of the Motor Vehicle Insurance in detailing cost of providing free insurance to public assistance recipients under the HJUP stated in his Annual Report to the Legislature that, the amount of premiums not realized from public assistance insureds totals \$3,100,000 as of June 30, 1977. All of the premiums not realized from public assistance insureds are required to maintain liquidity of the HJUP, and that as long as such premiums are not realized, insurers will continue to be assessed.

Your Committee has noted that Hawaii is presently the only State that provides free motor vehicle insurance coverage to public assistance recipients. While the overall HJUP program is operating efficiently, it is anticipated that the financial situation of the HJUP will not be resolved as long as the free insurance concept is retained and the population of the HJUP is not significantly changed. Under the present program, the insured motoring public would eventually assume, through rate increases, the

cost of insurance to public assistance recipients.

Your Committee strongly believes that the problem of providing no-fault insurance to public assistance recipients should be thoroughly reviewed and that further analysis of your Committee on Consumer Protection's findings in Standing Committee Report No. 339 be undertaken during this legislative session.

Upon due consideration, your Committee has concluded that the replacement of existing coverage with a group insurance policy for those persons receiving public assistance would be fair and equitable.

In essence, the program requires the Department of Social Services and Housing to secure a group no-fault policy. It also requires said Department to keep down the profit which is to be secured by an insurance company in issuing such a policy and to assist the public assistance recipient in securing his automobile license.

Your Committee amended the bill by deleting reference to Section 294-22(b)(2)(A) in Section 4. The purpose of this amendment is to conform the bill to the earlier changes made to Section 294-22(b)(2)(A).

Your Committee also amended the bill by providing that the Department of Regulatory Agencies, instead of the Department of Social Services and Housing, shall annually audit the profits of the insurance company. This amendment was made because the Department of Social Services and Housing has neither the expertise nor personnel to handle the audit of an insurance company.

Your Committee made further minor grammatical changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1555-78, S. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S. B. No. 1555-78, S. D. 2.

Signed by all members of the Committee

SCRep. 481-78 Judiciary on S.B. No. 1613-78

The purpose of this bill is to make a retail installment contract unenforceable by the seller if the seller fails to place the legend required by Section 476-2, Hawaii Revised Statutes, on the contract. The legend required are the words "RETAIL INSTALLMENT CONTRACT" and "NOTICE TO THE BUYER".

Your Committee concurs with the findings of your Committee on Consumer Protection as expressed in Standing Committee Report No. 82-78.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1613-78, S. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 482-78 Judiciary on S.B. No. 1646-78

The purpose of this bill is to establish a certificate of presumptive death in cases where there has been a judicial finding and declaration by a court of record that a person is dead.

Under existing law the next of kin may file a standard death certificate "when there has been a judicial finding and declaration by a court of record that a person is dead." In such instances, a copy of the court order is attached to the death certificate filed with the Department of Health. This bill establishes a certificate of presumptive death which contains information that currently appears on two separate documents and eliminates space for information presently on the standard death certificate that is not applicable in this type of case.

Your Committee finds that by establishing a certificate of presumptive death all relevant information will be furnished to the Department of Health. This bill will result in standardizing the presumptive death cases certificate forms.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1646-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 483-78 Judiciary on S.B. No. 1658-78

The purpose of this bill is to disqualify owners as registrants of both insured or uninsured motor vehicles from assigned claims eligibility. The intent of the Legislature in establishing the Assigned Claims Program was designed to serve as an avenue of last resort for those innocent injured victims who have no appropriate no-fault policies available, such as the hit-skip victim who may not own a car. It was not intended to admit insured individuals who declined to purchase appropriate first party protection made available to them. This proposed amendment corrects the loophole and clarifies the eligibility requirements of the program.

With respect to the subrogation rights of the joint underwriting plan or any insurer to whom a claim for benefits from the assigned claims program has been assigned, your Committee finds that by providing for the right of subrogation, some of the cost burden currently being absorbed by the plan, inasmuch as there are no premiums being collected therefor, would be alleviated, some sanction would be created against the uninsured motorist, and compulsory insurance enforcement activities would be aided by making it as uneconomical as possible for any uninsured motorist. Your Committee, therefore, is in agreement that the joint underwriting plan on such insurers be subrogated to the rights of the claimant.

Your Committee amended the bill by providing that the subrogation rights of the joint underwriting plan or any insurer shall arise only when it has paid no-fault benefits.

Your Committee, after much consideration of the recommendation made by the Motor Vehicle Insurance Commissioner, has amended the bill so as to amend Section 294-5, in order to make certain that no-fault benefits paid to surviving spouses and dependents are in no way reduced on account of any social security or workers' compensation benefits received.

Your Committee amended the bill by providing that the dependents to which the section is inapplicable shall be a "surviving" dependent. The purpose of this amendment is to clarify what type of dependent is intended.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1658-78, S. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S. B. No. 1658-78, S. D. 2.

Signed by all members of the Committee.

SCRep. 484-78 Judiciary on S.B. No. 2036-78

The purpose of this bill is to make mandatory the sentencing of any person convicted of committing the offense of littering to pick up litter on public property in addition to any other penalty which the court may impose.

Your Committee has amended this bill by adding the proviso that this provision shall not be applicable to any physically or mentally handicapped person. This amendment will preclude the court from requiring any person physically or mentally handicapped to pick up litter as a result of committing the offense of littering in Chapters 708, 291(C) and 339, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2036-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2036-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 485-78 Judiciary on S.B. No. 2300-78

The purpose of this bill is to authorize the extension by mutual agreement of a school bus contract made between the State and a private contractor for two years instead of one year as is permitted under existing law, and to authorize a further extension of the extended contract for two years rather than one year. The bill also empowers the State to impose additional provisions in the contract between the State and the contractor as are deemed necessary for the safety of the school bus passengers.

Your Committee amended the bill to provide that the contract contain a provision requiring the private contractor to comply with Section 291C-95, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2300-78, as amended herein, and recommends that it pass Third Reading in the form

attached hereto as S.B. No. 2300-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 486-78 Judiciary on S.B. No. 2523-78

The purpose of this bill is to maximize visitor satisfaction by clarifying the relationships between guests and keepers of hotels. This is done by adding a new chapter to the Hawaii Revised Statutes.

There is a need in the Hawaii Revised Statutes for a chapter relating to hotelkeeping. The states that significantly attract visitors have similar chapters. These include California, Illinois, New York, Florida, Georgia and Colorado.

The purpose of this type of legislation is to clarify the rights of hotelkeepers and the rights of guests. With the hotel industry being the largest segment of Hawaii's visitor industry, this type of law can only maximize visitor satisfaction.

Besides consolidation into one chapter, the major items that affect the hotelkeeper and guest relationship, the bill specifically covers the liabilities of hotels, responsibilities of hotels and guests, the right to control the premises and regulates any guests who overstay their visits, thus depriving incoming guests of rooms.

Your Committee heard testimony in favor of the bill from both the Office of Consumer Protection and the Hawaii Hotel Association.

Your Committee amended the bill as follows:

1. On page 2, added a definition of "patron" to distinguish them from guests of the hotel.
2. On pages 4, 5, 6, and 7, inserted the words "or patron" after the word "guest".
3. On page 5, increased the liability for loss of property to \$500.
4. On page 7, provided that property is to be valued pursuant to the Penal Code method of valuation.
5. On page 8, increased the liability of losses in laundry operations to \$100.
6. On pages 8, 9, 10, and 11, deleted Section -7 Theft, and Section -8 Diversion of business by false statements or representation, in their entirety since these provisions are already contained in the Penal Code.
7. On page 13, added a sentence to the effect that registration records should be made available to law enforcement officials.
8. On page 16, line 5, placed a period after the word "hotel" and deleted the remainder of the sentence.
9. On page 17, added a provision stating that a guest should be informed of hotel rules which contain added charges. Also, deleted the reference to willful violation thereof.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2523-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2523-78, S.D. 2.

Signed by all members of the Committee.

SCRep. 487-78 Judiciary on S.B. No. 2581-78

The purpose of this bill is to amend Hawaii's Horizontal Property Regime law to assure equitable condominium management and governance and to provide for additional protection to prospective condominium purchasers.

Your Committee concurs basically with the findings of your Committee on Housing and Hawaiian Homes as expressed in Standing Committee Report No. 332-78. Your Committee has amended this bill as follows:

1. Reword the language in lines 6, 7, and 8 on page 1 and lines 1, 19, 20, and

21 on page 2.

2. Delete the word "strictly" in lines 18 and 19 on page 2.
3. Delete the phrase "the party bringing the action, if successful," and insert in lieu thereof the following phrase "the prevailing party" in line 8 on page 3.
4. Increase the voting requirements from a "two-thirds majority" to a "75 per cent majority" in line 22 on page 5.
5. Add the qualifying provision "after 60 per cent of the apartment units have been in paragraphs (23) and (25) in lines 1 and 11 on page 12.
6. Delete the phrase "in the case of prolonged unexcused absence on the part of the board member" and insert in lieu thereof the following phrase "in the case where a board member has been absent for two consecutive regular meetings without an excuse" in lines 19 and 20 on page 12.
7. Add the following proviso "provided that this provision shall now be applicable in the event of an emergency" in line 4 on page 16.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2581-78, S. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S. B. No. 2581-78, S. D. 2.

Signed by all members of the Committee.

SCRep. 488-78 Judiciary on S.B. No. 2606-78

The purpose of this bill is to: (1) limit the responsibility of licensed motor vehicle dealers for the acts of their employees and agents, (2) increase the bonding requirements for new and used motor vehicle dealers on the neighbor islands, (3) authorize the Motor Vehicle Licensing Board to levy fines against licensees who violate the licensing laws and rules, and (4) limit the liability of licensed motor vehicle dealers who properly effectuate the transfer of motor vehicle documents on behalf of their customers.

The existing law specifies that motor vehicle dealers "shall be held strictly responsible" for the conduct of their agents and employees in all transactions within the Motor Vehicle Licensing Board's jurisdiction. Your Committee agrees with testimony it received that such a broad provision of responsibility, which would conceivably make an employer liable for actions of an agent or employee outside the course and scope of his employment, is unfair and inequitable and that responsibility should be limited to generally accepted principles of agency.

With respect to increasing the bonding requirements for new and used motor vehicle dealers on the neighbor islands, your Committee finds that there is an incongruity in the existing law in that a higher bond is required of a neighbor island used car salesman than for his dealer-employer, and that the bonding requirement of neighbor island dealers is inordinately low both in absolute figures and relative to Oahu dealers.

This bill will increase the neighbor island new motor vehicle dealer's bond requirement from \$3,000 to \$15,000 and the used motor vehicle dealer's bond from \$2,000 to \$10,000. Your Committee feels that this would effectively eliminate the incongruities in the existing law.

With respect to authorizing the Motor Vehicle Licensing Board to levy fines against licensees who violate the licensing laws, your Committee finds that under existing law the Board is only authorized to suspend or revoke a license or seek criminal penalties against the offending licensee. This bill will permit the Board, in addition thereto, to fine respondents from \$100 to \$1,000 for violations, or in lieu thereof, order restitution. Your Committee feels that the monetary sanctions contained in this bill will give the Board a more flexible and possibly more potent deterrent to illegal actions.

With respect to limiting the liability of licensed motor vehicle dealers who properly effectuate the transfer of motor vehicle documents on behalf of their customers, under existing law such dealers are not afforded the protection from civil and criminal liability afforded individual owners of motor vehicles who sell or otherwise transfer their vehicles in compliance with statutory procedures. This bill will afford dealers the same protection. Your Committee sees no reason why the same rationale for limiting the liability of individuals should not apply to dealers transferring motor vehicle documents on behalf of customers.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No.

2606-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 489-78 Judiciary on S.B. No. 2617-78

The purpose of this bill is to establish a Conservation and Resources Enforcement Program within the Department of Land and Natural Resources, for enforcement of laws, rules and regulations under Title 12, the Hawaii Revised Statutes. This bill is intended to consolidate and coordinate the enforcement of all rules and regulations covering all State lands and any other lands and waters subject to the jurisdiction of the Department of Land and Natural Resources.

The bill will also allow the consolidation of service to the public by placing responsibility within the Conservation and Resources Enforcement Program for advice, guidance and permits for hunting and fishing, for camping and parks use and for hiking and similar recreational activities on State lands.

Your Committee concurs with the findings of your Committee on Ecology, Environment and Recreation as expressed in Standing Committee Report No. 178-78.

Your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2617-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2617-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 490-78 Judiciary on S.G. No. 1812-78

The purpose of this bill is to permit persons who are at least eighteen years of age and who possess a valid driver's license issued by any commonwealth, territory or possession of the United States to drive in Hawaii without first having to obtain a Hawaii driver's license.

Your Committee received testimony from the Department of Transportation to the effect that, currently, non-resident visitors from Guam, Samoa, Puerto Rico, the Canal Zone, and the Virgin Islands, are unable to drive motor vehicles in Hawaii without first having to obtain a Hawaii driver's license. By amending Section 286-105, Hawaii Revised Statutes, in the manner set forth in this bill, this practice would be corrected.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1812-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 491-78 (Majority) Judiciary on S.B. No. 1855-78

The purpose of this bill is to expand the mandatory minimum sentence provision of the Hawaii Penal Code.

Under existing Sec. 706-606.5, a repeat offender is subject to a mandatory minimum period of imprisonment if he is convicted a second or third time only for certain designated types of felonies. This bill provides for a mandatory minimum period of imprisonment where a person is convicted of any class A or B felony if he has a prior conviction for any class A or B felony in any jurisdiction.

Your Committee has amended the bill by adding a provision for offenders who are convicted for the fourth time for a felony. At least two of the prior three felonies must be class A or B felonies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1855-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1855-78, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 492-78 (Majority) Judiciary on S.B. No. 1863-78

The purpose of this bill is to amend Sections 281-1 and 281-33.1, Hawaii Revised Statutes, to raise the legal drinking age from eighteen to nineteen years and to prohibit persons under nineteen years of age from obtaining a permit to receive liquor shipments from outside the State for his household's use and consumption.

In 1972, the Legislature lowered the age of majority in the State of Hawaii from twenty years of age to eighteen years of age. As a result eighteen year olds were afforded all the rights and were, correspondingly, charged with all the responsibilities, obligations, and duties attached to the status of adulthood.

At that time representatives of many interested groups, consisting of mature people as well as young people, generally testified in favor of reducing the age of majority from twenty to eighteen years of age. The adoption of the Twenty-sixth Amendment to the United States Constitution in 1971, enfranchising eighteen and nineteen year olds, gave added reason to lowering the age of majority to eighteen years. In addition, your Committee on Judiciary was influenced by the fact that the young people in this State were demonstrating their ability to assume the responsibilities and privileges of adult status. Your Committee on Judiciary, in reporting out the bill, stated "not only does it appear that they are more mature physically and psychologically than were their parents at the age of eighteen, youth today are better educated in preparation to face up to, and intelligently deal with, the problems facing them and the society in which they live."

Because the rationale for lowering the age of majority in 1972 is still sound, there was much discussion in your Committee when this bill was considered to raise the legal drinking age from eighteen to nineteen years. Several members of your Committee felt that since eighteen year olds are old enough to marry, enter into a contract, vote, to sue or be sued, etc., they should likewise be able to purchase and consume alcoholic beverages.

However, your Committee received testimony from State Superintendent Charles Clark, the Punahou Board of Trustees, the Punahou Parents-Teachers Association, the Hawaii School for Girls and member schools of the Hawaii Association of Independent Schools, setting forth cogent reasons for raising the legal drinking age from eighteen to nineteen years.

The testimony was to the effect that in Hawaii many of the high school seniors turn eighteen in their senior year and thus are legally able to purchase and consume alcoholic beverages. Some of these students take advantage of this legal right to purchase alcoholic beverages and cause problems for others on campus. They bring on campus or come to school under the influence of alcohol thus creating severe problems for all those who are at school. In addition, your Committee was advised that students who were not eighteen attended parties at which alcoholic beverages were served.

Your Committee realizes that alcoholism is a problem among teenagers. According to the National Institute on Alcohol Abuse and Alcoholism, 1.3 million Americans between the ages of twelve and seventeen have serious drinking problems. In 1976, nearly one out of seven male high school seniors reported getting drunk once a week.

Your Committee heard testimony that when the drinking age was 21, it was easy for the twenty, nineteen, eighteen, and even the seventeen year olds to get alcohol from an older friend. Now, with the eighteen year old law, not only are seventeen and sixteen year olds getting alcohol, but thirteen and fourteen year olds are also. What the existing law has done, in effect, is to bring drinking down to the junior high school level and this creates a serious problem in this community.

Your Committee finds that raising the legal drinking age from eighteen to nineteen years would serve to make it more difficult for students to purchase and consume alcoholic beverages and remove an apparent contradiction between school standards and community standards regarding the purchasing and consumption of alcoholic beverages. Your Committee concludes that this result outweighs the inconvenience caused the eighteen year olds in not being able to purchase and consume alcoholic beverages for one year.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1863-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senators Hara, F. Wong and George did not concur.

SCRep. 493-78 (Majority) Judiciary on S.B. No. 2046-78

The purpose of this bill is to allow contracts for resource recovery facilities to be awarded through competitive negotiations which permit considerations of factors other than price.

Your Committee finds that State and local governments are experiencing difficulties in acquiring the equipment, facilities, or services needed to fully implement resource recovery systems because of traditional competitive bidding requirements.

Your Committee recognizes that procurement of a resource recovery facility is a complicated and sophisticated system. Such procurement requires that each offeror have the opportunity to make system design trade-offs after initial proposed submission in response to project needs. Those trade-offs allow for the "tailoring" of the combination process, facility financing, development and operation to provide the most competitive mix for each offeror. The end result of such a competitive process will be the optimization of the resource recovery system project to the benefit of the public. That optimization cannot result from a source selection on the basis of the price alone.

The technology of modern resource recovery systems, together with the complex multi-year arrangements concerning facility implementation and operation demands modern procurement techniques such as competitive negotiation. The enactment of the bill under consideration will provide the procurement authority with the option to use that technique.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2046-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senators Chong, Hara and Kawasaki did not concur.

SCRep. 494-78 (Majority) Judiciary on S.B. No. 2093-78

The purpose of this bill is to provide the courts with the authority to determine the minimum sentences of persons convicted of various felonies. The bill will take this same authority away from the Hawaii Paroling Authority. Your Committee finds that the court which has heard the evidence in the felony case is in a better position to determine the minimum sentence that should be applied to that person.

This bill authorizes the courts to reduce the minimum term and revoke parole. This bill also provides that the courts may be guided by the recommendations of the Director of Social Services in fixing the minimum terms of imprisonment, and by the recommendations of the Hawaii Paroling Authority for reduction of the minimum terms.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2093-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 495-78 Judiciary on S.B. No. 2148-78

The purposes of this bill are: (a) to provide a means in special situations to resolve a deadlock in voting by directors of a corporation, (b) to permit the appropriate circuit court to appoint directors in certain situations, such as where a corporation has not issued shares and all the directors resign, die or become incompetent, upon petition of a creditor of a corporation or of the personal representative of a deceased director or of the guardian or conservator of an incompetent director, (c) to reduce the minimum number of directors that a corporation must have, (d) to reduce the number of persons required to execute the articles of incorporation, (e) to reduce the number of officers a corporation must have, and (f) to permit any stockholder or member to file an application to the appropriate circuit court for a meeting of the corporation under special circumstances.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2148-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 496-78 Judiciary on S.B. No. 2188-78

The purpose of this bill is to change the requirement that one-third of the directors of a Hawaii corporation be residents of Hawaii to a requirement that only one director be a resident.

Your Committee finds that businesses are sometimes attracted to a state because of the simplicity of doing business therein. Your Committee finds that this bill will make it simpler to do business in this State through a corporation because of the fact that only one resident director will be required even though the board consists of more than three directors.

The bill also provides that the corporation must have at least three directors, sets forth the manner in which the maximum number of directors shall be fixed, and sets out the length of the term of directors in special situations.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2188-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 497-78 (Majority) Judiciary on S.B. No. 2287-78

The purpose of this bill is to amend Section 657-8, Hawaii Revised Statutes, by deleting the language providing that Section 657-8, Hawaii Revised Statutes, shall not apply to surveyors for their own errors in boundary surveys.

Your Committee finds that an applicant for registration as a land surveyor in the State must meet the minimum requirements as set forth in Chapter 464, Hawaii Revised Statutes, and Chapter 10, Rules and Regulations of the Board of Professional Engineers, Architects, Land Surveyors and Landscape Architects. The applicant must also pass a professional written examination prescribed by the Board to test his knowledge, skill and competency as a land surveyor. In addition, the Board may require additional proof that the applicant is competent to practice professionally and should the Board not be fully satisfied from the results of the examination, may require him to sit for further examination or examinations.

Your Committee feels that since surveyors must meet minimum standards like other professionals, they should likewise be covered by Section 657-8, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2287-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Senators Ching and Hara did not concur.

SCRep. 498-78 Judiciary on S.B. No. 2476-78

The purpose of this bill is to allow a person arriving in the State to bring, for private use or consumption, and not for resale, a minimum of three gallons of beer without a license or permit.

Your Committee has amended this bill by changing the maximum quantity of beer that may be brought into the State by a person for private use or consumption without a license from three gallons to two cases not exceeding six gallons. This amendment will permit a person to bring in a maximum of two cases of beer containing 48 16-fluid ounces cans or bottles.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2476-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2476-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 499-78 Judiciary on S.B. No. 2590-78

The purpose of this bill is to transfer the adult pre-sentence investigation probation supervision function from the Judiciary to the Intake Service Centers. The bill would also transfer the incumbent personnel presently performing the function to the Intake Service Centers.

Your Committee finds that the pre-sentence investigation function is closely tied in with the assessment function of the Intake Service Centers. Transfer of this pre-sentence function to the Intake Service Centers will therefore greatly improve efficiency by providing for a uniform integrated state-wide system.

Your Committee amended the bill by making technical changes without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2590-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2590-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 500-78 Ways and Means on S.B. No. 1568-78

The purpose of this bill is to provide a deferral of real property tax to owners (including lessees) of property classified as a geothermal well site. It provides that upon the production and sale of geothermal power for commercial purposes, the owners shall make annual payments until all taxes deferred are paid.

The potential of geothermal energy to Hawaii is great. Most people agree that the State should encourage expeditious development of this significant resource. This deferral of real property tax to owners (including lessees) of property classified as a geothermal well site will help reduce the "up front" expenses of the energy developer. There will be no ultimate loss of income, other than possible interest income, and a relatively small cost to the county government to ensure rapid development of this resource which will in turn provide considerable income to the counties as well as to the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1568-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 501-78 Ways and Means on S.B. No. 1570-78

The purpose of this bill is to establish the Hawaii Laboratory for Rift Zone Geothermal Reservoirs as a research unit at the University of Hawaii.

With the successful drilling of the HGP-A geothermal well in Puna, the potential of geothermal energy to become a major source of energy not only for the Island of Hawaii, but for the entire State, has been provided with a forward thrust. However, the body of knowledge of geothermal energy found in an active volcanic rift zone is quite limited, as there is no other similar type rift zone in the world currently producing geothermal energy. Therefore, your Committee finds there is a need for the Hawaii Laboratory.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1570-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 502-78 Ways and Means on S.B. No. 1572-78

The purpose of this bill is to authorize and fund a study of the non-electric applications of geothermal energy.

It appears there are many direct applications of geothermal heat which are more efficient than generating electricity and may be economically feasible. The main ones suggested are boiling of sugar in the processing operation, sterilizing or cooking papayas and other tropical fruits, processing wood and paper, air-conditioning agricultural "hothouses", freeze-drying coffee, and use in aquaculture. Due to the high cost of drilling geothermal wells, the high risk of the geothermal program, and the inefficient transformation of geothermal energy to electric energy, the non-electric applications may prove to be as valuable or more valuable than electric generation.

To date, no study has been conducted to determine the feasibility of these suggested applications and this bill will fill that void.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1572-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 503-78 Ways and Means on S.B. No. 1573-78

The purpose of this bill is to provide an incentive to landowners to plant energy crops, primarily trees and other energy crops that have a substantial lead time before there is any income or cash flow to the owner.

Biomass energy is one of Hawaii's chief potential sources of electrical, liquid, or gaseous energy. The chief crop that would benefit from this tax incentive program would be trees which have a 5-8 year period of growth before they can be harvested. Presently, the current tax incentive for "forest crops" has a minimum period of 10 years and limited to marketable lumber.

The bill provides real property and general excise tax exemptions (to be substituted by a 5 per cent "yield tax"), to owners of property classified as biomass energy plantation property. It designates the Energy Resources Coordinator as the administrator of this program. It specifies eligibility requirements, the application process, and the conditions under which property can be classified as biomass energy plantation property. It requires the Department of Taxation to also participate in the classification of the property. The Energy Resources Coordinator is required to prepare, execute, and administer an agreement with the property owners.

Your Committee finds this bill is part of the Senate Energy Package and is in favor of its passage.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1573-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 504-78 Ways and Means on S.B. No. 1578-78

The purpose of this bill is to undertake a study of the problems, costs, and solutions to problems relating to the development of an underwater cable system connecting the Island of Hawaii with the other islands for the transmission of energy.

Current expectation is that the additional increase and exploitation of geothermal wells along the rift zone and other promising sites may provide many hundreds of megawatts of power in excess of the amount needed by the Island of Hawaii. This surplus of electrical power could, by means of an underwater cable system, be made available to other islands. Information on the costs and feasibility of implementing such a cable system is lacking and your Committee finds this study necessary.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1578-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 505-78 Ways and Means on S.B. No. 1579-78

The purpose of this bill is to appropriate funds for an engineering study of a proposed Molokai hydroelectric system.

A recent review of hydroelectric potentials in the State by a special task force has indicated that the possibility of the utilization of the Molokai reservoir/irrigation system to generate electricity is attractive and should be studied.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1579-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 506-78 Ways and Means on S.B. No. 1581-78

The purpose of this bill is to provide funds for research and development, applications, and demonstrations directed toward the development and utilization of alternate energy resources for the State of Hawaii.

The proposed project fundings are based on recommendations made by the special energy task forces established by the Committee on Energy/Natural Resources during

the summer of 1977 and total \$3,845,000, which, coupled with the \$5,000,000 requested by the Governor's supplemental CIP request, will provide \$8,845,000 to launch a significant forward movement in Hawaii's quest to become energy self-sufficient.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1581-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 507-78 Ways and Means on S.B. No. 1597-78

The purpose of this bill is to provide a tax credit to individuals and corporate resident taxpayers who install insulation material for hot water tanks and exposed hot water pipes which reduces heat loss and thereby conserves energy. The credit would not exceed \$30 and would be in effect from December 31, 1977 to December 31, 1984.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1597-78, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 508-78 Ways and Means on S.B. No. 2602-78

The purpose of this bill is to vest secondary schools with authority to transfer funds from inactive accounts of graduated classes to the non-appropriated local school fund account, five years following graduation of the appropriate class.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2602-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 509-78 Ways and Means on S.B. No. 1936-78

The purpose of this bill is to provide no less than thirty tuition waivers to students who are undergraduate music department majors at the University of Hawaii actively participating in the music department's orchestra programs.

Your Committee finds that members of the University marching band currently receive tuition waivers and that this has aided in the development of a fine marching band enjoyed by students and the community alike.

Your Committee further finds that the orchestra tuition waivers would have a similar salutary effect on the orchestra, retaining students with significant musical abilities in the State, and adding to the enrichment and pleasure of both students at large on campus and members of the wider community.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1936-78, S.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 510-78 Ways and Means on S.B. No. 2470-78

The purpose of this bill as amended is to set aside \$10,000,000 from the dwelling unit revolving fund for the financing or development of housing projects for elderly persons.

There exists an increasing need for the State to provide decent and affordable shelter for our elderly persons. Act 224, SLH 1976, provides for the sale of general obligation bonds for these purposes, however, your Committee feels that the current fiscal situation and debt ceiling makes such a sale inadvisable at this time. Your Committee has therefore set aside from the existing dwelling unit revolving fund \$10,000,000 to be used for the development of elderly housing.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2470-78, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 511-78 Ways and Means on S.B. No. 2332-78

The purpose of this bill is to clarify the statutory provisions of Hawaii law relating to the mandatory purchase of Hawaii products and to place on the bidder on a government project who intends to use non-Hawaii products in such project the burden of declaring his intentions thereto.

In comparing the selling prices of Hawaii and non-Hawaii products for the purpose of determining whether the purchase of the former is required, it is presently unclear what such selling price means or is to include. This bill would specify that selling price is f.o.b. jobsite, unloaded including applicable general excise and use taxes. Your Committee feels that this would eliminate any present ambiguity and ensure that, in making such comparisons, equivalent prices are compared.

In addition, present statutes allow selling prices of "similar" non-Hawaii products to be compared with Hawaii products. Your Committee finds that such a definition has led to what in fact have been dissimilar imported products being so compared because the term is too general. This bill would provide for "alternate or comparable" instead of "similar" products being compared to Hawaii products. Your Committee is of the opinion that this will rectify the problem by assuring that more equitable comparisons are made.

Finally, current law only requires a government agency to describe Hawaii products which may be used in a public works or repair or maintenance contract. This bill would require a description of their corresponding classes as well. Your Committee feels that the current requirement of describing products only is too restrictive and that more effective promotion of goods produced in State would result from its expansion to include describing corresponding classes of the products.

With respect to placing the burden of declaring an intention to use non-Hawaii products in a government project on the bidder thereto, your Committee finds that under present law the bidder who intends to use Hawaii products is forced to go through much paperwork and red tape in order to receive a credit on the cost of such products on his bid. Your Committee believes that this tends to discourage bidders from using Hawaii products, or at best counteracts the incentive, the credit, to use Hawaii products, contrary to the general intent of the law. This bill would require persons submitting bids based on non-Hawaii, instead of Hawaii, products to specify such products and the values thereof. Under existing law those using and claiming Hawaii products must specify so, whereas under this bill those using non-Hawaii products must specify so, and those using Hawaii products need not do so.

Your Committee has amended the bill as received by inserting the word "lowest" before delivered price on page 1, line 10. This amendment will avoid any misunderstanding in evaluating the bids. Page 3, line 10, of the bill as received, is also amended by changing the word "value" to the word "price" to coincide with the definition in section 103-43, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2332-78, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 2332-78, S.D. 1.

Signed by all members of the Committee.

SCRep. 512-78 Judiciary on S.B. No. 2086-78

The purpose of this bill is to provide for a sentence which would require a defendant to make restitution to the victim of a crime. Such restitution would be mandatory for crimes in which property is taken or damaged and not recovered, and would be applied in addition to any other penalty.

Your Committee finds that this bill will deter theft crimes by serving notice that restitution will be required in cases where property is taken or damaged and not recovered. The bill also provides much needed reimbursement to victims of such crimes.

Your Committee amended the bill by including language which would give the courts discretion to determine the appropriate amount of the restitution to be paid.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2086-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto, as S.B. No. 2086-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513-78 Judiciary on S.B. No. 2147-78

The purpose of this bill is to set forth a new statute of limitations for actions on debts arising out of medical care involving minors under Chapter 577A, Hawaii Revised Statutes.

Chapter 577A gives minors the right to medical care and services without parental consent where the minor professes to be pregnant or afflicted with venereal disease. The intent of the law is to provide minors with the right to privacy and the right to make responsible decisions regarding their health. Coupled with this affirmation of individual rights, the legislature was also concerned about the increased incidence of venereal disease and pregnancies among minors and its health attendant problems. Removing the requirement of parental consent for medical services in certain health problems was intended to encourage minors to seek treatment.

Under Chapter 577A, since spouses or parents of minors are not to be informed, it is necessary that the statutes permit the medical care providers an opportunity to pursue payment from the minor should it become necessary to do so.

Thus, the bill provides that actions on debts founded on contracts under Chapter 577A shall not commence until the minor reaches the age of majority. Upon reaching majority, the action against such minor must be commenced within two years.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2147-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514-78 Ecology, Environment and Recreation on S.B. No. 1884-78

The purpose of this bill is to set forth the Hawaii State plan that shall serve as a guide for the future long-range development of the State; identify the goals, objectives, and policies for the State of Hawaii, provide a basis for determining priorities and allocating limited resources, such as public funds, services, manpower, land, energy, water, and other assets; and assure coordination of State and county plans, policies, programs, projects, and regulatory activities.

The purpose of this bill is also to establish a structure for policy plan formulation and program plan coordination to provide for an integration of all State and county activities. Implementation provisions of the bill are designed to carry out statewide guidelines presented in the form of the overall theme and goals, objectives, and policies.

Your Committee held a joint hearing with your Committee on Economic Development at which time it heard from representatives of the counties, the State and the private sector. Your Committee has amended S.B. No. 1884-78 to incorporate some of the concerns expressed.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1884-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1884-78, S.D. 2, and be recommitted to the Committee on Ecology, Environment and Recreation.

Signed by all members of the Committee except Senators Ching, Hara and Nishimura.

SCRep. 515-78 Judiciary on S.B. No. 566

The purpose of this bill is to transfer the investigators and the clerical staff of the office of the State public defender from their current exempt status to civil service status.

Your Committee concurs with the amendment and the findings of your Committee on Human Resources as expressed in Standing Committee Report No. 113-78.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 566, S. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 516-78 Judiciary on S.B. No. 1820-78

The purpose of this bill is to amend provisions in the Hawaii State Ethics Code relating

to activities of members of boards and commissions, contract relations between a state agency and a legislator, employee or a member of a board, commission or committee, and the definition of "financial interest" of an individual.

Your Committee concurs with the finding and amendments of your Committee on Government Operations & Efficiency as expressed in Standing Committee Report No. 296-78.

After hearing testimony, your Committee has amended the bill in several respects.

Your Committee has deleted the words "or other dependents" in the definition of "financial interest" since the provision would be overly broad in that the interest of any person living with an individual, including distant relatives, might be attributed to that individual.

Your Committee has amended the bill to make clear that only accounts in a federal or state regulated financial institutions and policies in a mutual insurance company are not subject to disclosure. For example, money deposited into a credit union account which could be interpreted to be an ownership interest need not be disclosed.

Your Committee has amended the bill to exempt temporary employees of the legislature from the disclosure requirements.

Your Committee has amended the bill by modifying the language of section 3 for purposes of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1820-78, S. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S. B. No. 1820-78, S. D. 2.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 517-78 Judiciary on S.B. No. 1824-78

The purpose of this bill is to allow a minor to receive counseling services relating to alcohol or drug abuse. If the minor consents to receive such counseling services, the spouse, parent, custodian, or guardian of the minor shall not be liable for the legal obligations resulting from such counseling services. A minor who consents to the provision of counseling services shall assume financial responsibility for the cost of such services.

Your Committee finds that the problem of teenage alcohol and drug abuse has increased vastly in size and dimension over the past years. Your Committee feels that an important solution to this problem is counseling either in a one-to-one setting or in a group situation. However, a significant number of minors are reluctant to seek such counseling because of the need for parental consent. Both situations involve the interrelationship of sensitive medical and social consideration in the treatment of such problems. By removing the need for parental consent, the legislature desires to encourage teenagers to seek help.

Your Committee has amended this bill by inserting a provision that an action to recover any debt founded under any contract, obligation, or liability made under this section shall not commence until a minor has reached the age of majority; provided that said action shall be commenced within two years of the date a minor reaches the age of majority.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 1824-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1824-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 518-78 Judiciary on S.B. No. 2063-78

The purpose of this bill is to provide that a defendant shall not be admitted to bail pending disposition of an offense alleged to have been committed while released on bail. The bill also provides for a separate sentencing procedure for a defendant convicted of an offense committed while released on bail.

Your Committee has amended the bill. The purpose of this amendment is to amend Chapter 804, Hawaii Revised Statutes, to provide that a defendant shall not have the right to bail if he is charged with committing a felony offense that occurred while released on bail or released on his own recognizance.

Your Committee is concerned with serious crimes that are allegedly being committed by defendants while released on bail for another criminal charge.

Your Committee finds that such defendants are dangerous persons whose commitment is necessary.

Your Committee has also amended the bill by deleting the separate sentencing procedure for defendants convicted of an offense committed while released on bail.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2063-78, as amended herein, and to bail.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2063-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2063-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 519-78 Judiciary on S.B. No. 2596-78

The purpose of this bill is to repeal the present witness immunity statute found in Chapter 621C, and replace it with a new witness immunity statute. This bill as amended provides that when a person refuses on the basis of self-incrimination to testify and the judge or other presiding person orders the person to testify, he may not thereafter refuse to testify on the basis of his privilege against self-incrimination.

The order is to specify whether the immunity granted is "use immunity" or "transactional immunity." The order must be requested by the Attorney General or prosecutor and granted by the judge after the witness has claimed the privilege.

According to the testimony by the Attorney General, a use immunity statute such as proposed by this bill has many superior features. It affords flexibility to law enforcement agencies and continues to meet all of the constitutional requirements.

In a use immunity, the testimony or production of records that is compelled by the order, and any information obtained directly or indirectly from such testimony or production, cannot be used against the witness in a criminal case. However, that witness may still be prosecuted for a crime so long as the testimony or production of records are not used for such prosecution.

In a "transactional immunity", which represents the present law and which is retained by this bill, when a witness is ordered to testify or to produce records on any matter, that witness is immune from any criminal prosecution concerning that matter. He may not be prosecuted for a crime even if his testimony or production of records are not used in such prosecution.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2596-78, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2596-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 520-78 Judiciary on S.B. No. 2622-78

The purpose of this bill is to amend a portion of Section 710-1077 (1)(h), Hawaii Revised Statutes, relating to criminal contempt of court. The bill modified the offense of criminal contempt of court by deleting therefrom the situation where a person intentionally refuses, after being qualified as a witness, to answer questions without a privilege to refuse to answer.

Your Committee has amended the bill by restating Section 710-1077 (1)(h). This restatement is coordinated with the introduction of another bill, S.B. No. 2595-78, relating to the obstruction of justice. At the present time, a witness who refuses to testify either with or without the grant of immunity can only be prosecuted for a misdemeanor. Under S.B. No. 2595-78, relating to obstruction of justice, such a refusal will constitute a felony when the witness has been granted immunity. Under S.B. 2595-78, as amended, a refusal to testify will be subject to criminal contempt of court where the witness has not been given immunity.

Your Committee has also amended the bill to provide for an appropriate sentence

for a conviction of criminal contempt of court under Sec. 710-1077 (1)(h). If the offense occurs in a proceeding involving a felony, the sentence shall be a mandatory term of five months. If the offense occurs in a proceeding involving a misdemeanor, the sentence shall be a mandatory term of three months.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2622-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2622-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 521-78 Ways and Means on S.B. No. 596

The purpose of this bill is to establish a deferred compensation plan for those public employees who desire to defer a portion or all of their compensation to a future period in time primarily for income tax purposes.

The basic reason a State adopts a deferred compensation program is to attract and keep qualified employees and independent contractors. In addition, it permits, on a voluntary basis, these valued employees to put aside their own monies until retirement and therefore have a brighter retirement future. The State in effect is allowing a "fringe" benefit to its employees at no measurable cost to the taxpayer.

Your Committee on Ways and Means has amended Section 1 of the bill by increasing the number of members on the board from three to seven and include the Director of Personnel Services as an ex-officio member and the board's chairman. Your Committee has rewritten the provisions relating to "investments of deferred compensation" to insure a more sound and successful deferred compensation program. To restrict investment elective to just annuities is probably the least likely selection for an unfunded non-qualified deferred compensation program. An annuity used for an investment loses some tax benefits in an unqualified plan which results in lower performance for the participant in the deferred compensation plan.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 596, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 596, S.D. 2.

Signed by all members of the Committee.

SCRep. 522-78 Legislative Management

Informing the Senate that S.C.R. Nos. 73 to 76, S.R. Nos. 274 to 281 and Stand. Com. Rep. Nos. 429-78 to 521-78 and 523-78 to 527-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 523-78 Education on H.B. No. 490

The purpose of this bill is to place the responsibility for the replacement of school books that are broken, damaged, lost, or destroyed with the responsible student. The responsible student would be required to pay actual replacement costs or if unable to do so, to contribute work time to the school during non-school hours or a combination of both.

Your Committee has amended this bill by restoring the phrase "equipment and supplies" at line 8 of page 1, since the subject of the bill, school books, falls within this category. Your Committee has further amended the bill by defining school books so as to clearly include both library and textbooks, by limiting the amount of the remuneration to two thousand dollars, and by making grammar and stylistic changes.

The bill has been further amended to make its terms applicable to all student in all public schools.

Further, your Committee has restored the paragraph dealing with the standards of public schools vis-a-vis the English standard system on page 2, lines 9 through 13. The deletion of this portion is not consistent with the title of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 490, H.D. 2, as amended herein, and recommends that it pass Second Reading in the

form attached hereto as H.B. No. 490, H.D. 2, S.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 524-78 Transportation on H.B. No. 1912-78

The purpose of this bill is to provide uniformity of state and federal requirements for exterior marking and placarding on motor vehicles transporting hazardous materials.

Under this bill the old requirements for marking and placarding will remain in effect until the director of transportation can adopt rules necessary to conform to federal standards.

Your Committee finds that recent revisions to the federal regulations have changed the basic vehicle markings from a word description to a diamond-shaped sign which includes the hazard description. The new federal requirement carries a mandatory compliance date of July 1, 1978.

Your Committee has amended this bill to subject violators of the exterior markings provisions to a civil penalty consistent with the civil penalty applicable to motor carrier highway safety standards.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1912-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1912-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 525-78 Health on S.C.R. No. 46

The purpose of this resolution is to solicit the active encouragement on the part of the Governor and the Mayors of the counties encouraging the citizens of Hawaii, especially governmental employees, to enroll in a cardiopulmonary resuscitation course.

Your Committee believes that there is a conviction among certain knowledgeable individuals that a proliferation within the community of persons trained in cardiopulmonary resuscitation would significantly reduce the number of deaths as a result of heart attacks.

Your Committee finds that with the large number of our citizens in the employ of the government, a successful concerted effort to have such employees enroll in a cardiopulmonary resuscitation course would undoubtedly go a long way in accomplishing the American Heart Association's objective of having 20 percent of the population trained in the technique.

Your Committee on Health concurs with the intent and purpose of S.C.R. 46 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 526-78 Health on S.R. No. 170

The purpose of this resolution is to solicit the active encouragement on the part of the Governor and the Mayors of the counties encouraging the citizens of Hawaii, especially governmental employees, to enroll in a cardiopulmonary resuscitation course.

Your Committee believes that there is a conviction among certain knowledgeable individuals that a proliferation within the community of persons trained in cardiopulmonary resuscitation would significantly reduce the number of deaths as a result of heart attacks.

Your Committee finds that with the large number of our citizens in the employ of the government, a successful concerted effort to have such employees enroll in a cardiopulmonary resuscitation course would undoubtedly go a long way in accomplishing the American Heart Association's objective of having 20 percent of the population trained in the technique.

Your Committee on Health concurs with the intent and purpose of S.R. No. 170 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 527-78 Health on S.R. No. 194

The purpose of this resolution is to request the Department of Health to develop plans for achieving the goal of having 20% of the population trained in the technique of cardiopulmonary resuscitation.

Your Committee finds that the leading cause of death in the State of Hawaii is from heart disease. The benefits of cardiopulmonary resuscitation training can save lives not only in the case of heart attack, but also in cases of asphyxia, drowning, coma, electric shock, drug overdose, and other accidents and illnesses.

Your Committee further finds that cardiopulmonary resuscitation is an inexpensive technique which has been proven to be an effective means of decreasing the incidence of cardiac-related fatalities when a significant number of a community's population has been trained to administer the technique within minutes of an incident, followed by an advanced, life-saving support system.

Your Committee on Health concurs with the intent and purpose of S.R. No. 194 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 528-78 Legislative Management

Informing the Senate that S.C.R. Nos. 77 to 80, S.R. Nos. 282 to 290 and Stand. Com. Rep. No. 529-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 529-78 Ways and Means on S.B. No. 2202-78

The purpose of this bill is to make appropriations for capital improvement projects and to authorize the issuance of bonds.

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

Your Committee has provided funds for projects that we believe will adequately meet the current capital improvement requirements throughout the State. Appropriations are provided for State and county projects; including parks and recreational facilities, highway improvements, water, medical and educational facilities.

During the current legislative session, the Senate has been greatly concerned with the energy issue. A comprehensive Senate energy program has been developed to meet this issue. In furtherance of the Senate energy program, this bill provides some \$3.8 million for energy projects for the development of alternative energy sources including solar, wind, geothermal and ocean thermal.

In addition to providing for projects of local and community interest throughout the state, your Committee has also provided for some \$7.5 million in projects of major Statewide interest and significance and which will be of benefit to all the people of Hawaii.

Total authorizations provided for by this bill equal \$55,595,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2202-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2202-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 530-78 Legislative Management

Informing the Senate that S.C.R. Nos. 81 and 82, S.R. Nos. 291 to 299 and Stand. Com. Rep. Nos. 531-78 to 532-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 531-78 Human Resources on Gov. Msg. No. 88

Recommending that the Senate advise and consent to the nomination of YUKIO TAKEMOTO,

to the Labor and Industrial Relations Appeals Board, for term ending December 23, 1987.

Signed by all members of the Committee.

SCRep. 532-78 Human Resources on H.B. No. 1802-78

The purpose of this bill is to increase the present \$2.40 minimum hourly wage to \$3.35 an hour in four yearly increments beginning on July 1, 1978. The first increase would be to \$2.65 an hour effective July 1, 1978; the second increase to \$2.90 an hour effective July 1, 1979; the third increase to \$3.10 effective July 1, 1980; and the fourth increase to \$3.35 an hour effective July 1, 1981.

The present minimum wage of \$2.40 an hour became effective on July 1, 1975. It was part of a two-step increase enacted in 1974, the first step thereof being an increase from \$1.60 to \$2.00 an hour on July 1, 1974. This bill attempts to gradually eliminate the gap between the earnings of a minimum wage worker and his cost of living. These disadvantaged workers are the persons who need a higher minimum wage. For example, a head of a family of four who is employed full-time at the present \$2.40 an hour minimum is considered to be living in poverty because the federal government's poverty level income criterion for a Hawaii family of four is \$6,730 annually or the equivalent of an hourly wage of \$3.24. The worker would only earn \$4,992 annually at the present minimum wage. Another basis for comparison is the Department of Social Services and Housing's July 1977 Annual Maximum Allowance for a family of four, excluding food stamp bonuses and medical care cost covered by Medicaid, which is \$6,396. At the proposed \$3.35 rate, the worker would earn \$6,398 annually and have some incentive to seek employment.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1802-78, 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. 533-78 Legislative Management.

Informing the Senate that Gov. Msg. Nos. 149 to 159, S.R. Nos. 300 to 302 and Stand. Com. Rep. Nos. 534-78 to 537-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 534-78 Military and Civil Defense on Gov. Msg. No. 85

Recommending that the Senate advise and consent to the nominations of JOHN F. CHALMERS, M.D., and JEANNE B. JOHNSON, to the Civil Defense Advisory Council, for terms to expire December 31, 1981.

Signed by all members of the Committee.

SCRep. 535-78 Government Operations and Efficiency on H.B. No. 1688

The purpose of this bill is to provide for the establishment and operation of the State Law Enforcement Planning Agency by statute as is required by the Federal Crime Control Act of 1976.

The Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, as amended by Section 105 of the Crime Control Act of 1976, Public Law 94-503, requires, as a condition to participating in the federal Law Enforcement Assistance Administration (LEAA) program, that the various states, by December 31, 1978, create or designate by law a state law enforcement planning agency with responsibilities, among others, to develop and implement a comprehensive law enforcement plan to reduce crime and juvenile delinquency and to administer the LEAA program in said respective states.

This bill will enable the State of Hawaii to comply with the requirements of the Crime Control Act of 1976 and will insure continued federal funding of the LEAA program in Hawaii.

Your Committee has amended Section 2 of the bill on page 4, lines 6 through 11, to insure that the State would not be obligated to take over the funding of the agency and its programs in the event federal funding ceases.

Your Committee on Government Operations and Efficiency is in accord with the intent and purpose of H.B. No. 1688, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1688, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 536-78 Intergovernmental Relations on H.B. No. 2022-78

The purpose of this bill is to provide enabling legislation to implement an effective dam safety program to identify conditions which threaten public safety and to correct these conditions in a timely manner.

The dam safety program would be established at the county level where programs of a similar nature already exist, such as building construction, requiring periodic inspection to prevent failures. The program can be better handled by the counties with a minimum requirement for additional funding and personnel.

The bill requires the counties, in cooperation with appropriate State and Federal agencies, to enact ordinances controlling the design, construction, operation, and maintenance of dams and reservoirs in this State.

Lt. Col. Dunmyer of the Honolulu district office, U.S. Corps of Engineers, has indicated to your Committee that H.B. No. 2022-78, H.D. 2 conforms to the requirements of the National Dam Inspection Program, Public Law 92-367.

Your Committee has amended the bill by:

1. Deleting "one year" from line 2 on page 5 and substituting "two years". This makes Section 5 consistent with Section 4, which allows the counties two years to enact ordinances.
2. Deleting "promulgate rules and regulations" from line 4 on page 5 and substituting "adopt rules".
3. Changing "Section 2" on line 7, page 5, to read "Section 6".

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 2022-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2022-78, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 537-78 Intergovernmental Relations on H.B. No. 2319-78

The purpose of this bill is to repeal in its entirety the present law relating to the county committees on the status of women. The repeal would take effect December 31, 1978.

Your Committee finds that the purpose of Chapter 367, Hawaii Revised Statutes, relating to the status of women, can best be accomplished by retaining the county committees and broadening their functions, eliminating certain operational details and other specifics now contained in the law.

Accordingly, your Committee has amended H.B. No. 2319-78, H.D. 1, by:

- (1) Providing for the addition of a new section to Chapter 367, Hawaii Revised Statutes, which would set up county committees on the status of women. The membership, function, and operational details of the committees would be determined by the respective counties.
- (2) Making the Act effective upon its approval; provided that members of county committees in existence prior to the Act may continue to perform their duties until December 31, 1978, unless the committees provided for under the Act are appointed earlier.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 2319-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2319-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 538-78 Legislative Management

Informing the Senate that S.R. Nos. 303 to 307 and Stand. Com. Rep. Nos. 539-78 to 545-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 539-78 (Majority) Education on S.R. No. 59

This resolution requests that the Office of Children and Youth in cooperation with the Department of Education and the Department of Social Services and Housing determine whether there is a need for after-school programs for school-aged children, the scope of the needs, and the extent to which such programs would fill the need.

Your Committee received testimony from the public, the Department of Education, the Office of Children and Youth, and the Hawaii State Student Council in support of this resolution. Testimonies from these groups pointed to the fact that in a very high number of families in Hawaii, both parents work, with the result that there is a period during each school day between class time and family time which school-aged children must bridge.

Your Committee feels that after-school programs might provide needed activity during this period and that an assessment of the need and such programs is warranted.

Your Committee on Education concurs with the intent and purpose of S.R. No. 59 and recommends its adoption.

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

SCRep. 540-78 Education on S.R. No. 163

Many of the historical buildings used by royal families in the State of Hawaii have been restored and preserved through the efforts of private organizations such as the Daughters of Hawaii. This resolution commends and expresses legislative support of private organizations who are instrumental in the care and preservation of historical buildings. It further calls for the preservation of other historical buildings used by the Hawaiian royal families and requests that the Department of Land and Natural Resources submit recommendations on methods of helping to restore and preserve historic sites to the next legislature.

Your Committee received testimony from the Department of Land and Natural Resources indicating support of this resolution and a willingness to prepare such a report.

Your Committee wishes at this time to highlight the efforts of the Daughters of Hawaii who have so successfully managed the restoration of Hulihee Palace and the Queen Emma Summer Home. These sites of historical significance are today enjoyed by the public largely through their efforts.

Your Committee on Education concurs with the intent and purpose of S.R. No. 163 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 541-78 Education on S.R. No. 164

The purpose of this resolution is to request that the Department of Land and Natural Resources adopt rules that would enable it to enforce the laws that protect historic sites (Chapter 6E, Hawaii Revised Statutes).

Your Committee received the testimony of the Department of Land and Natural Resources indicating that it supported the resolution and that it would seek to adopt such rules prior to the end of the calendar year 1978.

Your Committee on Education concurs with the intent and purpose of S.R. No. 164 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 542-78 Energy/Natural Resources on H.B. No. 1910-78

The purpose of this bill is to extend the present solar energy device income tax credit of ten per cent to include wind energy devices.

Your Committee held a public hearing which indicated support of H.B. No. 1910-78. Testimony pointed out that extending a tax incentive to wind energy devices would encourage energy conservation and conform with the real property tax exemption for alternate energy devices.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of H.B. No. 1910-78, 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. 543-78 Energy/Natural Resources on H.B. No. 2318-78

The purpose of this bill is to amend Chapter 219, Hawaii Revised Statutes, by establishing a \$1,000,000 ceiling upon the liability of the State in insuring loans made by private lenders to qualified aquaculturalists.

Presently, there is no loan limit under the aquaculture loan program. The Attorney General has ruled that it is possible the aquaculture loan liability could be applied against the debt margin set by the bonded debt of the State and the debt ceiling of the State. Establishment of the liability ceiling would prevent complications with the future funding of general obligation bonds of the State and other funded indebtedness. Additionally, it would assure that a proper loan fund reserve is maintained to guarantee payment of defaulted insured loans.

Your Committee heard testimony from the Chairman of the Board of Agriculture in strong support of H.B. No. 2318-78.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of H.B. No. 2318-78 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. 544-78 Energy/Natural Resources on H.B. No. 2166-78

The purpose of this bill is to transfer the functions of the Energy Resources Coordinator from the Office of the Governor to the Department of Planning and Economic Development and to further provide the Energy Resources Coordinator with rule-making powers.

Your Committee received testimony from the Director of the Department of Planning and Economic Development, who has been serving as the Energy Resources Coordinator, in support of this change.

At the present time, the Energy Resources Coordinator lacks rule-making powers as defined in the Administrative Procedure Act (Chapter 91, Hawaii Revised Statutes). This bill adds an appropriate provision to grant such rule-making power to the Energy Resources Coordinator. However, testimony provided indicated that the added requirement that such rules be submitted for legislative review would pose a difficulty in meeting the time frame for such rules to be adopted if they are to be effective. Hence, your Committee is recommending that the words, "provided that the rules shall be submitted to the legislature for review" on page 4, lines 5 and 6 of the bill be deleted.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of H.B. 2166-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2166-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 545-78 Energy/Natural Resources on H.B. No. 3033-78

The purpose of this bill is to provide enabling legislation to support proposed rules and regulations for the exploration and development of geothermal resources.

In drafting the proposed rules and regulations, the State Attorney General found that Chapter 182 does not give the Board of Land and Natural Resources the authority to promulgate certain rules which the Board deemed necessary for the promotion and development of geothermal resources. This bill will give the Board the authority necessary to promulgate rules and regulations consistent with the purpose set forth above.

The following is a summary of the proposed amendments to Chapter 182, as set forth in H.B. No. 3033-78, H.D. 1:

The bill amends Section 182-4 to give the Board the flexibility to devise other methods of bidding on mining leases. Under the present law, the Board can only award mining leases at auction based on the annual rental. Thus, the Board could not use other methods of bidding to obtain a higher return.

Section 182-5 is amended to clarify the requirement that a vote of two-thirds of the members to which the board is entitled is necessary before awarding a mining lease on reserved lands without public auction.

Section 182-7(2) is amended to give the Board flexibility to establish methods of payment other than a royalty to be consistent with the proposed amendment to Section 182-4.

Section 182-8 is amended to give the Board the power to impose a limitation on the number of leases and acres held by any one person under mining leases issued by the Board. Your Committee feels that this proposed amendment will help to minimize the possibility of monopoly and speculation by persons who would otherwise amass large tracts of undeveloped acreage and, thereafter, make no attempt to develop the resource.

The following new sections have been proposed in H.B. No. 3033-78, H.D. 1:

A section entitled "Unitization". In order to prevent waste and to promote the development of geothermal resources in situations where the resource is located below more than one parcel of land, the Board will have the authority to compel owners of mineral rights beneath adjoining properties to collectively enter into an agreement which would permit mining of the resource.

A section entitled "Penalty for violation". Under the present law the Board is not authorized to cite mining lessees or their transferees for any violation of Chapter 182 or any rules and regulations adopted thereto. The inclusion of penalties are important to prevent the waste, degradation or damage to the resources.

A new section entitled "Levy and assessment of general excise tax". This amendment will provide an additional incentive for geothermal producers. Prior to this amendment, because the sale of geothermal power was not mentioned under manufacturers or producers, there was some concern that the sale of geothermal power would be considered at the 4% rate.

In addition, your Committee proposes the following amendments:

The definition of "occupier" in Section 182-1 is amended to clarify that an occupier includes the fee simple owner and a person who is entitled to possession under a general lease from the State. This amendment is intended to make it clear that a fee simple owner who has leased his property is entitled to damages to his interest under Section 182-3 in accordance with the terms and conditions of his lease agreement, if any, and that the fee simple owner is entitled to a preference to mining lease regardless of whether or not he is in possession of the property. In addition, the amendment clarifies that the term general lease refers to a general lease that has been issued by the State.

Section 182-3 is amended to allocate damages to the fee owner and his lessee, if any, in accordance with the terms and conditions of their agreement.

Section 182-7(2) is amended by this Committee to include other processes in geothermal operations for which royalties will be charged in lieu of any severance or other similar tax. Section 182-7(4) is amended to cover situations where the geothermal producer may be required to erect electric generating plants and transmission lines. Section 182-7(5) is amended to delete severance taxes since a royalty is paid in lieu of said taxes.

Section 182-10 is amended to provide such other time limits as may be established by the rules and regulations to cure a default. There may be instances where the mining lessee cannot cure the default within the six month period; this amendment will give the Board the discretion to establish other time limits.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of H.B. No. 3033-78, H.D. 1, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3033-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 546-78 Legislative Management

Informing the Senate that S.C.R. Nos. 83 and 84, S.R. Nos. 308 to 312 and Stand. Com. Rep. Nos. 547-78 to 580-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 547-78 Intergovernmental Relations on H.B. No. 2756-78

The purpose of this bill is to provide a more flexible and efficient method of processing special land use permits by county planning commissions.

Essentially, the bill allows each county, through its respective planning commission, to (1) establish an appropriate fee for processing a special permit petition, and (2) establish its own time requirements for processing and acting on special permits.

Existing requirements that a hearing be held not less than thirty nor more than one hundred twenty days from receipt of a petition and that the planning commission act on a petition no earlier than fifteen days after public hearing are repealed.

Other minor changes are made to the present law to clarify and define certain terms and requirements of the statute.

Your Committee has received statements from the State Land Use Commission and from Ramon Duran, Chief Planning Officer for the City and County of Honolulu, to the effect that the rigid time frames set in the present law have caused unnecessary delays and have otherwise hampered the efficient handling of special use permit applications.

Mr. Duran has recommended that authority to establish fees for processing special permit petitions be granted to each county instead of to the county planning commissions for the reason that in some counties fees are established by the legislative body and not the planning commission. Your Committee has accepted this recommendation and has amended the bill accordingly.

Your Committee has further amended the bill at page 1, line 13, to provide that the designated central coordinating agency of each county is to establish, by rule, the time within which the hearing and action on a petition for a special use permit is to take place.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 2756-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2756-78, S.D. 1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 548-78 Health on H.B. No. 2123-78

The purpose of this bill is to increase the subsidy provided to physicians serving the health needs of residents in isolated sections of the State.

Under present law, the annual amount of guarantee to each participating physician is \$36,000 gross income. It has been difficult to permanently relocate physicians to underserved areas, and in several cases, physicians have terminated their contracts in less than one year because of economic realities. Had these physicians entered into private practice their income would have exceeded \$36,000 within three to six months. Third party payments alone are generally sufficient to bring this about. The subsidy provided in this bill can be viewed as a front load advance to the physician while he is establishing his practice for a period generally no longer than six to twelve months.

Your Committee agrees that the existing guarantee to each physician of \$36,000 gross income is not sufficient and accepts the recommendation of the Department of Health that it be increased to \$45,000 gross income.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2123-78, 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. 549-78 Health on H.B. No. 2385-78

The purpose of this bill is to continue the regulation of the practice of naturopathy by extending the life of Chapter 455, Hawaii Revised Statutes.

Act 70, Session Laws of Hawaii 1977, repeals Chapter 455, Hawaii Revised Statutes, effective December 31, 1978, in effect deregulating the practice of naturopathy as of that date. This bill would extend the effective repeal date to December 31, 1984. Your Committee, having heard testimony from the Board of Examiners in Naturopathy, naturopathic doctors and members of the public that continued regulation of the practice of naturopathy is essential for the protection of the public, feels that a repeal of Chapter 455 at this time would be premature.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2385-78, H.D.2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 550-78 Energy/Natural Resources on H.B. No. 2165-78

The purpose of this bill is to encourage the commercial development of geothermal energy by establishing procedures to insure geothermal energy producers, the public utilities, and the consumers that just and reasonable rates for such energy will be determined.

This bill provides that the rate payable by a public utility to the producer of geothermal steam or electricity generated from geothermal steam shall be agreed upon both the public utility and the producer of this geothermal energy, subject to the approval of the Public Utilities Commission (PUC). If the public utility and the producer cannot agree upon the rate or if the PUC disapproves of the agreed upon rate, the PUC shall establish a "just and reasonable rate" for the geothermal steam or electricity.

Your Committee received testimony in support of H.B. No. 2165-78, H.D. 1, from the Department of Planning and Economic Development and several others. It is understood by and the intent of your Committee that a public utility will not be forced to purchase geothermal energy by the Public Utility Commission.

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of H.B. No. 2165-78, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Public Utilities.

Signed by all members of the Committee.

SCRep. 551-78 Education on H.B. No. 2545-78

The purpose of this bill is to amend section 296-46.1, Hawaii Revised Statutes, to authorize the extension by mutual agreement of a school bus contract made between the State and a private contractor. The authorized extension would total four years which would be in two-year increments.

Your Committee has amended the bill to provide that the contract contain a provision requiring the private contractor to comply with section 291C-95, Hawaii Revised Statutes.

Your Committee has further amended the bill by rewording the authorization to the State to insert any contractual provision which is deemed necessary for the passenger's safety.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2545-78, H.D. 2, as amended herein, and recommends that it pass second reading in the form attached hereto as H.B. No. 2545-78, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 552-78 Education on H.B. No. 2581-78

The purpose of this bill is to establish a procedure whereby funds to fulfill the special needs of each school are requested in a regularized manner and are expended.

Your Committee has received the testimony of the Department of Education in support of this bill and indicating that the funds appropriated under this category for the fiscal

year 1977-1978 were well received. The Hawaii State Teachers Association reported enthusiasm among its members for this program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2581-78 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. 553-78 Education on H.B. No. 2496-78

The purpose of this bill is to amend Section 8-1, Hawaii Revised Statutes, to designate those holidays set aside in honor of Hawaii's monarchs by the full names and titles of the monarchs. Thus, Kuhio Day and Kamehameha Day have been renamed Prince Jonah Kuhio Kalaniana'ole Day and King Kamehameha I Day, respectively.

The bill further establishes Thanksgiving Day as a holiday for Hawaii residents. Presently, the statutes provide that Thanksgiving Day is a day so proclaimed by the President of the United States. However, since Thanksgiving Day is now established by statutes for federal purposes (Title V, U.S. Code 6103), it is no longer known whether the President even issues such a proclamation.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2496-78, 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. 554-78 Education on H.B. No. 2601-78

The purpose of this bill is to empower the King Kamehameha Celebration Commission to grant or deny approval for the use of the King Kamehameha statue.

Your Committee has amended the bill by providing that the amendment is to be to chapter 8, as opposed to amending section 26-6. It appears that amending chapter 8, which presently covers certain powers of the King Kamehameha Celebration Commission, will make it easier for an interested person to find the provision.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2601-78, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2601-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 555-78 Education on H.B. No. 2850-78

The purpose of this bill is to adopt, establish, and designate the Hawaiian language as the emblematic and symbolic language of the State.

Several items which hold special significance for the people of Hawaii have been declared as emblems or symbols of the State. Thus, among others, the kukui tree is the State tree and "Hawaii Pono" the State song. This bill would recognize the special importance of the Hawaiian language to the residents of the State by designating it the emblematic and symbolic language of the State.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2850-78, 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. 556-78 Consumer Protection on H.B. No. 1960-78

The purpose of this bill is to disqualify owners and registrants of both insured or uninsured motor vehicles from assigned claims eligibility. The intent of the Legislature in establishing the Assigned Claims Program was designed to serve as an avenue of last resort for those innocent injured victims who have no appropriate no-fault policies available, such as the hit-skip victim who may not own a car. It was not intended to admit insured individuals who declined to purchase appropriate first party protection made available to them. This proposed amendment corrects the loophole and clarifies

the eligibility requirements of the program.

A further purpose of this bill is to allow the Joint Underwriting Plan or any insurer to whom the claim is assigned, a right of subrogation to the rights of the claimant. This proposal would alleviate some of the cost burdens being absorbed by the Plan, inasmuch as there are no premiums collected to fund the program. This amendment would also aid compulsory insurance enforcement activities by making it as uneconomical as possible for any uninsured motorist.

Your Committee amended the bill by providing that the subrogation rights of the joint underwriting plan or any insurer shall arise only when it has paid no-fault benefits.

Your Committee, after much consideration of the recommendation made by the Motor Vehicle Insurance Commissioner, has amended the bill so as to amend Section 294-5, in order to make certain that no-fault benefits paid to surviving spouses and surviving dependents are in no way reduced on account of any social security or workers' compensation benefits received.

Your Committee believes that through regular review and reevaluation of the Hawaii No-Fault Law, the no-fault system will remain relevant and meaningful in protecting the interest and welfare of Hawaii's consumers.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1960-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1960-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 557-78 Consumer Protection on H.B. No. 2054-78

The purpose of this bill is to require the tenant, in any legal dispute over the payment or nonpayment of rent, to pay into a court administered special fund any rent as it becomes due pending final determination of the dispute.

Presently, if a dispute regarding the payment or nonpayment of rent arises and the tenant refuses to pay all rents, a landlord has no recourse but to commence lengthy eviction proceedings. However, eviction proceedings will not compensate the landlord for the rent accrued since, as a practical matter, at the end of the proceedings the landlord would gain possession only. For one reason or another, the rent monies would not be available to the landlord.

Your Committee finds that this bill would give Hawaii's courts the power, in any lawsuit where the payment or nonpayment of rent is an issue, to order at the request of either party that the tenant make rental payments into a fund. When a final decision has been reached, the rental moneys paid into the fund would be distributed by the court accordingly. The bill further provides that if a tenant does not pay the full amount of rent due into the fund, the tenant will not be permitted to assert any of the defenses which would establish the tenant's statutory right to withhold, deduct or otherwise off set any rents due. Payment into the fund, however, is not an admission of nonpayment or wrongful withholding, but is an expression of good faith on the part of the tenant.

Your Committee believes that this bill will serve to protect the landlord's right to receive rents rightfully due while in no way reducing or infringing on the tenant's rights.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2054-78, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 558-78 Consumer Protection on H.B. No. 2192-78

The purpose of this bill is to include within the operation of Section 294-5.2 the situation where a motor vehicle is brought in to a licensed motor vehicle dealer or licensed repair shop for "servicing". Under the present statutory scheme, the priority of no-fault policies is apparently set forth only in the case of "repairs". This bill would dispel any doubt or confusion that the priorities are applicable whether the motor vehicle is brought in for repairs or for servicing.

Your Committee feels that this bill is necessary in order that shops and dealers continue

to make temporary substitute vehicles available to customers who bring their motor vehicle for servicing.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2192-78, 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. 559-78 Consumer Protection on H.B. No. 2252-78

The purpose of this bill is to expand the conditions under which attorney's fees and court costs may be allowed against a person making a claim against an insurer or self-insurer.

Under present law, an insurer may be allowed attorney's fees and costs against a person who makes a fraudulent claim. This bill would also allow an insurer to recover such sums in cases where a disputed claim was determined to be frivolous.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2252-78, 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. 560-78 Consumer Protection on H.B. No. 2334-78

The purpose of this bill is to prohibit any person from selling, offering to sell, or advertising general admission seats to a public event unless enough general admission seats are available to supply reasonably expectable public demand. This bill provides a civil fine of not more than \$1,000 per violation.

Presently, there is nothing to discourage or prevent a promoter or sponsor of a sporting or entertainment event to imply in his advertising that low-cost general admission tickets are generally available when in fact only a very limited number have been made available for sale. However, in imposing the protective feature and the corresponding civil fine, the bill makes certain that the same would not be applicable to situations where no general admission seats are available at all.

Your Committee feels that this bill would be an effective deterrent to unfair or deceptive selling or advertising of general admission tickets at public events while not discouraging sponsors or promoters of such events from making such tickets available at all.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2334-78, 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. 561-78 Consumer Protection on H.B. No. 2379-78

The purpose of this bill is to protect purchasers against fraud, misrepresentation and mistake in transactions involving the sale and purchase of artistic prints.

Presently, there are no laws governing the sales of artistic prints. Your Committee heard testimony that concomitant with the rise of consumer interest in the fine arts within the last twenty years has been the sale and purchase of a growing number of art counterfeits and worthless reproductions. This bill attempts to prevent further misrepresentation and fraud in the sale of these artistic prints by requiring that the seller thereof fully disclose relevant information about the print being sold and by providing an aggrieved purchaser the right to recover the consideration paid or three times such an amount depending on the intent of such seller.

Your Committee has amended the bill on page 2, line 16, by deleting Section -2, subsection (1). This amendment would make all original prints offered for sale or sold at wholesale or retail regardless of the price and whether framed or not subject to the provisions in this proposed chapter. A further amendment was made to line 20, substituting the word "sold" instead of "printed". Your Committee feels that the protective feature is relevant to when the print is sold and not when it is made.

Your Committee has further amended this bill by deleting references to "rules and regulations" at lines 6, 11 and 12, page 6. This amendment is recommended since the

bill does not place the enforcement of mandatory or prohibitive provisions with any body empowered to promulgate rules. The enforcement is in the form of the consumer being given recourses which will presumably discourage the practice at which this bill is directed.

As amended, your Committee finds that the provisions of this bill will effectively reduce the incidence of or potential for fraud, misrepresentation and mistake in the sale and purchase of artistic prints.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2379-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2379-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 562-78 Consumer Protection on H.B. No. 2499-78

The purpose of this bill is to extend the period of written notice of a rent increase required to be given by a landlord to his tenant before such a rent increase can be effectuated.

The present law provides that in a month-to-month tenancy, a landlord is prohibited from increasing the amount of rent without giving written notice thereof 28 days preceding the end of such tenancy. This bill increases the notice period from its current 28 to 45 days prior to the effective date of the increase.

The law presently is silent as to rent increases in tenancies of less than month to month. This bill provides for the giving of notice for 15 consecutive days before any rent increase can become effective.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2499-78, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee

SCRep. 563-78 Consumer Protection on H.B. No. 2765-78

The purpose of this bill is to permit a landlord to post notice on the dwelling unit of the tenant if the tenant cannot be personally served.

Under the present law, the landlord cannot initiate a summary proceeding or other action for possession unless the tenant is served with notice informing the tenant that the rental agreement will be terminated if the rental payment is not made within a specified time. Your Committee finds that the law places the landlord in an inequitable situation by allowing the non-paying tenant to cause economic losses by simply avoiding service of notice.

Your Committee urges the passage of this bill as it provides the landlord with a fair and necessary remedy in dealing with the non-paying tenant.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2765-78, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Housing and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 564-78 Housing and Hawaiian Homes on H.B. No. 1870-78

The purpose of this bill is to authorize savings and loan associations in the State to utilize alternative mortgage instruments to qualify more residents for residential mortgage loans and to assist the elderly in meeting living costs while retaining their homes.

For the past forty years most home purchases have been financed by long-term, fixed rate, equal monthly payment, fully amortizing mortgage loans, commonly called direct reduction mortgages, which worked well in times of fairly stable interest rates and little or no anticipated inflation. Current housing costs coupled with higher interest rates have risen at a faster rate than personal income increases, and most individuals cannot qualify for a mortgage loan either due to the qualifying income ratio imposed

by the lender or their own desire not to exceed certain monthly payment amounts. The alternative mortgage instrument, which allows lenders to accept loan repayments at lower monthly payments during the early years of the mortgage and gradually increasing payments which level off during the later years of the loan, would help these individuals.

Under an alternative mortgage instrument, the monthly payment in the first few years will not be sufficient to pay the interest that is due. The unpaid interest is capitalized and collected in the later years when generally the borrower has more income. This practice is exempted from the usury law under this bill. The exact terms and conditions of the alternative mortgage instruments is left to the bank examiner to determine by rules.

Another group of people which would benefit from the alternative mortgage instrument are the elderly homeowners who have no mortgage or a small mortgage balance on their home. Since elderly homeowners are usually on fixed income while living costs increase, this type of mortgage would allow them to supplement their incomes. These elderly persons would normally not qualify for a mortgage loan, but the reverse mortgage instrument would allow them to borrow on their equity rather than be faced with the alternative of selling the home.

The reverse mortgage instrument provides for a mortgage loan to be disbursed in monthly increments with interest charged on disbursements. Each disbursement would be an interest payment to the lender and tax-free income to the borrower.

The purpose of this bill is to exempt alternative mortgage instruments from the State usury law to allow local lenders to offer such mortgages. The bill requires the State bank examiner to adopt rules regulating the use of such alternative mortgage instruments.

Your Committee has made numerous language and style amendments to the bill without substantively changing the intent of the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1870-78, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1870-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 565-78 Housing and Hawaiian Homes on H.B. No. 2618-78

The purpose of this bill is to provide the Hawaii Housing Authority the power to issue tax-exempt revenue bonds for the long-term financing of certain rental housing projects. The bill authorizes the issuance of revenue bonds in an aggregate amount not to exceed \$22.5 million. These revenue bonds will not be includable in the State debt ceiling computation.

The Hawaii Housing Authority has been informed by the U.S. Department of Housing and Urban Development that the "set-aside" allocation granted for the Section 8 program rental housing units will lapse as of April 30, 1978 unless the Authority secures long-term financing for the rental projects it has proposed under this federal program. To date the Authority has been unable to secure long-term financing for these projects at rates and terms which would make the projects feasible.

The Hawaii Housing Authority has testified in favor of the bill and has requested immediate passage in view of the federally imposed deadline. Pursuant to Article VI, Section 5 of the Hawaii State Constitution, the Governor has recommended immediate passage of this bill.

Upon consideration of the bill, your Committee has made the following amendments:

The section entitled "Revenue bond financing" has been redrafted into two separate sections.

a. The first part of the proposed section has been redrafted as an amendment to Section 359G-7, Bond financing. Numerous style changes have been made. Additionally, three substantive amendments have been made.

i. The existing statutory restriction on use of dwelling unit revolving fund money for "projects which are receiving no federal assistance in the form of insurance, guarantee, or subsidy" has been deleted. This statutory restriction would preclude the State's equity participation in federal programs such as Section 8, and may impair the Authority's "proprietary control" over such

projects. Your Committee believes that maximum utilization of federal funds is necessary and desirable for housing purposes, and has deleted this restriction.

- ii. The second substantive amendment made by your Committee limits the issuance of revenue bonds for projects which will be insured by the Federal Housing Administration and for which the authority has received notification of selection of preliminary proposal under a federal rent subsidy program. Although your Committee has been informed that, as a practical matter, such revenue bond will probably not be marketable without such insurance and subsidy, and that the authority will necessarily obtain such, your Committee believes that such statutory restriction should be imposed to further clarify the intended utilization of such bond issuances.
 - iii. The third substantive amendment to Sec. 359G-7 deletes the proposed additional security for the revenue bonds contained in item (5). Since Article VI, Section 3 of the Hawaii State Constitution defines revenue bonds as being "payable solely from and secured solely by the revenues . . . of a public undertaking", the Constitutionality of providing additional security is questionable. Thus, your Committee has deleted item (5).
- b. The second part of the proposed revenue bond section has been redrafted into a new section entitled "Revenue bond special fund". Style amendments have been made without substantive change.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2618-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2618-78, H.D. 1, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 566-78 Military and Civil Defense on H.B. No. 2229-78

The purpose of this Bill is to encourage persons to join and be members of the Hawaii National Guard, and of reserve components of the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States of America by providing tuition waivers at campuses of the University of Hawaii.

Your Committee finds that there is an immediate and serious need for more incentive to enlist and remain in the National Guard and reserves. Your Committee also finds that the availability of tuition waivers at the University of Hawaii will provide such incentive and also help to maintain the quality of performance of the personnel in these units.

However, your Committee finds that several changes are necessary in order to insure the feasibility of this Bill and therefore recommends the following amendments:

1. the application of the Bill is restricted to enlisted persons and full-time undergraduate students;
2. the application of the Bill is also restricted to the academic year excluding summer sessions, courses offered by the college of continuing education, and public service courses.

Your Committee has also amended the Bill to better implement its purposes by providing that in the event of federal legislation providing similar tuition benefits but which do not provide full tuition coverage, the tuition waivers provided by this Bill may be added to the federal benefits in order to provide full tuition coverage. The federal benefits referred to would not include veteran's benefits.

Your Committee has further amended the effective date of this Bill to make it clear that the provisions of this Bill are not applicable to the 1977-78 academic year.

Your Committee on Military and Civil Defense is in accord with the intent and purpose of H.B. 2229-78, H.D. 1 as amended herein, and recommends that it pass second reading in the form attached hereto as H.B. 2229-78, H.D. 1, S.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Senators Kuroda and Yee.

SCRep. 567-78 Human Resources on H.B. No. 704

The purpose of this bill is to increase the public employers' monthly contribution to the public employees health fund for Self Only and Family medical plan enrollments by \$1 and \$4.50, respectively.

Under the present law, public employers fund a monthly contribution of \$10 and \$30 for Self Only and Family medical plan enrollments, respectively. Employees are required to pay any remaining unpaid premium balance.

Each year as medical insurance rates increase by approximately 9-10%, public employers pay a lesser percentage contribution to the Health Fund for their employees' benefit plans because their contribution is fixed at \$10 and \$30 by type of enrollment. Conversely, employees are faced with higher percentage monthly premium costs under this present law.

Your Committee believes that the responsibility for payment of health plan premiums is a joint one to be shared between the employer and the employee. Your Committee recommends increasing the amount of employer monthly contributions to \$11 for Self Only enrollments and \$34.50 for Family enrollments as provided in this bill in order to maintain the intent of past Legislatures to fund approximately 50 per cent of the medical plan insurance premiums for employees.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 704, 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. 568-78 Human Resources on H.B. No. 2680-78

The purpose of this bill is to amend Chapter 392, Temporary Disability Insurance, to allow payment of temporary disability insurance benefits to public employees who have not earned the minimum favorable benefits under Section 392-41(d) (pertaining to payment of TDI benefits) equivalent to three weeks at full pay, payable from the first day of disability.

Presently, public employees are not eligible for temporary disability insurance benefits under Chapter 392 because they are provided such disability coverage by the State Employees' Sick Leave Plan. Under the State Plan, an employee is entitled to twenty-one days of paid sick leave a year, which must be earned at a rate of 1-3/4 days per month of employment. Thus, an employee who is a recent entrant into government service may not have any sick leave credited. Under this bill, the employee who has not earned the minimum favorable benefits would, after exhausting all earned sick leave benefits, be provided combined sick leave-temporary disability insurance benefits not to exceed three weeks.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 2680-78, 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. 569-78 Human Resources on H.B. No. 2727-78

The purpose of this bill is to amend Chapter 88, Hawaii Revised Statutes, to exclude temporary public service employees paid by the Comprehensive Employment and Training Act (CETA) and hired on or after July 1, 1978, from membership in the State Retirement System. This bill also provides that CETA public service employees who are members of the system on June 30, 1978, will remain in the system unless and until they elect to terminate membership, in which case they will be paid for their accumulated contributions.

Your Committee finds that Federal rules and regulations under the Comprehensive Employment and Training Act discourage state and local agencies from having CETA participants as members of their respective retirement systems, although these same rules and regulations allow public service employees' participation in a retirement system under certain conditions. These conditions, however, are in conflict with those of Chapter 88, Hawaii Revised Statutes, the Hawaii State Retirement System. Furthermore, the U.S. Department of Labor has insisted that unless changes are made to the State's retirement system laws which mandate that county and state employees shall be members of the system, then the State may lose certain federal CETA funds.

Your Committee recognizes that a commitment has been made to the U.S. Department of Labor by the State to change the law governing the state retirement system in order to receive CETA funds for this current fiscal year. It is felt that this bill will provide the best answer in resolving the problem at this time.

Your Committee has amended page 1, line 6, after the word "notwithstanding," to add the phrase "a participant in a work-experience, on-the-job training, or" to more clearly define the affected CETA participants. Also, on page 1, line 6, after the word "employment", your Committee further amended the bill to change the word "participant" to "position" in order to be consistent with the intent of the sentence.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 2727-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2727-78, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 570-78 Human Resources on H.B. No. 2728-78

The purpose of this bill is to amend existing statutory provisions for adjusting the compensation of employees who are promoted, reallocated or temporarily assigned to higher grades. Under this bill, basic guidelines are established for the adoption of rules and regulations pertaining to such adjustments.

Prior to July 1, 1977, contractual agreements and civil service compensation rules guaranteed public employees an increase in compensation equivalent to one full step whenever they were granted promotions, reallocations or temporary assignments to a higher grade. Your Committee finds however, that because of the negotiated pay increases which became effective July 1, 1977, there are many employees presently compensated at rates that fall between increment or longevity steps, or beyond the maximum step for their pay range. Under the present law, these employees do not receive a full step increase upon promotion, reallocation or temporary assignment, but are entitled only to the difference between their actual pay and the next higher step. This could result in a wage increase of as little as one dollar per month for such employees.

Your Committee further finds that serious morale problems have resulted from this situation. Such token wage increases do not serve as adequate incentives or rewards for promotions and if allowed to continue, may lead to a deterioration of the quality of service, especially in the supervisory and managerial ranks. Some employees have actually refused promotions and temporary assignments because wage increases were not commensurate with the assumption of higher level duties and increased responsibilities.

This bill addresses the problem by amending section 77-10 (civil service promotions, demotions, reallocations, and assignments) to provide that an employee shall receive no less than the rate of the next higher step of his existing pay range if his existing rate is on step, or no less than the dollar difference between the steps above and below his existing rate if his existing rate is in between steps. The bill provides further that for employees who are at or above the maximum step of their existing pay range, the rules may provide for other methods of pay adjustment. In no event, however, may an employee's compensation be increased to an amount which will exceed the highest pay step of the higher pay range.

Your Committee notes that this bill provides for an effective date retroactive to July 1, 1977, in order to permit adjustments in compensation for those employees who were promoted, reallocated, or temporarily assigned since the effective date of the negotiated wage increases. Your Committee feels that this provision is necessary to correct the previous inequities in compensation adjustments.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 2728-78, 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. 571-78 Consumer Protection on H.B. No. 3047-78

The purpose of this bill is to: (1) limit the responsibility of those principals who are licensed pursuant to chapter 437, for the conduct of their employees and agents, (2) increase the bonding requirements for new and used motor vehicle dealers on the

neighbor islands, and (3) empower the motor vehicle industry licensing board to levy fines against licensees who violate the licensing law or rules. The bill also amends chapter 286 to limit the liability of licensed motor vehicle dealers who comply with the Highway Safety Law by properly effectuating the transfer of motor vehicle documents by and on behalf of their customers.

Presently, the law specifies that motor vehicle dealers "shall be held strictly responsible" for the conduct of their agents and employees in all transactions within the Motor Vehicle Licensing Board's jurisdiction. Your Committee agrees with testimony it received that such a broad interpretation of responsibility, which could conceivably make an employer liable for actions of an agent or employee outside the course and scope of his employment, would be unfair and inequitable.

The bonding requirements for new and used motor vehicle dealers on the neighbor islands are increased so that such dealers are more realistically aligned with the Oahu dealers. The increase for the used motor vehicle dealer on the neighbor islands from \$2000 to \$10,000 also corrects the situation where a salesman presently posts a larger bond (\$2500) than his dealer.

Under the existing statutory scheme, the Motor Vehicle Industry Licensing Board is empowered to suspend or revoke a license or to deny its issuance or its renewal under certain enumerated grounds. The Board's disciplinary power is being further strengthened by the addition of the power to impose fines for the enumerated grounds, which itself is being enlarged by the addition of the prohibition against "improper business conduct". As a further extension of or as an alternative to this fining power, this bill would authorize the Board, at its discretion, to order restitution in lieu of the fine or in addition to it.

With respect to limiting the liability of licensed motor vehicle dealers who properly effectuate the transfer of motor vehicle documents on behalf of their customers, under present law such dealers are not afforded the protection from civil and criminal liability afforded individual owners of motor vehicles who sell or otherwise transfer their vehicles in compliance with statutory procedures. This bill amends Section 286-52, Hawaii Revised Statutes, by (adding) a new subsection which would afford motor vehicle dealers the same protection from civil and criminal liability.

Your Committee on Consumer Protection is in accord with the intent and purpose of H. B. No. 3047-78, 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. 572-78 Transportation on H.B. No. 160

The purpose of this bill is to provide for a general aviation airport on Oahu.

Your Committee, after careful consideration of all testimony received, finds that the establishment of a general aviation airport on Oahu is essential to reduce the costly and dangerous flight conditions at Honolulu International Airport, which is caused by the impractical mix of general aviation aircraft with military and commercial jets. Objections have been carefully considered, but have been found to be outweighed by the safety of some 13 million travelers who use this airport annually. In addition, the U.S. Navy has requested plans be made for the return of Ford Island, borrowed in 1970 on a temporary basis. As this is the second busiest airfield in the State, it is doubtful that the return of civil flight training to Honolulu International Airport would be a workable or acceptable solution. In fact this would only serve to compound an already serious problem.

Your Committee further finds that the labor spent by air traffic controllers to provide for the safe separation of aircraft, results in expensive delays. In August, 1976, Honolulu International Airport dominated a Civil Aeronautics Board list of the 10 worst markets for on-time flight performance. Ultimately, it is the air traveler who pays for the wasted fuel, equipment, time, depreciation, salaries, and missed connections. With daily activity frequently exceeding 1,000 operations a day, this wasted time has an important impact on travelers to and within this State. Actions to alleviate these conditions are needed.

Your Committee has amended this bill by:

(1) Amending the findings and purpose clause in section 1, making additional findings and deleting any reference to Barbers Point NAS, Oahu, in section 1 of the bill as received;

(2) Amending section 2 of the bill by providing for establishment of an Oahu General Aviation Airport (instead of the Barbers Point NAS General Aviation Airport provided in the bill as received), without mentioning any specific site and specifying only that the airport be separate and apart from the Honolulu International Airport; and

(3) Amending Act 52, Session Laws of Hawaii 1964, and the other appropriation acts contained in the bill as received to provide that, instead of amending these acts to refer to Barbers Point NAS General Aviation Airport, the appropriations shall be used for the Oahu General Aviation Airport and by providing for these appropriation amendments in one section of the bill instead of several sections as contained in the bill as received.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 160, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 160, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 573-78 Transportation on H.B. No. 2102-78

The purpose of this bill is to defray the administrative cost of collecting the state vehicle registration fee and the state vehicle weight tax, to eliminate inequities, and to provide for the imposition of penalties in relation to the collection thereof.

The bill provides that the state motor vehicle registration fee and the state motor vehicle weight tax shall be paid to the Director of Finance of the county in which the respective vehicle is registered, together with all other taxes and fees levied in chapter 249, Hawaii Revised Statutes. This will result in the collection of sufficient revenues for the State Highway Fund in a timely and efficient manner. The bill also provides for penalties in case of failure to pay the fee or tax levied.

The bill further provides that all vehicles shall be subject to a \$1 state vehicle registration fee, and that the vehicle weight tax is limited to a maximum of \$36 per vehicle.

The bill additionally provides that any vehicle with a net vehicle weight of 6,000 pounds or over used for agricultural purposes may be refunded all taxes imposed by section 249-33, Hawaii Revised Statutes, and for 1978 only, all gross weight fees.

The bill repeals the gross weight fee provision found in section 286-215, Hawaii Revised Statutes, which has been replaced by the state vehicle weight tax set forth in section 249-33, Hawaii Revised Statutes.

The bill adds a new section to the Hawaii Revised Statutes, to allow the Department of Transportation to expend funds from the State Highway Fund to defray the costs of the motor vehicle safety office.

Your Committee has amended the provisions relating to the state registration fee and the state vehicle weight tax, to make them subject to the same exemptions.

This bill also exempts handicapped persons from certain state and county vehicular weight taxes. The purpose of this is to include within the group of handicapped persons eligible for the exemption, people who are blind or confined to wheelchairs, etc., who own the vehicles but cannot drive themselves.

Your Committee has also made other style and technical amendments.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2102-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2102-78, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 574-78 Transportation on H.B. No. 2936-78

The purpose of this bill is to amend Section 9, Act 10, Special Session Laws of Hawaii 1977.

Your Committee has amended the bill by omitting the provision regarding the monetary limitation for fiscal year 1977-78 for state matching funds for the operation of the Oahu Metropolitan Planning Organization (OMPO).

Your Committee has also amended the bill to provide that no more than \$1,420 shall be expended to reimburse the City and County of Honolulu for planning work to be accomplished by the City.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2936-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2936-78, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 575-78 Transportation on H.B. No. 2937-78

The purpose of this bill is to amend section 279E-5, Hawaii Revised Statutes, to establish a revolving fund to support the activities of the Oahu Metropolitan Planning Organization (OMPO).

Your Committee has received testimony to the effect that certain situations have occurred during the past year which indicate the need for a revolving fund to pay the daily expenses of OMPO until reimbursements may be made by the various responsible government agencies.

Your Committee has amended the bill to provide for a revolving fund of \$50,000.

Your Committee has also amended the bill to provide that the moneys in the fund be appropriated from the state highway fund rather than the general fund.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2937-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2937-78, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 576-78 Transportation on H.B. No. 3051-78

The purpose of this bill is to amend sections 93 and 93A of Act 195, Session Laws of Hawaii 1975, to authorize the substitution of airport and harbor revenue bonds in lieu of reimbursable general obligation bonds authorized by Act 195, Session Laws of Hawaii 1975, as amended by Act 226, Session Laws of Hawaii 1976, and Act 110, Session Laws of Hawaii 1977.

This bill authorizes the use of revenue bonds to fund certain essential capital improvement projects which Act 110, Session Laws of Hawaii 1977, failed to include but which were authorized under Act 226, Session Laws of Hawaii 1976. This bill corrects that omission.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3051-78 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. 577-78 (Majority) Economic Development on H.B. No. 1822-78

The purpose of this bill is to provide a vehicle by which the State will work with the visitor industry and all other government agencies associated with tourism to coordinate and implement comprehensive policies to achieve the State's desired goals and objectives of attaining a high quality of life for the people of Hawaii.

Your Committee finds that fulfillment of this purpose is to be initially achieved by establishing an Office of Tourism headed by a director within the Department of Planning and Economic Development for administrative purposes only.

Your Committee further finds 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. Tourism has replaced agriculture as the State's number one industry, and is the State's first multi-million dollar enterprise. The need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and sectors of the visitor industry.

The growth of the visitor industry must take into consideration not only the needs of the industry, but the needs of the community as well. There is a special need for

the State government to take an active role to set directions and standards for both the public and private sectors of the visitor industry so that we may preserve or enhance our unique quality of life in Hawaii.

The Director of Tourism will be assisted by a visitor industry council which shall consist of representatives of the visitor industry, organized labor, the general public and state and county governments, and serve in an advisory capacity.

Legislative adoption will be required for a ten-year policy plan which shall be developed by the Office of Tourism in conjunction with the visitor industry council.

The Office of Tourism shall succeed to all the functions, rights and powers exercised, and all of the duties and obligations incurred by the Department of Planning and Economic Development in the administration, management, control, operation and implementation of its duties and functions transferred by this bill.

Your Committee has amended Section -2 of this bill, lines 9-10, to include as a qualification for the Director of Tourism that said Director shall be a person who has had not less than five years of experience in hotel administrative work.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1822-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1822-78, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee except Senators Kuroda and Yim.
Senator King did not concur.

SCRep. 578-78 (Majority) Economic Development on H.B. No. 1823-78

The purpose of this bill is to amend Chapter 203, Hawaii Revised Statutes, to assign to the Department of Planning and Economic Development responsibility for developing and administering two programs: (1) a training and education program for present and potential employees and (2) a tourism public awareness program.

Your Committee finds that some personnel already employed in the visitor industry desire an opportunity for certain upward mobility. The program for training and education of tourism personnel would permit any person employed or desiring employment in an occupation which has direct contact with tourists, the opportunity to participate. Upon satisfactory completion of the program, the person shall be issued a certificate, said certificate not to be considered equivalent to any degree from an institution of higher education.

Your Committee further finds that there should be a tourism public awareness program available to all interested citizens of this State. This program will provide information on the importance of tourism to Hawaii, the beneficial and detrimental consequences of tourism, and a general understanding as to why Hawaii is a major visitor destination area.

The two programs are established to partially fulfill the interim tourism policy of 1976 and shall be effective from July 1, 1978 to June 30, 1980. Both programs shall be operated by the Department of Planning and Economic Development in consultation with labor and management representatives from the visitor industry. It is urged that the Department of Planning and Economic Development consult with the State Department of Labor and the State Manpower Division when looking into the employment training program. It is also urged that any contract for operation of these programs preferably be awarded to the visitor industry trade organizations, such as the Hawaii Hotel Association, the Visitor Industry Education Council, or one of the visitor industry labor organizations.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1823-78, 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 except Senators Kuroda and Kim.
Senator King did not concur.

SCRep. 579-78 Economic Development on H.B. No. 1922-78

The purpose of this bill is to establish a ceiling for the State's aggregate amount of liability for insured loans under Section 155-5 and Section 155-6, Hawaii Revised Statutes.

Your Committee finds that insured loans have contributed significantly towards encouraging

the continuation of sugar production during the recent sugar crisis brought about by depressed prices. These insured loans provide an important alternative under the Agricultural Loan Program. Your Committee finds that a ceiling of \$10,000,000 is appropriate for the purposes of promoting the development of the agricultural industries of the State.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1922-78, 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 except Senators Kuroda and Yim.

SCRep. 580-78 Economic Development on H.B. No. 3059-78

The purpose of this bill is to amend Section 185-4, Hawaii Revised Statutes, exempting state agencies from reimbursement of expenses incurred for fire fighting. Expenses incurred in controlling or extinguishing a fire by a state forester, or a fire warden, shall be payable from the fire fighter's contingent fund. This bill further appropriates \$200,000 each fiscal year for the fire fighter's contingent fund.

Your Committee finds that in the past, fire fighting expenses have been paid from departmental savings; funds appropriated for tree planting have been the major source of these funds. Unbudgeted overtime costs, the cost of equipment and supplies, and other expenditures for emergency fire suppression are adversely affecting money budgeted for planned departmental programs. The purpose of this bill is to establish the means of financing the costs of fire suppression without adversely affecting departmental budgets.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 3059-78, 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 except Senators Kuroda and Yim.

SCRep. 581-78 Intergovernmental Relations on H.B. No. 3049-78

The purpose of this bill is to transfer the functions of the State Fire Marshal to the respective counties, to abolish the Office of the State Fire Marshal, and to place all functions relative to the protection of persons and property from fire with the respective county governments.

Under existing law both the State Fire Marshal and the respective county councils have authority to establish standards relative to the protection of persons and property against fire loss. The different jurisdictions may and have adopted inconsistent codes. Obviously, this creates an inefficient and confusing situation.

H.B. No. 3049-78, H.D. 1 provides for the adoption of a statewide model fire code by a State fire council which is established by the bill. The fire council would be composed of each of the county fire chiefs and the chief of the Fire Prevention Bureau of the City and County of Honolulu. One of the council's principal functions will be to develop a model statewide fire code for adoption by the various county councils. The county councils may then adopt more stringent provisions, but not provisions less restrictive without prior approval of the fire council.

The fire council is to appoint an advisory committee consisting of building officials, architects, engineers, fire fighters, insurance experts and others to assist it in developing the model statewide fire code. Until such time as the new code is adopted, the current standards of the State Fire Marshal continue in effect.

Under the bill all functions and records of the State Fire Marshal would be transferred to the respective fire chiefs and State employees involved in fire protection work would be guaranteed employment.

The present appellate function which the State Fire Marshal serves with respect to appeal from orders of the fire chiefs is transferred to a county fire appeals board which under the bill the counties are obliged to establish by ordinance.

The bill provides a general framework of fire enforcement proceedings, but the county councils are given wide latitude to adopt such procedures as they see fit. The State fire council created by the bill would serve as a single spokesman for the State with respect to procuring federal grants and other matters with the National Fire Prevention and Control Administration of the United States Department of Commerce.

Your Committee has amended the bill by:

(1) Adding an additional paragraph to Section 2, on page 28, to read:

"(20) Amending the chapter title to read:

Chapter 132
[Fire Marshal] Fire Protection"

(2) Changing the effective date of the Act from January 1, 1979, to July 1, 1979. This was done on the recommendation of the Kauai County Council to insure adequate time to formulate procedures for implementation of the proposed legislation.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 3049-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3049-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 582-78 Ecology, Environment and Recreation on H.B. No. 2173-78

The purpose of this bill is to set forth the Hawaii State Plan that shall serve as a guide for the future long-range development of the State of Hawaii; identify the goals, objectives, and policies for the State; provide a basis for determining priorities and allocating limited resources, such as public funds, services, manpower, land, energy, water, and other assets; and assure the coordination of State and county plans, policies, programs, projects, and regulatory activities.

It is the further purpose of this bill to establish a structure for policy plan formulation and program plan coordination to provide for an integration of all state and county programs. Implementation provisions of the bill are designed to carry out statewide guidelines presented in the form of the overall theme and goals, objectives, and policies.

Your Committee held a hearing on this bill at which testimony was received from the Director of Planning and Economic Development, the Planning Directors of the Counties of Maui, Hawaii, Kauai and Oahu, the Department of Transportation, Councilman George Akahane of Honolulu, Councilman Robert K. Yotsuda of Kauai, and numerous representatives of community organizations. In response to said testimony your Committee has made the following amendments to the bill:

1. The definition for "state planning agency" and all references to the same in the bill were deleted with the defined term "Director" inserted in its stead. Your Committee felt that the designation of the Department of Planning and Economic Development as the State planning agency may lead to some confusion and was not necessary.
2. The definition of "policy council" and all references to the same in the bill was changed to the "state plan advisory council".
3. The definition of "county general plan" was amended to include development plans.
4. The statement of the overall theme, goals, objectives and policies of the State Plan were removed to the second half of the bill and the planning structure and process provisions inserted prior thereto.
5. The general policy statements contained on pages 36 through 40 of the bill have been deleted and restated in parts throughout the bill, as appropriate.
6. The structure of the policy council, redesignated state plan advisory council, was amended to increase the number of public members from seven to eight and further ensuring that at least two members shall be appointed from each county with Molokai or Lanai and each of East and West Hawaii represented.
7. The functions of the advisory council are to be advisory to the Director, the Legislature and the counties.
8. The functions of the Director, referred to as the State planning agency in the bill, have been expanded and more definitively set forth.
9. The priority directions, as set forth in Part III of the bill, have been deleted and the Director has been mandated to prepare priority directions, with the advice

of the advisory council, to be adopted by concurrent resolution of the Legislature.

10. The provisions for the preparation of county general plans have been restated to provide that the county plans "to the maximum extent possible" shall utilize statewide objectives, policies and programs as set forth in State functional plans and shall be made in consonance with the chapter within two years from the adoption of the chapter.

11. The provisions of the bill relating to State functional plans have been amended to provide that said plans shall promote the objectives and policies of the general plans of each county. Further, while the existence of a proposed facility or project in a county general plan shall not require the actual development or implementation of said facility or project or the inclusion of the same in a functional plan by a state agency, any development or implementation by a state agency of a state functional plan must comply with the county general plan.

12. The policies of the State in regard to population have been amended to provide the counties with more determination of statewide population controls, consistent with their respective economic and social needs.

13. Another amendment in the educational objectives of the State was to encourage the assistance of individuals with occupational education opportunities through more industry training programs.

14. Other grammatical and style changes have been made.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 2173-78, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2173-78, H.D. 3, S.D. 1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senator Hara.

SCRep. 583-78 Intergovernmental Relations on H.B. No. 2248-78

The purpose of this bill is to amend Section 46-17 relating to regulation of certain public nuisances to clear up an apparent conflict in the statutes.

In 1972, the Legislature enacted Chapter 342 to regulate activities affecting environmental quality, which among other things, granted to the Department of Health authority to adopt rules regulating conduct of activities that affect the environment and authority to grant permits to conduct such activities under controlled conditions.

In 1974, Section 46-17 was enacted providing authority to the counties to adopt ordinances regulating or prohibiting noise, smoke, dust, vibration or odors which constitute a public nuisance. The section provided that no ordinance would be held invalid on the ground that it was covered by other statutes or rules, and that in case of conflict, the law which afforded the most protection to the public should apply.

Your Committee has received testimony from the Hawaiian Sugar Planters' Association that the last proviso is too restrictive and places unreasonable constraints on cane field burning which is of economic necessity to the sugar industry.

Testimony from the Department of Health pointed out that H.B. No. 2248-78 would down-grade drastically the role of the counties in regulating public nuisances related to matters covered under Chapter 342.

Joan Hayes, testifying in behalf of Citizens Against Noise, stated that Section 46-17 has been an important and helpful measure as far as noise control is concerned.

Your Committee finds that H.B. No. 2248-78, in the form received by this Committee, is too broad in that it would hamper county regulation of certain nuisances, such as noise, by county ordinance.

Your Committee, therefore, has amended the bill to provide that the law which affords the public the most protection will apply, except that any county ordinance shall not declare to be a public nuisance, prohibit, or subject to fine or injunction, any agricultural burning which is conducted in accordance with a permit granted by the State Department of Health.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 2248-78, as amended herein, and recommends that it pass Second Reading

in the form attached hereto as H.B. No. 2248-78, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Yee.

SCRep. 584-78 Consumer Protection on H.B. No. 2816-78

The purpose of this bill is to place law enforcement officers and the courts of the State in an effective statutory position to enforce the compulsory insurance requirements of the Hawaii No-Fault Law in order to protect the public as intended under the law.

Under present law, each county police department is authorized to issue citations for violations of the compulsory insurance requirement in a form and manner approved by the Violations Bureau of the District Court of the First Circuit. However, the Motor Vehicle Insurance Division has found that certain problems exist in the present law which hamper effective enforcement. One problem is that the present law does not specifically authorize police officers to demand production of proof of insurance from a motorist and does not require a motorist to present proof upon demand. Another problem is that the present laws do not provide adequate guidelines to the courts as to the appropriate penalty for violations. The bill addresses itself to these shortcomings in the present law.

Section 2 of the bill mandates the issuance of insurance identification cards by each insurer to its insureds and requires the identification cards to show the name of make and the factory or serial number of the motor vehicle, policy number, names of the insured and the insurer, and the effective dates of coverages including the expiration date. However, insurers of commercial fleets of five or more motor vehicles need not list the make and serial number on the insurance identification card for such vehicles. Section 2 of the bill also provides for issuance of a certificate of self-insurance by the commissioner of motor vehicle insurance to self insureds.

Section 3 of the bill sets forth the procedures to be followed by district courts in handling alleged violations of the compulsory insurance requirement. The courts are mandated to hear and dispose of such actions expeditiously. Where a person is found guilty of an alleged violation, the mandatory penalty to be imposed are the suspension or revocation of the vehicle's registration or the suspension or revocation of the driver's license of the driver and registered owner of the automobile. These penalties, together with the impoundment of the automobile, would be in addition to any other penalty that the court could impose.

Section 286-116, Hawaii Revised Statutes, which requires driver's licenses to be carried at all times when operating a motor vehicle and to be displayed to a police officer upon demand, is amended by Section 4 of this bill so as to impose the same requirement with respect to insurance identification cards. A citation must be issued whenever a police officer finds a motor vehicle in operation by a driver not in possession of an insurance identification card. Verification of no-fault coverage would result in the dismissal of the charge. Your Committee has amended the bill by imposing upon police officers the duty to demand of a driver who has been stopped for any reason the production of the insurance identification card.

Section 294-8, Hawaii Revised Statutes, is amended by Section 5 of the bill to require the owner of a motor vehicle to maintain a no-fault policy at all times for the entire motor vehicle registration period. This requirement, together with the requirement that the insurance identification card be displayed upon demand by a police officer, would dispense with the necessity of proving insurance coverage at the time of annual registration, thus relieving owners, motor vehicle registrars and insurance companies of the problems encountered shortly after the initial implementation of the compulsory law.

Section 294-9(c), Hawaii Revised Statutes, is amended by Section 7 of the bill by deleting the requirement that notice of cancellation of the insurance be given by the insurance companies to the chief of police and director of finance. Your Committee is in agreement that the present requirement of notification of cancellations is an exercise in futility without any apparent value.

Section 294-39, Hawaii Revised Statutes, is amended by Section 8 of the bill to establish a minimum fine of \$100 which cannot be suspended for any violation of the compulsory provisions of the no-fault law.

Your Committee has amended this bill by adding a new section which amends Section 286-26 so as to require the production of the insurance identification card when the

vehicle is presented for safety inspection. The consequence of failing to produce the card is the withholding of the inspection certificate and the sticker.

Your Committee has also made certain amendments at page 2, line 21; page 3, lines 8 and 20, which are needed to make the respective paragraphs develop in a logical sequence.

Your Committee is in agreement that this bill provides the necessary teeth to the no-fault law enforcement provisions, and will reduce the uninsured motorist population. Your Committee gave serious consideration to S.B. No. 2288-78 which would have established a decal system for evidencing the existence or non-existence of the required no-fault insurance. However, it was your Committee's opinion that such a system would cause the incurring of a higher administrative cost than the cost to be incurred under this bill, and further, that the decal system would impose a somewhat inconvenient chore upon the greater majority of law abiding citizens in attempting to detect the few violators.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2816-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2816-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 585-78 Consumer Protection on H.B. No. 2895-78

The purpose of this bill is to further clarify the exemption provisions of the Attachment and Execution Law of the State of Hawaii and, to clarify that such exemption provisions only apply to attachment and execution.

In 1976, Act 136 substantially revised the exemption provisions of the attachment and execution statute. In reviewing such revision, your Committee concluded that further clarification was needed due to what appeared to be further ambiguities.

Several of the amendments proposed in H.B. No. 2895-78, H.D. 1 are as follows:

(1) The amendments to Section 651-61 and 651-62 are proposed to make clear that sections are applicable to attachments and executions only.

(2) The proposed amendment in Section 651-64, is to make clear that the court is empowered to adjudge the exempt status of property seized as a collateral issue in the action, whether or not the defendant gives a bond, and centralizes all powers in the court. The prevailing party will be awarded costs, including attorney's fee, incurred in the proceeding in which the court determines whether or not the property seized is exempt.

(3) The amendment to Section 651-91 clarifies the definition of "Head of a Family", to include a married man or woman residing with his or her spouse and any individual who has a dependent residing with him or her, and to provide a definition of "dependents" consistent with section 152 of the Internal Revenue Code.

(4) The amendment to Section 651-92 clarifies the Legislature's intent that a person may claim a real property exemption on only one parcel of real property in the State and that no more than one exemption can be claimed on any parcel of real property, and that the exemption shall not apply to mechanics and materialmen's liens, tax liens, consensual liens created by mortgages and security agreements, and liens created prior to the acquisition of and commencement of residence on the real property.

(5) The amendment to Section 651-94 clarifies that any division of real property being executed upon must be in compliance with the applicable State and county land use, zoning, and subdivision laws; to provide an order of priority for the application of proceeds from a sale of divided property; and to define "material injury".

(6) Section 651-95 is amended to provide that any sale of real property under execution is subject to prior liens and encumbrances in line with Hawaii law relating to mortgage foreclosure proceedings, the general rule applicable in judicial sales, and Section 651-94. This section is also amended to further clarify that the court may order a sale when the appraisal shows that the value of the property exceeds the amount of the exemption, all prior liens, and all anticipated costs.

(7) Section 651-96 is amended to extend the present protection for sale proceeds received by a defendant for his exemption beyond the present six-month period when

such proceeds are applied to the acquisition of a new residence.

(8) The amendment to Section 651-121 makes clear that the exemption applies only to attachment and execution and is available only to individuals, excluding fictional persons such as corporations.

Your Committee finds that H.B. No. 2895-78, H.D. 1 is necessary to provide adequate protection to judgment debtors as well as prior lienors and encumbrances of property against which a judgment creditor seeks to enforce his judgment.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2895-78, 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. 586-78 Health on H.B. No. 1948-78

The purpose of this bill is to dispense with the requirement that a judgment, decision, order, or other court document declaring a person to be dead be attached to the death certificate of the person judicially declared to be dead, provided that the death certificate presented conforms to the Department of Health's requirements and is certified by the court clerk.

Your Committee finds that the current requirement of the attachment results in the necessity of two separate documents in such cases of presumptive deaths. This bill will allow the consolidation of the two documents into one, and would allow the Department of Health to establish a certificate of presumptive death, which would provide pertinent and identical information as that currently provided by the two separate documents. Testimony of the Department of Health indicates that without standardized format, all appropriate information necessary to the completion of death certificates is not always furnished to the Department. Testimony further indicates that such a practice is consistent with present procedures relating to divorces and adoptions.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1948-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 587-78 Health on H.B. No. 1951-78

The purpose of this bill is to authorize the Department of Health to accept adoption decrees of courts of foreign countries involving persons born in Hawaii. Section 338-20(b), presently limits acceptance of adoption decrees to those rendered by Hawaii courts and courts of other states and territories subject to the jurisdiction of the United States.

Your Committee finds that Section 338-20(b), Hawaii Revised Statutes, does not provide a means for certification of a final adoption decree of persons born in the State, rendered by a court of a foreign country, in obtaining a supplementary certificate in their adopted name. This bill will provide a procedure by which such persons may obtain new birth certificates reflecting their adopted names and personal particulars of their adoptive parents and will save the adoptive parents from having to repeat the adoption procedure in the United States of America after having an adoption processed by a foreign court.

Your Committee on Health is in accord with the intent and purpose of H.B. 1951-78 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 588-78 Health on H.B. No. 2388-78

The purpose of this bill is to extend the life of chapter 463E, Hawaii Revised Statutes, relating to podiatrists and to authorize the Board of Medical Examiners to delegate a part of its duties under that chapter to a committee of at least three podiatrists appointed by said Board.

Act 70, Session Laws of Hawaii 1977, repeals chapter 463E, Hawaii Revised Statutes, effective December 31, 1978, in effect deregulating the practice of podiatry as of that date. This bill would defer the effective repeal date to December 31, 1984. Your Committee

feels that a repeal of chapter 463E at this time would be premature.

With respect to the delegation of some of the duties of the Board of Medical Examiners under chapter 463E to the committee, your Committee feels that such a delegation should be authorized because the duties of the Board of Medical Examiners under chapter 463E entail or require a substantive knowledge of podiatry.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2388-78, 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. 589-78 Health on H.B. No. 2447-78

The purpose of this bill is to provide the annual update of the Controlled Substances Act and to amend Section 321-198, Hawaii Revised Statutes, by requiring the Department of Health to certify counselors and accredit programs, effective December 31, 1978.

Your Committee recognizes the need for the Department of Health to review and certify substance abuse programs in order to insure:

1. Accountability of funds and its appropriate expenditures;
2. Efficient management and operation;
3. Quality care that is provided to substance abuse clients by treatment personnel and programs;
4. Recognition to substance abuse treatment personnel as health professionals.

Your Committee finds that in order to develop uniform and comprehensive standards, adequate input from the general public is needed. Therefore, your Committee accepts the proposed amendment of Section 321-198, Hawaii Revised Statutes, to provide sufficient time to develop substance abuse standards.

Your Committee further finds that the Department of Health is required to annually submit to the Legislature required changes in the Controlled Substances Act to bring it in line to federal schedules.

Your Committee has amended the bill by deleting section 1 which proposes to add a new paragraph to section 321-193, and which is to be numbered 10. The proposed amendment has already been enacted by Act 108, SLH 1977.

Other technical amendments to the bill have been made as follows:

- (1) page 8, line 4, (TACP) is change to (TPCP)
- (2) page 10, line 23, penobarbital is changed to phenobarbital,
- (3) page 12, line 4, the brackets around all are deleted.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2447-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2447-78, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 590-78 Ecology, Environment and Recreation on S.C.R. No. 32

The purpose of this concurrent resolution is to adopt priority directions for the implementation of the State's comprehensive long-range goals, objectives and policies, comprising the Hawaii State Plan.

Upon due consideration of testimony received by your Committee at a hearing on this concurrent resolution, the following amendments were made:

1. The deletion of the following on page 5:

"Maintain Oahu's growth rate at a level lower than that of the Neighbor Islands."

2. The deletion of the words "and population" from the third line of sub paragraph b. (2) on page 6.
3. The deletion of the following from line 4 and 5 of subparagraph a. (1) on page 7:

"...to areas contiguous to existing urban areas unless.."

and the inclusion in its place of the following:

"away from areas where"

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.C.R. No. 32, as amended herein, and recommends that it be referred to the Committee on Economic Development, in the form attached hereto, as S.C.R. No. 32, S.D. 1.

Signed by all members of the Committee except Senator Hara.

SCRep. 591-78 Transportation on H.B. No. 1932-78

The purpose of this bill is to provide exemptions from motor carrier economic regulation for persons transporting passengers where such transportation is ancillary to a related primary business purpose. The bill establishes procedures for suspension or revocation of certificates of public convenience and necessity and provides a penalty for advertising by non-certified carriers. The bill also requires certified carriers to report any change of address or telephone number to the Public Utilities Commission (PUC) and requires the Attorney General to prosecute all violations of chapter 271, Hawaii Revised Statutes, when requested by the PUC.

Your Committee is in agreement with the amendments that bring about clarity in language in the exemption area and in the prohibition of expansion into areas not associated with the primary venture.

Your Committee is also in agreement with the role of the PUC in the levying of suspension and revocation of certificates and permits.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1932-78, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Public Utilities.

Signed by all members of the Committee except Senator Hara.

SCRep. 592-78 Transportation on H.B. No. 1937-78

The purpose of this bill is to establish statutory guidelines aimed at simplifying the application procedure for reconsideration or rehearing of a Public Utilities Commission's (PUC) decision and order in a motor carrier matter and insuring that such an application for reconsideration or rehearing is affirmatively determined by the PUC.

Your Committee finds that this bill effectively simplifies the application for reconsideration or rehearing process by deleting superfluous provisions currently in the statute. The provision to permit the PUC to waive stays and to make a determination on application for reconsideration within twenty days are steps toward earlier decisions.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1937-78, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Public Utilities.

Signed by all members of the Committee except Senator Hara.

SCRep. 593-78 Education on H.B. No. 2827-78

The purpose of this bill is to establish a permanent school health services program within the Department of Health. The permanent program will consist of the current pilot school health services program with the current pilot vision and hearing program.

The school health services program was established as a pilot project by Act 130, Session Laws 1970. This program has demonstrated its effectiveness during the past years in providing health care for children in public schools.

The vision and hearing screening program has been successful in the early detection and identification of these sensory deficiencies in students. Impaired hearing and vision which can lead to the development of learning, emotional, and behavioral problems can be detected early with proper diagnosis.

Testimonies presented showed concern that quality services will be sacrificed through the use of health aides in performing vision and hearing screening. However, your Committee feels that given time the health aides will be proficient in rendering health services to students if they are given the necessary in-service training.

Your Committee finds that by integrating the vision and hearing screening program into the school health aides program, there will be a cost saving of \$59,145.

Your Committee has amended H.B. No. 2827-78, H.D. 2, by extending vision and hearing screening services to cover all the school students within the state falling within the grade of kindergarten through grade twelve. It appears to your Committee that this health care service should be extended to all our children regardless of the particular school he or she attends.

This bill is further amended to make the employment of audiologists subject to chapters 76, 77, Hawaii Revised Statutes. The working hours of the nurses, audiologists, school health aides, and screening technicians shall include those hours when children are in attendance at schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2827-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2827-78, 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 Yim, Kuroda and Yee.

SCRep. 594-78 Housing and Hawaiian Homes on H.B. No. 2170-78

The purpose of this bill is to 1) consolidate funds by function and source; 2) standardize terms; 3) add new funds as a depository for interest charges, borrowed moneys and gifts bequeathed to the Department of Hawaiian Home Lands; 4) define parameters of use; and 5) increase the loan guarantee amount.

Seven revolving funds and seven special funds are established. These changes will facilitate efforts to maintain orderly and accurate accounting; establish a framework for mortgage financing without cost to the State; pursue private moneys; and enable maximum use of all moneys of the department.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2170-78, 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 Senators Kuroda and Yim.

SCRep. 595-78 Housing and Hawaiian Homes on H.B. No. 2056-78

The purpose of this bill is to amend Section 514A-3, Hawaii Revised Statutes by expanding the definition of "apartment" to include the term "unit". These terms mean the same thing in this chapter and shall be used interchangeably.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2056-78, 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 Kuroda and Yim.

SCRep. 596-78 Housing and Hawaiian Homes on H.B. No. 2403-78

The purpose of this bill is to simplify the language contained in Section 514A-66, Hawaii Revised Statutes, relating to the right of a purchaser of a condominium apartment to a refund of monies paid if the final public report is not issued within one year from the date of the preliminary report.

Your Committee finds that the existing section is ambiguous and difficult to comprehend. This bill will greatly clarify the intent and meaning of the section.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2403-78, 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 Kuroda and Yim.

SCRep. 597-78 Judiciary on H. B. No. 1769-78

The purpose of this bill is to appropriate monies for the purpose of compensating persons pursuant to Chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Act.

The compensation to be paid pursuant to this bill totals \$226,868.55 for 158 victims, 16 attorneys, 8 doctors, 7 hospitals, 7 medical clinics, 3 providers of miscellaneous medical services, and 4 funeral homes.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1769-78, 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 Hara.

SCRep. 598-78 Judiciary on H.B. No. 1770-78

The purpose of this bill is to appropriate moneys out of the general revenues of the State for the payment of certain tax refunds, judgments and settlements, and other miscellaneous claims against the State.

The bill appropriates the total sum of \$745,781.74 representing 43 individual claims for legislative relief pursuant to Section 37-77 and Chapter 662, Hawaii Revised Statutes. Your Committee recommends that payment of these individual claims be authorized by the Legislature.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1770-78, 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 Hara.

SCRep. 599-78 Judiciary on H.B. No. 1779-78

The purpose of this bill is to amend Act 11, Special Session Laws of Hawaii, 1977.

Following hearings at which testimony on the recommended expenditures for the various programs of the Judiciary was received, your Committee carefully examined the supplemental requests made by the Judiciary.

As a result of such examination, your Committee amended the bill as follows:

1. At page 2 of the bill, add item number 1, program heading Supreme Court Operating, program I.D. JUD 101 and under the column designated FY 1977-78, insert 29.00* and 697,107A, and under the column designated FY 1978-79, insert 29.00* and 701,895A, and under the column designated Total biennium 1977-79, insert 1,399,002A.
2. At page 2, item number 3 of the bill, under the program heading Circuit Courts Operating, delete 219.00 and 4,731,136A under the column designated FY 1978-79 and 9,130,564A under the column designated Total biennium 1977-79 and insert in lieu thereof, 201.50*, 4,502,923A and 8,902,351A, respectively.
3. At page 2, item number 4 of the bill, under the program heading Family Courts Operating, delete 199.50* and 3,836,042A under the column designated FY 1978-79 and 7,484,838A under the column designated Total biennium 1977-79 and insert in lieu thereof, 196.50*, 3,763,152A and 7,411,948A, respectively.
4. At page 2, item number 5 of the bill, under the program heading District Courts Operating, delete 303.00* and 4,737,395A under the column designated FY 1978-79 and 9,127,988A under the column designated Total biennium and insert in lieu thereof, 301.00*, 4,727,660A and 9,118,253A, respectively.
5. At page 3, item number 6 of the bill, under the program heading Administrative Director Services Operating, delete 41.00* and 1,076,455A under the column designated

FY 1978-79 and 2,094,840A under the column designated Total biennium 1977-79 and insert in lieu thereof, 38.00*, 1,596,406A and 2,614,791A respectively.

6. At page 3, item number 7 of the bill, under the program heading Law Library Operating, delete 333,608A under the column designated FY 1978-79 and 645,514A under the column designated Total biennium 1977-79 and insert in lieu thereof 335,426A and 647,332A respectively.

7. At page 3, item number 9 of the bill, under the program heading Hawaii Criminal Justice Information System Data Center Operating, delete 13.00*, 174,805A and 223,100N under the column designated FY 1978-79 and 174,805A and 223,100N under the column designated Total biennium 1977-79 and insert in lieu thereof, 44,805A and 44,805A respectively.

Your Committee is well aware of the deficit position of the State, and accordingly your Committee denied those requests of the Judiciary for positions and monies which it felt was not absolutely needed to maintain the present level of services and operations of the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1779-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1779-78, 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 Hara.

SCRep. 600-78 (Majority) Judiciary on H.B. No. 1885-78

The purpose of this bill is to increase the number of circuit court and district court judgeships and to provide for the rotation of judges to hear landlord-tenant and small claims matters.

Your Committee finds that because of increasing caseloads, there is need for two additional judgeships in the first circuit court and a district court in the third circuit.

Your Committee also finds that prior legislative action in designating the twelfth judge in the district court of the first circuit as the landlord-tenant and small claims judge is accomplishing the purposes and objectives envisioned at the time of the creation of that position. Your Committee has accordingly amended the house bill to restore the original intent and purpose for the establishment of the twelfth judgeship in the district court of the first circuit by deleting the amendments proposed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1885-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1885-78, 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 and F. Wong.
Senator Kawasaki did not concur.

SCRep. 601-78 Judiciary on H.B. No. 2164-78

The purpose of this bill is to establish within the Attorney General's Office, a fraud unit to handle the investigation and, where appropriate, the prosecution of Medicaid fraud cases.

Your Committee finds that there is an urgent need for the establishment of an investigative and enforcement body to eliminate or minimize fraud in the area of Medicaid assistance. Part of the funds appropriated for this body will be reimbursed by the Federal Government.

The bill has been amended by the House of Representatives to set a lapse date of June 30, 1979. Your Committee amended the bill by rewording part of the language of Section 1. The intent of this section has been retained. Your Committee has further amended the bill by deleting the lapse date.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2164-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2164-78, 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 Hara.

SCRep. 602-78 Judiciary on H.B. No. 2239-78

The several purposes of this bill are to continue the operation of the Hawaii Commission on Crime through June 30, 1981, to assure the independence of the Commission, and to clarify certain aspects of the Commission's powers and operation.

Your Committee finds that there is substantial justification for the continuation of the Commission: there continues to be a widespread concern with crime, especially with organized crime; there are recognized problems in the effective operation of the criminal justice system; and the Commission itself has recently demonstrated its success in conducting an impartial and thorough study of criminal activities and the criminal justice system.

The following changes are proposed by the bill:

1. Changing the name of the Commission to the Hawaii Crime Commission.
2. Extending the life of the Commission from eighteen to forty-eight months to June 30, 1981.
3. Providing for filling of any vacancy on the Commission by the Governor with the advise and consent of the Senate.
4. Giving the chairman of the Commission the right to vote in the event of a tie vote.
5. Authorize the Commission to receive and use gifts, money, services or assistance from any federal, state, county or private source.
6. Authorize the chairman to authorize preliminary inquiry into projects and investigations.
7. Clarify the right of the chairman or Commission to contract independently for services.
8. Provide for reports to the legislature prior to each session.
9. Require the Commission to investigate and collect evidence regarding criminal activity or the operation of the criminal justice system.
10. Authorize the Commission to hold closed hearings when necessary to maintain effectiveness of a study or investigation.
11. Clarify the power of the chairman to subpoena witnesses and to require production of documents, and for enforcement of the subpoenas.
12. Require the state and county governments to provide data and assistance to the Commission.
13. Provide civil immunity for Commission members, the chairman, staff and employees for actions or statements in the performance of their duties.
14. Provide that attorneys employed by the Commission would not become deputy attorneys general.
15. Provide funding to cover the extended life of the Commission.

Upon further consideration, your Committee has amended the bill further. The life of the Commission has been extended to June 30, 1980, with an appropriation of \$165,000 for the 1978-79 fiscal year. In accordance with the extension, the term of the Commission members, except the chairman, has been extended to June 30, 1978.

The chairman has been made a member of the Commission thereby increasing the membership to twelve. However, he shall not have the power to vote except in the event of a tie vote. This tie-breaking function appears to be of greater significance with respect to the Commission's executive committee, of which the chairman is the third member.

To provide for the independence of the Commission and to minimize political influence, the bill has been amended to provide for a chairman appointed by a two-thirds vote of each house in a joint session of the Senate and the House of Representatives. Under present law, the chairman of the Commission is the Lieutenant Governor.

The chairman may be removed by a similar two-thirds vote of each house in a joint session but may be removed only for neglect of duty, misconduct or disability. Should a vacancy arise in the position, the position shall be filled in the same manner as in the appointment of a chairman.

The term of the chairman to be appointed shall commence on July 7, 1979 and continue until June 30, 1980. However, since it is anticipated that the enactment of this bill will take place prior to July 7, 1979, thereby leaving the possibility that the Commission will be lacking a chairman, the bill has been amended to provide that the chairman on the effective date of this bill shall serve as the chairman until a successor is appointed.

The chairman will be compensated \$100 for each day he presides over a Commission or executive meeting.

Your Committee has amended the provision of the bill permitting the Commission to receive and utilize gifts, money, services and assistance from any federal, state, county or private source. Your Committee is aware that an opinion by the State Ethics Commission approved the use of privately-donated funds to finance a survey of public opinion. Your Committee has no objection to the use of private funds to further the aims of the Commission but your Committee is concerned that this provision may be misinterpreted by the public to mean that Commission members, agents, and employees need not comply with applicable provisions of the Ethics Code and law regarding the acceptance and use of private funds by government employees. Therefore, your Committee has amended the bill to make explicitly clear that receipt and use of such private funds is authorized only for the implementation of the purposes of the Commission.

Your Committee has amended the bill to clarify the subpoena powers of the Commission. Your Committee proposes that the power is "exercisable" even where a hearing is not called by the Commission. Your Committee believes that by the very nature of the Commission, the subpoena power must be an integral part of its investigatory function. In this connection, the bill proposes to add to the list of functions and duties, that the Commission "investigate and collect evidence necessary to study criminal activity or the operation of the criminal justice system". Though implied by existing law, this provision should eliminate any doubts about such powers and therefore avoid unnecessary challenges to these powers. It should be noted that the legislature does not intend to have the Commission investigate the particular details of an ordinary "street crime" for that would be duplicative of the day-to-day investigative work of the police departments. Absent unusual and extenuating circumstance, this investigation and collecting of evidence is for the purpose of acquiring an overall, "bird's-eye" view of the criminal justice system or a segment thereof.

The subpoena powers may also be exercised in conjunction with a public or closed hearing. This precautionary move is to dispel any doubt that the subpoena power under Chapter 92 is exercisable by the Commission notwithstanding the fact that its hearings are not adversary in nature.

Your Committee has amended the bill by deleting the requirement that accurate minutes of a closed hearing or meeting be kept and made public after the study or investigation is completed. Since the Commission may have access to confidential information, including unfounded allegations; if such is discussed in closed hearings to protect the innocent, later disclosure may libel innocent persons even if the Commission has labeled such allegations to be unfounded. Further, other confidential information such as names of informers or reluctant witnesses may be unnecessarily revealed when there is no public interest in disclosure.

Your Committee has amended the provision requiring that state and county governmental agencies make available to the Commission data and assistance needed by the Commission to perform its duties. Your Committee strongly believes that such an "open-ended" mandate is untenable and may be counter-productive in the war against crime. Your Committee is aware that the files of the police department contain intelligence information available only to a select few within the police department. Your Committee is concerned of the possible ramifications of disclosure on the efforts of the police department to gain information from informers or the Federal government. Such information is passed on with the expectation that it will not be passed on to third parties, and this requirement may well dry up the well of information, and this resulting drought of information may only lead to fertile conditions in which criminality can flourish. By amending the bill to provide that state and county agencies shall cooperate with the Commission, your Committee seeks to leave a certain amount of the discretion in the hands of such agencies and thereby balance the sometimes competing interest of the need of the Commission to know and the need of the agency to keep confidences.

The provision relating to civil immunity has been deleted since adequate provisions

already exist in the law to protect Commission members, staff, and employees from possible lawsuits arising from reasonable statements or actions done in the performance of their duties.

Your Committee has amended the bill to delete the requirement that unauthorized disclosure is a class A felony. Your Committee strongly believes that curbs should be raised against such disclosures since members and employees will be privy to much confidential information, disclosure of which could jeopardize investigations or harm the reputation of the innocent. However, your Committee is also aware that unauthorized disclosure may be done unwittingly and negligently and therefore a class A felony classification is not in keeping with the strict liability requirements of this section. Your Committee has provided that any member or employee shall be removed or fired if the Commission, by majority vote, finds that he has made an unauthorized disclosure. This provision does not apply to the chairman since he can only be removed by the legislature. The bill, as amended, provides that in addition to being removed or terminated, if the unauthorized disclosure was wilful, he shall be guilty of a misdemeanor. This later provision applies to the chairman.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2239-78, H. D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2239-78, 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 and F. Wong.

SCRep. 603-78 Judiciary on H.B. No. 2462-78

The purpose of this bill is to provide for the regulation of commercial employment agencies by licensing commercial employment agencies and providing procedures and guidelines thereof.

The bill has been amended by the House of Representatives by deleting Section 2 of the bill and providing for an amendment to Section 373-5, Hawaii Revised Statutes. The bill, as amended, provides that after June 30, 1978, an applicant for a license to operate an employment agency must pass a certified employment consultant examination of the National Employment Association as well as meet the other requirements of Chapter 373.

Your Committee has further amended the bill by deleting the requirement that the examination to be passed must be that of the National Employment Association. Your Committee has amended the bill to require that applicants must pass an examination designated by the Director of Labor and Industrial Relations.

Your Committee is aware that the name of the association has recently been changed to the National Association of Personnel Consultants. Your Committee is concerned about the consequences that may arise should the association disband or otherwise go out of existence. To alleviate this concern, your Committee has amended the bill to provide that the director have the discretion to designate the examination. Thus, the director may designate any test, including one prepared by the department, as the one to be passed.

Your Committee has further amended the bill to provide for a "grandfather clause" exempting those holding valid licenses on the effective date of this bill from the requirement of the examination.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2462-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2462-78, 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. 604-78 Judiciary on H.B. No. 2764-78

The purpose of this bill is to allow the Office of the Lieutenant Governor to furnish session laws, supplements, and replacement volumes of the revised statutes free of charge to members of the Hawaii congressional delegation, the United States District Court in Hawaii, the United States Attorney's Office in Hawaii, and the Internal Revenue Service in Hawaii. Under present law, distribution of such material is limited to "public officials" and that has been defined by the Attorney General as those who occupy government positions in state and county governments.

Your Committee has amended the bill to define a "public official" as including officials of the State congressional delegation, the United States District Court of Hawaii, the United States Attorney's Office in Hawaii, and the Legal Aid Society of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2764-78, H. D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2764-78, 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. 605-78 Judiciary on H.B. No. 3042-78

The purpose of this bill is to provide supplementary appropriations for witness expenses in criminal proceedings for fiscal years 1977-78 and 1978-79.

Act 7, Special Session Laws of Hawaii 1977, designated the Department of Budget and Finance as the expending agency for witness expenses required by county prosecutors and the public defender in criminal proceedings. Expenditures for the first seven months of the current fiscal year indicate that the funds appropriated by Act 7 will be insufficient to pay witness expenses for the entire fiscal year if the current rate of expenditure continues.

Your Committee feels that the supplementary amounts provided for in this bill will be sufficient to pay witness expenses for the entire fiscal year.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3042-78, 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 Hara.

SCRep. 606-78 Judiciary on H.B. No. 3046-78

The purpose of this bill is to amend Section 465-12, Hawaii Revised Statutes, to allow the Board of Certification for Practicing Psychologists to set the fee for examination in accordance with Chapter 91, Hawaii Revised Statutes.

Your Committee finds that the costs to examine the qualifications of persons desiring a certificate authorizing them to engage in the practice of psychologist has increased to a sum greater than \$60. This sum may go even higher. Accordingly, your Committee has amended the bill to set the examination fee at \$75.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3046-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3046-78, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Hara.

SCRep. 607-78 Ecology, Environment and Recreation on H.B. No. 3045-78

The purpose of this administration bill is to expand the construction grant scope eligibility for water pollution control facilities and plans to include other related projects intended for wastewater reclamation or waste management, in particular, recycling and utilization of wastewater for irrigation or for aquacultural projects requiring high nutrient additions.

Your Committee would like to reiterate the observation made in its Standing Committee Report No. 438-78 when it reported out the Senate companion bill, S.B. No. 2604-78, that the Department of Health testified that pursuant to the Clean Water Act of 1977, P.L. 95-217, federal funding would be available but certain amendments to the bill were necessary. These amendments were made in H.B. No. 3045-78, H.D. 1.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 3045-78, 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 Soares.

SCRep. 608-78 Legislative Management

Informing the Senate that S.C.R. No. 85, S.R. Nos. 313 and 314 and Stand. Com. Rep. Nos. 581-78 to 607-78 and 609-78 and 610-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 609-78 Intergovernmental Relations on S.R. No. 213

The purpose of this Resolution is to request the City and County of Honolulu to give high priority in proceeding with a program to purchase the Hawaii Kai sewage disposal system, which is owned by the Hawaii Kai Community Services Company.

Upon consideration of this Resolution, the Committee finds that in 1961, Hawaii Kai Community Services Company entered into an agreement with the landowner Bishop Estate, and Kaiser Hawaii Kai Development Company, to provide sewer facilities for the Hawaii Kai area because the City and County of Honolulu was unable to fund the project at the time.

Your Committee further finds that the sewage treatment and disposal process of the Hawaii Kai Community Services Company is quite advanced and would be a worthwhile addition to Oahu's sewer system. Purchase of the privately-owned system would be desirable also because the rates for all Oahu users would be equal.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 213 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 610-78 Intergovernmental Relations on S.R. No. 240

The purpose of this Resolution is to urge all State and County agencies to compile, index, and publish all rules adopted by the agency and remaining in effect, so that such information is readily available to the public.

The present law, Chapter 91, Hawaii Revised Statutes, requires all agencies to compile, index, and publish their rules with supplementation as often as necessary and revision at least once every ten years.

Your Committee finds that some State and County agencies have not published their rules or made up-to-date compilations available to other agencies and the general public. This resolution would urge all agencies to carry out the spirit of the law.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 240 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 611-78 Legislative Management

Informing the Senate that S.C.R. No. 86 and 87 and S.R. Nos. 315 to 323 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 612-78 Legislative Management

Informing the Senate that S.C.R. No. 88, S.R. Nos. 324 to 327 and Stand. Com. Rep. No. 613-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 613-78 (Majority) Ecology, Environment and Recreation on H.B. No. 2352-78

The purpose of this bill is to add a new section to Chapter 340A, Hawaii Revised Statutes, to regulate and control the disposition of all solid waste generated in the State.

Your Committee would like to reiterate the observations made in its Standing Committee Report No. 436-78 when it reported out the Senate companion bill, S.B. No. 2047-78.

Your Committee would like to reiterate the observations made in its Standing Committee Report No. 436-78 when it reported out the Senate companion bill, S.B. No. 2047-78.

Your Committee heard supporting testimony from the Department of Public Works, City and County of Honolulu; the Mitre Corporation, the consulting firm retained by the Office of Environmental Quality Control, State of Hawaii, and the Department of Public Works, City and County of Honolulu; and AMFAC. Written testimony in support of the bill was received from the Hawaiian Sugar Planters' Association and the Hawaii Food Industry Association.

The City and County of Honolulu's Department of Public Works supported the bill as a means of providing a predictable and continuous supply of solid waste to realize what the department maintains would be "the benefits of economy of scale realized from a facility processing practically all of Oahu's refuse." The department testified that investors would view the lack of positive control as a detriment to the project. The Mitre Corporation testified that the proposed resource recovery facility would receive and dispose of solid wastes and produce energy and material products for sale, and further that the bill would provide assurance for economic efficiency and environmental benefit to the public. AMFAC's support was based on the conclusion that energy recovery from municipal solid waste is feasible and economical if done on a large scale and that the City and County of Honolulu presently controls an insufficient quantity of municipal refuse to guarantee the economy of scale for a refuse-to-energy plant. They stated that from their studies they believe that a resource recovery facility will not be built in Honolulu unless the delivery of a quantity of refuse in excess of 1,000 tons per day can be guaranteed.

The Hawaiian Sugar Planters' Association indicated reservations regarding the inclusion of all solid wastes under the proposed bill, recommending clarification that it would apply only to wastes collected by the county agency or by a licensed collector.

Testifying in opposition to the bill were the United Refuse Collectors Association of Hawaii; Meyer S. Bogost, an environmental engineering consultant retained by Hawaii Capital Fund; and I. Irving Berns, president of Hawaii Capital Fund, which proposes the Enterprise Pyrolytic Conversion System of resource recovery. Also in opposition to the bill was the National Solid Wastes Management Association, representing more than 2,000 companies in the private collection area, which sent a telegram objecting to legislation mandating "the direction of the waste stream to some predetermined facility and which in effect takes ownership away from the collector."

Also testifying against the bill was Koolau Refuse, Inc. which stated that the establishment of such a large plant in an outlying area would result in additional hauling costs that would have to be passed on to the consumer. Testimony indicated that the kind of plant being considered would require from 15 to 25 acres and that Campbell Industrial Park is the site being considered. The Department of Public Works testified that costs could range up to 80-85 million dollars. Your Committee is heartened by the department's testimony, however, that although it had originally considered feasible only a plant handling a minimum of 1,000 tons per day, its intention now is to include in their Request for Proposal a 600-ton-per-day plant. Meyer S. Bogost had pointed out that the tonnage required by the size of plant being considered might inhibit the recycling of materials, in addition to his testimony that giving the counties total control over solid waste "would effectively prevent private industry and private capital from seeking and implementing techniques and methods which might reduce costs of disposal." The City and County of Honolulu Department of Public Works responded that Requests for Proposals would be sent to all parties interested, and all proposals would be considered.

Your Committee has again amended the bill in accordance with the Hawaiian Sugar Planters' Association recommendation to clarify the delivery requirements by deleting ", whether" at the end of line 7 on page 2 and the comma at the end of line 8.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 2352-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2352-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Hara.
Senators George and Soares did not concur.

SCRep. 614-78 Legislative Management

Informing the Senate that S.R. Nos. 328 to 333 and Gov. Msg. Nos. 170 and 171 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 615-78 Legislative Management

Informing the Senate that S.C.R. Nos. 89 to 96, S.R. Nos. 334 to 344 and Stand. Com. Rep. Nos. 616-78 to 620-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 616-78 Education on H.B. No. 610

The purpose of this bill is to establish a traffic monitoring system that would supplement present traffic control systems near schools. The chiefs of police of the counties shall appoint, train, and compensate traffic monitors who will work under his direction to assure the safety of the public in areas surrounding school premises.

Your Committee finds that this program is not intended to replace the junior police officer program but to supplement it.

Your Committee has amended this bill by removing any reference to elementary school because it feels that the assignment of the traffic monitor should be made on the basis of need rather than the educational level of the school.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 610, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 610, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 617-78 Judiciary on H.B. No. 258

The purpose of this Bill is to establish and provide a definition of the medical death of a human being. Presently, there is no State statute which defines when a human being shall be pronounced dead. Legislative attention is needed on this issue because of the rapid advances in medical technology.

Your Committee finds that because of man's limited knowledge and understanding of the processes of life and death, death has traditionally been presumed when respiratory and circulatory functions of the body have subsided.

Historically, there was no alternative to the traditional method of determining death. However, the increased sophistication and extension of medical knowledge in resuscitation, artificial life support techniques, and organ transplants now require a different means of measuring death. The traditional criteria are no longer reliable in certain circumstances.

Your Committee received testimony and a report by the Legislative Reference Bureau entitled, "Towards a Definition of Death." Significant findings discussed include:

1. Death may assume several distinct forms:
 - A. traditional death
 - B. human brain death syndrome
 - C. fetal death and embryonic death
 - D. human remains
2. Stages of death are complex and difficult to distinguish.
3. Traditional standards of determining death recognized by medicine and law are inadequate to meet present medical and legal needs.
4. The brain function standard of death used in medical practice today requires specialists and sophisticated equipment not uniformly available.
5. The traditional standard remains the predominate method of determining death, and the brain death standard is utilized in only two percent of all cases.
6. The current dichotomy between medical practice and traditional legal standards has created confusion in the judiciary and acquiescence in the brain death standard.

In accordance with these findings, the Legislative Reference Bureau has recommended that Hawaii enact a statutory definition of death.

Under the Legislative Reference Bureau study, traditional death is defined as the irreversible cessation of spontaneous respiratory and circulatory functions. Death occurs when the body functions first irreversibly cease. Brain death is defined as the irreversible cessation of brain function, which occurs when the brain function first irreversible ceases. The brain death definition is used if artificial means of support preclude a determination that respiratory and circulatory functions have ceased.

Your Committee has considered the question of the consulting physician in the determination of brain death and agrees with the Legislative Reference Bureau report, "Towards a Definition of Death", that it should be limited to a consulting physician who specializes in neurology or neurosurgery. Your Committee has found that the number of cases is small where the traditional means of determination of death would not be adequate. The Legislative Reference Bureau report estimates that "only two percent of all medical cases are decided on the basis of the brain function standard." Your Committee has found that it would not cause a significant hardship to limit the determination of brain death to those specialties which are the only medical groups qualified by the requirements of their specialization to make the determination of brain death. Therefore, your Committee has amended the bill to limit the definition of "consulting physician" to neurologists and neurosurgeons.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 258, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 258, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 618-78 Energy/Natural Resources on H.B. No. 2169-78

The purpose of this bill is to establish energy efficient standards in the construction of all buildings in order for the State to comply with Title III, Part C of the Energy Policy and Conservation Act of 1975 (Public Law 94-163) by requiring the counties to incorporate energy efficiency into each county's building code by July 1, 1978.

Your Committee held a hearing on this bill and related bill, H.B. No. 2168-78, H.D. 1, and received testimony from all interested parties among which included the State Energy Office, City Building Department, The Hawaii Chapter of American Institute of Architects, The Hawaii Chapter of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers, and the Construction Industry Legislative Organization. Based upon said testimony, the following amendments were made to the bill:

1. On page 1 of the bill, the last sentence has been changed to read: "The energy efficiency building standards shall apply to all new and renovated buildings, including State buildings." The language on page 2 referring to "public buildings" has been deleted.

2. Page 3 has been amended by adding "s" to building on lines 2 and 3, and a new subsection (5) has been added to read:

"Dwelling units with air conditioning systems totaling less than 12,000 BTUH capacity.

For special applications such as hospitals, laboratories, thermally sensitive equipment, computer rooms, and manufacturing and industrial processes, the design concepts and parameters shall conform to the requirements of the application at minimum energy levels, where these special applications are described in the ASHRAE Handbook and Product Directory, Applications Volume, the criteria described therein shall be used."

3. On page 4, the word "public" has been deleted from lines 2 and 4.

4. Page 5 has been amended to substitute the word "shall be" for "may" on line 2, and add at the conclusion of line 4 "as required by federal law."

5. In order to include "lighting standards in existing buildings" in this bill, Section 2 has been amended to include the language contained in Section 1 of H.B. No. 2168-78, H.D. 1, with minor corrections of the lettering and deleting the following from page 2, line 12, of said latter bill as being not necessary: "(7) Any building constructed after the effective date of this section."

6. Sections 2 and 3 of the bill have been renumbered accordingly.

If the State does not enact this bill, it could lose major federal funding for the State Energy Conservation program.

Your Committee on Energy/Natural Resources in in accord with the intent and purpose of H.B. No. 2169-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 619-78 Human Resources on H.B. No. 2097-78

The purpose of this bill is to allow the Board of Trustees of the health fund to use rate credits or reimbursements from medical and dental plan insurance carriers to defray the cost of county contributions to finance the children's dental plan premiums.

Your Committee finds that the 1972 Legislature amended section 87-4 (pertaining to State and county contributions to the health fund) to require each county to contribute specific amounts of monies as payment toward a portion of the costs of certain employee health benefit plans. The State previously paid the entire costs of these plans for the several counties.

The 1973 Legislature then amended section 87-6 (pertaining to contributions for an employee-beneficiary) to additionally require the counties to pay for their retiree fringe benefit costs. Your Committee finds that in view of this additional burden on the counties with respect to their contributions to the health fund, section 87-3 should have also been amended at that time to allow the several counties to derive occasional benefits from insurance rate credits or refunds which are made to the board of trustees from time to time. This bill would accomplish that end by allowing the board to use such insurance rate credits and refunds to offset the several counties' contributions toward the children's dental benefits plan. Your Committee notes that the State already derives benefits from the foregoing arrangement under current statutes.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 2097-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 620-78 Human Resources on H.B. No. 196

The purpose of this bill is to amend section 297-31 (pertaining to classification of teachers and educational officers) in order to provide:

(1) that any provision of law to the contrary notwithstanding, the classifications, salaries, and other terms and conditions of employment for employees (educational officers, among others) subject to part III of chapter 297 (pertaining to salaries and classification of certain school personnel) shall be determined thereunder; and

(2) for the creation of a grievance procedure, and certain minimum requirements thereof, with respect to any matter affecting the classification of an educational officer.

Your Committee finds that the Legislative Auditor's 1973 Management Audit of the Department of Education cited the need to develop a new classification system for the department's educational officers. This management audit specifically noted that the lack of uniform and consistent minimum qualification requirements as well as the absence of descriptive class titles commensurate with responsibilities have hampered the department's promotional process for educational officers.

Your Committee further finds that pursuant to S.C.R. No. 116, Regular Session of 1976, the board of education directed the formulation of an educational officer classification/compensation plan which, among other things:

(1) establishes uniform and consistent minimum qualification requirements for State and district level classes;

(2) establishes a twostep appeal process which recognizes an educational officer's right to due process should he disagree with any classification action taken on his position;

(3) establishes procedures by which an educational officer can submit a classification request for appropriate review and action; and

(4) provides management with a tool to match certain levels of responsibility, authority, and complexity with commensurate levels of compensation.

Your Committee has reviewed the foregoing classification/ compensation plan and finds it to be equitable and consistent throughout, and further finds that it provides for an orderly, yet flexible classification of positions at matched salary ranges with appropriate increments or steps. Your Committee also recognizes that this classification/ compensation plan is the product of work by a representative group, knowledgeable in the area of personnel classification and management. Your Committee has therefore amended this bill to enable the department of education to adopt the foregoing classification/ compensation plan for educational officers. This bill as amended by your Committee in effect eliminates the classification and compensation of educational officers by statute in favor of the foregoing classification/ compensation plan.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 196, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 196, S.D. 2.

Signed by all members of the Committee.

SCRep. 621-78 Legislative Management

Informing the Senate that S.C.R. Nos. 97 to 123, S.R. Nos. 345 to 374 and Stand. Com. Rep. Nos. 622-78 to 626-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 622-78 (Joint) Government Operations and Efficiency and Intergovernmental Relations on S.C.R. No. 65

The purpose of this concurrent resolution is to request the Departments of Transportation, Accounting and General Services, and Land and Natural Resources to jointly conduct a study to determine the feasibility and effects of and alternatives to transferring the real property acquisition functions of the Department of Transportation to either the Department of Accounting and General Services or the Department of Land and Natural Resources.

Your Committees held a hearing at which all three affected departments testified. Based on the testimony, your Committees find that there is a need for a lead agency in conducting such a feasibility study and that the Department of Transportation is the body with all the information that must be considered. Accordingly, your Committees have amended the concurrent resolution to request the Department of Transportation to undertake the feasibility study.

Your Committees on Government Operations and Efficiency and Intergovernmental Relations concur with the intent and purpose of S.C.R. No. 65, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 65, S.D. 1.

Signed by all members of the Committees.

SCRep. 623-78 (Joint) Government Operations and Efficiency and Intergovernmental Relations on S.R. No. 254

The purpose of this resolution is to request the Departments of Transportation, Accounting and General Services, and Land and Natural Resources to jointly conduct a study to determine the feasibility and effects of and alternatives to transferring the real property acquisition functions of the Department of Transportation to either the Department of Accounting and General Services or the Department of Land and Natural Resources.

Your Committees held a hearing at which all three affected departments testified. Based on the testimony, your Committees find that there is a need for a lead agency in conducting such a feasibility study and that the Department of Transportation is the body with all the information that must be considered. Accordingly, your Committees have amended the resolution to request the Department of Transportation to undertake the feasibility study.

Your Committees on Government Operations and Efficiency and Intergovernmental Relations concur with the intent and purpose of S.R. No. 254, as amended herein,

and recommend its adoption in the form attached hereto as S.R. No. 254, S.D. 1.

Signed by all members of the Committee.

SCRep. 624-78 Education on S.C.R. No. 80

The purpose of this resolution is to request that the Department of Education continue its pre-school program at Anahola School.

Your Committee has made a series of amendments to the resolution to clarify its intent.

The title of the resolution has been amended to reflect that the Hawaiian Homes Commission and not the Department of Education is the appropriate agency to which this resolution should be directed.

Clauses have been added to the resolution explaining that continuation of the pre-school program is dependent upon the appropriation of funds by the Hawaiian Homes Commission from its Additional Receipts fund and that if funds are not appropriated the program will cease on June 30 of this year.

Further amendments place the Hawaiian Homes Commission and its chairperson as the recipients of the resolution's intent and the establishment of the Anahola pre-school program at 1968.

Your Committee on Education is in accord with the intent and purpose of S.C.R. No. 80, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 80, S.D. 1.

Signed by all members of the Committee.

SCRep. 625-78 Education on S.R. No. 289

The purpose of this resolution is to request that the Department of Education continue its pre-school program at Anahola School.

Your Committee has made a series of amendments to the resolution to clarify its intent.

The title of the resolution has been amended to reflect that the Hawaiian Homes Commission and not the Department of Education is the appropriate agency to which this resolution should be directed.

Clauses have been added to the resolution explaining that continuation of the pre-school program is dependent upon the appropriation of funds by the Hawaiian Homes Commission from its Additional Receipts fund and that if funds are not appropriated the program will cease on June 30 of this year.

Further amendments place the Hawaiian Homes Commission and its chairperson as the recipients of the resolution's intent and the establishment of the Anahola pre-school program at 1968.

Your Committee on Education is in accord with the intent and purpose of S.R. No. 289, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 289, S.D. 1.

Signed by all members of the Committee.

SCRep. 626-78 Human Resources on H.B. No. 1893-78

The purpose of this bill is to amend Act 151, Session Laws of Hawaii 1975, (State Program for the Unemployed) as amended, to include in the definition of "unemployed individual" the requirement that the program participants be residents of the State of Hawaii.

The State Program for the Unemployed (SPU) was enacted to alleviate high unemployment in the State by establishing a public employment and training program which would provide immediate temporary employment to the State's unemployed and underemployed. At that time, the State was suffering from an unemployment rate of eight to nine percent along with the rest of the nation. The Hawaii State Legislature was one of the few state legislatures to create a massive public employment program to meet a need of the times.

Your Committee finds that the State Program for the Unemployed has been successful in alleviating one of the State's major concerns - the high number of unemployed.

At the same time, however, the Department of Labor and Industrial Relations has found that the SCET program provides attractive and an immediately available source of employment for newly arrived in-migrants. It appears that approximately 15 percent of SCET participants had been in Hawaii less than one year. Comparatively, less than two percent of the general population has been in Hawaii less than one year at any given time.

Your Committee is not against the employment of recent in-migrants, but your Committee believes that temporary emergency employment programs such as the State Program for the Unemployed should be reserved for the benefit of the unemployed residents of the State as provided in this bill.

Your Committee believes that the criteria for determining the residency status of applicants for State-funded emergency employment programs should be reserved to the State agency which is responsible for administering the program. In the case of the State Program for the Unemployed, the Department of Labor and Industrial Relations shall be responsible for establishing the residency criteria.

Your Committee has amended the bill to correct a typographical error on page 1, line 13.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1893-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1893-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 627-78 Legislative Management

Informing the Senate that S.R. Nos. 375 to 378 and Stand. Com. Rep. Nos. 628-78 to 631-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 628-78 Education on S.R. No. 226

The purpose of this resolution is to establish the Hawaiian language as the official language of the State of Hawaii in recognition of the very significant part the language and culture of the Hawaiian people have played and do play today in the lives of Hawaii's residents.

Your Committee has amended the title and the text of the resolution to designate the Hawaiian language as the emblematic and symbolic language of the State rather than as its official language. The Committee has so amended the resolution to make its action consistent with that reflected in H.B. No. 2850-78, H.D. 1, which seeks to establish the Hawaiian language as the State's emblematic and symbolic language through statutory action.

Your Committee on Education concurs with S.R. No. 226 as amended herein and recommends its adoption in the form attached hereto as S.R. No. 226, S.D. 1.

Signed by all members of the Committee.

SCRep. 629-78 Health on S.R. No. 22

The purpose of this resolution is to emphasize the state's commitment to the development and growth of developmentally disabled persons. This may be accomplished by providing residential and other related services in the community for such persons, from birth to death, thereby assuring more normal growth and development through the use of individualized habilitation plans in the least restrictive environment possible.

Your Committee finds that no person, by the mere fact that they are born developmentally disabled, should be placed in a restrictive environment which will deprive them of liberty and the opportunity to develop to their full potential. Your Committee further finds that each developmentally disabled person's needs may be met through the provision of individualized habilitation plans in accordance with Public Law 94-103, Section 202.

Your Committee is deeply concerned that the deinstitutionalization of Waimano School and Hospital not be accomplished without concomitant community-based services so that persons leaving Waimano may truly achieve greater independence and development as intended. Deinstitutionalization cannot be accomplished without adequate supportive

services in the community. Your Committee is concerned that a "revolving door" not be created at Waimano Training School and Hospital. Your Committee urges, through this resolution, that deinstitutionalization be accomplished together with provision for sufficient programs in the community to provide a smooth transition from the dependency that is sometimes fostered in large institutions to a more independent and self sufficient life in the community.

Your Committee has deleted the fourth resolve clause in reference to financial support following the disabled person as he or she moves from facility to facility. Your Committee received testimony from the Department of Health that this provision will require extensive study.

Your Committee on Health concurs with the intent and purpose of S.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 22, S.D. 1.

Signed by all members of the Committee.

SCRep. 630 Health on S.R. No. 25

The purpose of this resolution is to request the Department of Health, the State Planning and Advisory Council on Developmental Disabilities and the Protective Services and Advocacy Agency to report on the implementation of the state-wide system of protective services and advocacy.

Your Committee finds that the primary purpose of the Protection and Advocacy system is to provide important linkages between agencies, services and qualified volunteers on behalf of developmentally disabled persons who are moving into the mainstream of society and everyday activities in the community.

Your Committee further finds that the State Planning and Advisory Council on Developmental Disabilities and the Protective Services and Advocacy Agency are in a unique position to evaluate services for the developmentally disabled and your Committee therefore requests a progress report prior to the convening of the 1979 legislative session and that the Department of Health, the State Planning and Advisory Council on Developmental Disabilities, and the Protective Services and Advocacy Agency cooperate in the preparation of the report. It is intended that the report identify the most serious gaps in services and give insight into the administrative and legal barriers commonly experienced by the developmentally disabled.

Your Committee has made a technical amendment to the last paragraph of the resolution.

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.

SCRep. 631-78 Gov. Msg. No. 159

Recommending that the Senate advise and consent to the nomination of SUNAO KIDO, to the Public Utilities Commission, for term ending December 31, 1983.

Signed by all members of the Committee.

SCRep. 632-78 Human Resources on H.B. No. 1815-78

The purpose of this bill is to amend Section 89-11, Hawaii Revised Statutes, by adding a new subsection (d) to provide for the establishment of compulsory arbitration procedures for resolving disputes over the terms of an initial or renewed agreement involving the exclusive representative of bargaining Unit (11), Firefighters. Any impasse dispute involving Unit 11 which continues 15 working days after the date of impasse shall be submitted to the arbitration procedures established under this bill unless the parties to the dispute mutually agree upon an alternative arbitration procedure within 18 working days from the date of impasse.

This bill provides for final-offer whole package arbitration as the method of impasse resolution. This approach requires the arbitrator to select the most reasonable of the final offers submitted to him by the parties, and to issue a decision incorporating that offer without modification. The decision of the arbitrator shall be final and binding upon the parties; provided that at any time and by mutual agreement, they may modify

or amend the decision. Agreements reached pursuant to the decision of an arbitrator as provided in this bill shall not be subject to ratification by the employees concerned moreover, employees covered by this method of impasse resolution voluntarily relinquish their right to strike by virtue of such coverage. As with all other collective bargaining agreements, this bill provides for final approval of any cost items by the appropriate legislative bodies.

Your Committee finds that more than any other alternative mechanism, final-offer arbitration induces negotiated agreements because the very process generates certain risks when negotiations fail (e.g., losing everything in a decision which is final and binding upon both parties). The arbitrator is not free to "invent" an arbitration award but rather must select either the final offer submitted by the union or the one submitted by the employer. In any other form of arbitration, the parties, knowing full well that the arbitrator is likely to decide somewhere between the union's position and employer's position, simply do not negotiate in good faith and cling to outrageous positions. With final-offer arbitration, the party that maintains an unreasonable position faces the prospect of losing everything, thus forcing him to negotiate.

This bill further provides that in the event the parties to the dispute cannot mutually agree upon an arbitration procedure and an arbitrator or arbitrators, the dispute shall be submitted to a three-member arbitration panel for resolution. Your Committee believes that this panel approach provides assurance that arbitrators accountable to and knowledgeable about Hawaii's particular concerns may be selected. This bill further provides that within twenty-one working days from the date of impasse, two members of the arbitration panel shall be selected by the parties; one shall be selected by the employer and the other by the exclusive representative. HPERB shall then appoint these two arbitrators to the panel. The impartial, third member of the panel shall be selected by the two previously appointed arbitrators and shall chair the arbitration panel. If the two previously selected arbitrators fail to select the third, impartial arbitrator within twenty-four working days from the date of impasse, the HPERB shall request the American Arbitration Association to furnish a list of five qualified arbitrators with "experience in interest arbitration" from which the impartial third arbitrator shall be selected by the disputing parties.

Your Committee has made the following amendments to this bill:

(1) The provision that those individuals named to the list of five arbitrators by the American Arbitration Association must have "experience in interest arbitration" is deleted. Your Committee believes that this experience requirement is too restrictive insofar as it does not consider the paucity of qualified arbitrators with "experience in interest arbitration" in the State, thus effectively depriving local arbitrators (whether interest arbitrators or otherwise) of a fair opportunity of being named to the list, and consequently for the job as the third, impartial arbitrator.

(2) Page 9, lines 23 and 24, are amended as follows:

1. a comma is added after the word "services";
2. the word "with" is changed to "of"; and
3. the phrase "State and county" is added after the word "other".

The intent of this amendment is to clarify that, among other things, the arbitration panel shall consider:

(1) the wages, hours, and conditions of employment of other persons performing similar services in political jurisdictions other than those of the State; and

(2) the wages, hours, and conditions of employment of those employees belonging to other collective bargaining units of the State of Hawaii and of its several counties in arriving at a selection of a final offer.

Your Committee notes that this bill is similar to S.B. 237 which was passed by the Legislature during the last session, but was vetoed by the Governor. This H.B. 1815-78, H.D. 1, as amended, is designed to overcome specific objections of the Governor to S.B. 237.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1815-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1815-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 633-78 Human Resources on H.B. No. 1994-78

The purpose of this bill is to amend the existing statutory provisions relating to establishment of rates of compensation for arbitrators appointed under Chapter 89 (collective bargaining law). Under this bill, the Hawaii Public Employment Relations Board (HPERB) would be authorized to establish the compensation rate for only those arbitrators selected and appointed by the Board pursuant to Section 89-11(b) (impasse resolution).

Presently, Section 89-5(b) (powers and functions of HPERB, among other things) authorizes the HPERB to set the rates at which all mediators, members of fact-finding boards, and arbitrators who provide services for public sector collective bargaining are to be compensated. Testimony received by your Committee indicates that the established rate of compensation for arbitrators is considered excessive by both the public employers and exclusive representatives who share in the cost of the arbitrator's pay. Your Committee believes that the compensation of the arbitrator should be determined by the party or parties who employ the arbitrator. This bill allows the employer and the union to negotiate the rate of compensation for those arbitrators whom they select and employ by restricting the rate-setting authority of the HPERB to only those arbitrators who serve pursuant to paragraph 3 of section 89-11(b) (arbitrators selected and appointed by the HPERB). Your Committee feels that negotiation of fees would not only lower the costs of arbitration, but may also encourage the selection of newcomers to the field, thus increasing the number of experienced arbitrators in Hawaii.

Your Committee has made technical amendments to this bill to conform to Ramseyer rules of bill drafting.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1994-78, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 1994-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 634-78 Human Resources on H.B. No. 2729-78

The purpose of this bill is to replace Section 78-18.5 (adjustments for excluded employees) with a new chapter to provide for adjustments in the compensation, hours, terms and conditions of employment and other benefits of public officers and employees excluded from collective bargaining, excepting those officers and employees whose compensation is presently established by the Constitution, statutes or legislative enactment other than chapters 77, 297 and 304.

Under the provisions of this bill, the chief executives of the State and counties, the Board of Education and the Board of Regents would determine the adjustments to be made and which excluded officers or employees should be granted such adjustments. The bill also establishes certain guidelines and limitations which must be adhered to in the granting of such adjustments and vests the final approval for any adjustments with the appropriate legislative bodies. For excluded officers and employees under the same compensation plans as officers and employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for officers and employees hired on a comparable basis. For excluded compensation plans as officers and employees within collective bargaining and whose salaries are presently authorized to be fixed by the appointing authority, the appointing authority may continue to make specific salary adjustments. All adjustments, however, would be subject to the following limitations:

- 1) For officers and employees covered by chapter 304, no adjusted compensation shall exceed ninety-five per cent of the compensation paid to the president of the University of Hawaii under section 26-52(2); and
- 2) For officers and employees covered by chapters 77 and 297, no adjusted compensation shall exceed ninety-five per cent of the compensation paid to the first deputy or first assistant of the State department.

Other significant provisions of this bill are as follows:

- 1) This bill provides that the Chief Justice of the Supreme Court shall determine the adjustments to be made for excluded officers and employees of the Judiciary. This amendment is consistent with the legislative intent of Act 159, Session Laws

of Hawaii 1977, which established a separate personnel system for the Judiciary.

- 2) Your Committee believes that in order to promote the uniform administration of compensation of officers and employees throughout the State, a uniform ceiling should be established and applied to adjustments in the compensation of excluded officers and employees. Accordingly, this bill provides that for excluded officers and employees covered by Chapters 77 and 297, no adjusted compensation shall exceed ninety-five per cent of the compensation established by law for the first deputy or first assistant to a State department head.
- 3) This bill maintains at their present levels, the salaries of excluded officers and employees covered by Chapters 77 and 297 which currently exceed the ninety-five per cent limitation in relation to the State first deputy's salary. An officer or employee who is receiving a salary in excess of the limitation shall continue to receive the salary so long as he remains in the same position or until such time as the salary of the first deputy or first assistant to a State department head is sufficiently increased to authorize adjustments to the officer's or employee's salary.
- 4) This bill provides that cost items for excluded employees shall be submitted to the appropriate legislative body separately from any cost items negotiated under collective bargaining. With respect to the approval of adjustments by the legislative bodies "acting in concert" as provided in this bill, your Committee intends that no adjustments shall be implemented by any of the political jurisdictions until such adjustments have been approved by all legislative bodies. This procedure is similar to the one provided in the Collective Bargaining Law (Chapter 89) whereby the legislative bodies act in concert to approve or reject cost items submitted to them.
- 5) This bill provides for retroactive application to provide salary adjustments for those excluded officers or employees who were eligible on July 1, 1977 for salary increases in the same amount or percentage as salary increases granted to officers or employees in collective bargaining, but who were not granted the full amount of the increase. Salary adjustments equal to the difference between the full amount and the amount such officers or employees actually receive shall be granted, retroactive to July 1, 1977.

Your Committee has made amendments for the purpose of clarifying legislative intent which do not affect the substance of this bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 2729-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2729-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 635-78 Education on H.B. No. 2496-78

The purpose of this bill is to amend Section 8-1, Hawaii Revised Statutes, to designate those holidays set aside in honor of Hawaii's monarchs by the full names and titles of the monarchs. Thus, Kuhio Day and Kamehameha Day have been renamed Prince Jonah Kuhio Kalaniana'ole Day and King Kamehameha I Day, respectively.

The bill further establishes Thanksgiving Day as a holiday for Hawaii residents. Presently, the statutes provide that Thanksgiving Day is a day so proclaimed by the President of the United States. However, since Thanksgiving Day is now established by statutes for federal purposes (Title V, U.S. Code 6103), it is no longer known whether the President even issues such a proclamation.

Your Committee has amended Section 1 of the bill by removing the period after the word "names" in line 9 and adding the following phrase:

"and, or, title".

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2496-78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2496-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Yee.

SCRep. 636-78 Education on H.B. No. 2601-78

The purpose of this bill is to empower the King Kamehameha Celebration Commission to grant or deny approval for the use of the King Kamehameha statue.

Your Committee has amended the bill by providing that the amendment is to be to Chapter 8, as opposed to amending Section 26-6. It appears that amending Chapter 8, which presently covers certain powers of the King Kamehameha Celebration Commission, will make it easier for an interested person to find the provision.

Furthermore, your Committee has amended Section 1 of the bill by amending the title of the proposed section to read "King Kamehameha I." Also, lines 7 and 8 have been amended to reflect the correct name of the statue.

Your Committee on Education is in accord with the intent and purpose of H.B. 2601-78, 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. 2601-78, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Yee.

SCRep. 637-78 Education on H.B. No. 2850-78

The purpose of this bill is to adopt, establish, and designate the Hawaiian language as the emblematic and symbolic language of the State.

Several items which hold special significance for the people of Hawaii have been declared as emblems or symbols of the State. Thus, among others, the kukui tree is the State tree and "Hawaii Pono" the State song. This bill would recognize the special importance of the Hawaiian language to the residents of the State by designating it the emblematic and symbolic language of the State.

Your Committee has amended this bill by deleting Section 2. Thereof since that section merely concerned renumbering of provisions, the revisor of statutes will handle such renumbering.

Furthermore, your Committee has amended Section 1 of the bill by placing a period after the word "State" in line 6 and removing the phrase:

"to be effective for so long as the legislative of the State does not otherwise provide."

Your Committee feels that the deleted phrase is unnecessary for the bill's purpose.

Your Committee on Education is in accord with the intent and purpose of H.B. 2850-78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 2850-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Yee.

SCRep. 638-78 Public Utilities on H.B. No. 1934-78

The purpose of this bill is to insure that persons entering into the public utility business are financially fit, willing and able to perform the proposed service and that such service is in the public interest.

Presently, a person may enter public utility service merely by filing the rates, charges, rules and regulations for such service with the Public Utilities Commission (PUC). This bill would require any person proposing to engage in such service to obtain a certificate of public convenience and necessity prior to commencing business as a public utility. The certification provision would subject the proposed utility to the full statutory requirements of Chapter 269, Hawaii Revised Statutes, relating to public utilities. In addition, the bill provides for a suspension and revocation provision requiring the public utility to secure PUC approval prior to abandoning the service and would exempt existing utilities from showing proof of public convenience and necessity.

Your Committee finds that by placing the burden of proving that the service is necessary and for the public's convenience on the proposed public utility company, this bill provides the PUC with the basic data and background information on such company with which to determine whether it will operate in the public interest. Your Committee also finds that by requiring such company to obtain PUC approval prior to abandoning the service it is providing, the public's interests are further protected. In conjunction therewith, it is the express finding of your Committee that this bill does not in any way affect

the right of a proposed public utility company to seek a franchise from the Legislature to provide service in a geographic area. It is your Committee's opinion that the certification provision of this bill is an effective tool for regulatory purposes.

Your Committee agrees that public utilities already operating as a public utility should be exempt from the bill's certification requirement. However, it is not entirely clear whether the new material contained in Section 3 of H.B. No. 1934 adequately provides a permanent exemption to these public utilities. Accordingly, your Committee has amended Section 3 to clarify this point by adding a new subsection (c) to Section 1 and also has redesignated the amendment contained in Section 2 to a new subsection (d) to be added to Section 1.

To insure that there is clarity in the intent of the law with respect to the basis for suspension, amendment or revocation of a certificate, Section 2 (redesignated to subsection (d) herein) has been amended by specifying the other type of violations, aside from violating any provision of Chapter 269, which can be the basis for revocation.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 1934-78, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1934-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 639-78 Public Utilities on H.B. No. 1938-78

The purpose of this bill is to require a party in cases involving a public utility, to file a petition for reconsideration stating all of the points of error committed by the Public Utilities Commission (PUC) in its initial decision prior to taking an appeal to the Supreme Court and to provide an automatic stay for the PUC's order until such petition is disposed of.

Presently, there are no provisions in the public utility laws allowing parties affected by a decision and order to file a petition for reconsideration or rehearing with the PUC. Your Committee finds that by providing for a reconsideration or rehearing and requiring it prior to a judicial appeal, the PUC is given an opportunity to correct any deficiencies or errors it may have made in its initial decision, and the parties and the PUC are allowed to concentrate on major areas of disagreement in what usually are voluminous records. Also the petitioning party is forced to exhaust all administrative remedies and the Supreme Court is assured that the record below is as complete as possible with the issues as sharply defined as possible.

Your Committee is in agreement with the intent and purpose of H.B. No. 1938-78 but finds upon review of the bill that certain technical and other amendments are necessary to permit the PUC to conduct its proceedings in an orderly and uniform manner and consistent with the Rules of Practice and Procedures (hereinafter "Rules") which were recently revised and became effective on February 2, 1978, and for other reasons discussed herein.

The amendments are as follows:

1. In Section 2, 269- (a), the word "action" has been deleted because actions are filed with the courts and not with an administrative agency.
2. In Section 2, the term "application" has been deleted throughout and the word "motion" substituted therefore for the reason that the current Rules designate it as such.
3. In Section 2, 269- (a), line 22, the word "filed" has been deleted and the word "served" substituted therefor. The reason for this change is that the current Rules provide that a person may file his motion for reconsideration or rehearing within ten days after he is served and not from the date the decision and order is filed.
4. In Section 2, 269- (a) the sentence beginning on line 3 and the remaining sentences through line 8 have been deleted.

Your Committee sincerely believes that only confusion can arise and lead to ineffective regulation by the Commission should a Commission's order be stayed automatically by the filing of a motion for reconsideration.

One of the reasons this bill was introduced was to remove the ambiguity raised by a Supreme Court's order to the Commission in In re Hawaii Electric Light Company,

Inc. No. 6111 filed February 19, 1976. The order stayed a Commission's order granting a rate increase until the motion for reconsideration was disposed of. Since that time the Commission's final orders relating to rate cases have been given an effective date in excess of ten days from the date the decision and order is filed. This permits any party to file, if he chooses to, a motion for reconsideration before the decision and order takes effect. Further, Rule 14-2 of the Commission's rules now provides that the filing of a motion for reconsideration does not automatically stay a decision and order. If a party desires a stay, a motion for a stay has to accompany the motion for reconsideration stating the reasons why a stay is needed. Rule 14-2 further states that the Commission will act on the motion for stay promptly and if a stay is granted, the stay shall remain in effect until the motion for reconsideration is disposed of. Under this bill, it appears that any utility decision or order, whether prior to or during a hearing can be stayed by the filing of a motion for reconsideration. This procedure can lead to an intolerable amount of delays and prevent speedy and efficient hearings.

These procedures which are now part of the Commission's Rules, your Committee believes, are sufficient and reasonable safeguards to any party's rights in a proceeding. We note further that Section 271-32(e) of the Motor Carrier Act expressly provides that the filing of a motion for reconsideration or rehearing does not excuse compliance of the Commission order.

Your Committee also wishes to point out that both the water carriers and motor carriers have a "file and suspend" method of obtaining rate increase. Should the automatic stay provision of this bill also become applicable to a Commission's suspension order of increased rates, it is possible to have said increased rates take effect even though the Commission's express decision was to suspend the proposed rates until an investigation was completed as to the reasonableness of the proposed increase. The automatic suspension being proposed in this bill, (new rates for motor carriers can take effect after 30 day notice to the Commission, unless suspended) could stay a Commission's order so that the rates can take effect and become legal after 30 days, in which case, the rates can only be reduced after a hearing on the merits of the case. A rate increase case normally takes months of preparation and a hearing before a decision is rendered.

Your Committee believes that for the foregoing reasons, the automatic stay provision when a motion for reconsideration is filed is not necessary and will lead to confusion between the utility statutes and motor carrier and water carrier statutes and lead to ineffective hearing procedures and regulation. Your Committee has replaced the twenty day limitation with a requirement that the Commission act promptly to issue a final determination on a motion for reconsideration and all issues raised therein.

5. In Section 2, 269-(c), the phrase "provided in this section" on lines 18 and 19 have been deleted because the reference to "this section" is incorrect. This phrase was appropriate when 269-(c) was placed within Section 269-16. Section 269-16 expressly provided for a contested case hearing for utility rate increase cases. Since 269-(c) is applicable to all contested cases, this phrase must be deleted.

6. In Section 2, 269-(c), the word "sustained" has been deleted and the word "affirmed" substituted therefore. Also, the word "remanded" has been added. This change was made so that the powers of the court upon review is as provided in Section 91-14(g) of the Administrative Procedures Act.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 1938-78, H.D. 1, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1938-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 640-78 Public Utilities on H.B. No. 1939-78

The purpose of this bill is to require a party in cases involving a water carrier, to file a motion for reconsideration stating all of the points of error committed by the Public Utilities Commission (PUC) in its initial decision prior to taking an appeal to the Supreme Court and to provide an automatic stay for the PUC's order until such motion is disposed of.

Presently, there are no provisions in the water carrier laws allowing parties affected by a decision and order to file a motion for reconsideration or rehearing with the PUC. Your Committee finds that by providing for a reconsideration or rehearing and requiring it prior to a judicial appeal, the PUC is given an opportunity to correct any deficiencies or errors it may have made in its initial decision, and the parties and the PUC are allowed

to concentrate on major areas of disagreement in what usually are voluminous records. Also the moving party is forced to exhaust all administrative remedies and the Supreme Court is assured that the record below is as complete as possible with the issues as sharply defined as possible.

Your Committee is in agreement with the intent and purpose of H.B. No. 1939-78 but finds upon review of the bill that certain technical and other amendments are necessary to permit the PUC to conduct its proceedings in an orderly and uniform manner and consistent with the Rules of Practice and Procedures (hereinafter "Rules") which were recently revised and became effective on February 2, 1978, and for other reasons discussed herein.

The amendments are as follows:

1. In Section 1, 271G- (a), line 6, the word "action" has been deleted because actions are filed with the courts and not with an administrative agency.
2. In Section 1, the term "application" has been deleted throughout and the word "motion" substituted therefor for the reason that the current Rules designate it as such.
3. In Section 1, 271G- (a), line 11, the word "filed" has been deleted and the word "served" substituted therefor. The reason for this change is that the current Rules provide that a person may file his motion for reconsideration or rehearing within ten days after he is served and not from the date the decision and order is filed.
4. In Section 1, 271G- (a), page 1, the last sentence beginning on line 16 and the sentences through line 5 on page 2 have been deleted.

Your Committee sincerely believes that only confusion can arise and lead to ineffective regulation by the Commission should a Commission's order be stayed automatically by the filing of a motion for reconsideration, or rehearing.

Your Committee notes that this bill and H.B. No. 1938-78, H.D. 1 are to provide uniform appeal procedures for parties in water carrier and public utility cases before the PUC. In essence these bills require that a motion for reconsideration must be filed prior to taking an appeal to the Supreme Court. Under existing law, only motor carriers are required to file a motion for reconsideration prior to taking an appeal.

Your Committee further notes that Rule 14-2 of the Commission's Rules now provides that the filing of a motion for reconsideration does not automatically stay a decision and order. If a party desires a stay, a motion for a stay has to accompany the motion for reconsideration stating the reasons why a stay is needed. Rule 14-2 further states that the Commission will act on the motion for stay promptly and if a stay is granted, the stay shall remain in effect until the motion for reconsideration is disposed of. Under this bill, it appears that any decision or order, whether prior to or during a hearing, can be stayed by the filing of a motion for reconsideration. This procedure can lead to an intolerable amount of delays and prevent speedy and efficient hearings.

These procedures which are now part of the Commission's Rules, your Committee believes, are sufficient and reasonable safeguards to any party's rights in a proceeding. We note further that Section 271-32(e) of the Motor Carrier Act expressly provides that the filing of a motion for reconsideration or rehearing does not excuse compliance of the Commission's order.

Your Committee also wishes to point out that both the water carriers and motor carriers have a "file and suspend" method of obtaining rate increase. Should the automatic stay provision of this bill also become applicable to a Commission's suspension order of increased rates, it is possible to have said increased rates take effect even though the Commission's express decision was to suspend the proposed rates until an investigation was completed as to the reasonableness of the proposed increase. The automatic suspension being proposed in this bill, (new rates for water carriers can take effect after 45-day notice to the Commission, unless suspended) could possibly stay a Commission's order so that the rates can take effect and become legal after 45 days, in which case, the rates can only be reduced after a hearing on the merits of the case. A rate increase case normally takes months of preparation and a hearing before a decision is rendered.

Your Committee believes that for the foregoing reasons, the automatic stay provision when a motion for reconsideration is filed is not necessary and will lead to confusion between the utility statutes and motor carrier and water carrier statutes and lead to ineffective hearing procedures and regulation. Your Committee has replaced the twenty-day limitation with a requirement that the Commission act promptly to issue a final

determination on a motion for reconsideration and all issues raised therein.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 1939-78, H.D. 1, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1939-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 641-78 Public Utilities on H.B. No. 1937-78

The purpose of this bill is to establish statutory guidelines aimed at simplifying the procedures for reconsideration or rehearing of a Public Utilities Commission's (PUC) decision and order in a motor carrier matter and insuring that such a motion for reconsideration or rehearing is affirmatively determined by the PUC.

The present reconsideration procedure has certain cumbersome features contained therein and allows the PUC's non-determination of a pending matter to be taken as a final decision thereof. Your Committee is in agreement with the testimony received that, with a full-time commission, a simple procedure that can dispose of a motion for reconsideration or rehearing expeditiously and completely is not only desirable but feasible and essential. Your Committee finds that this bill effectively simplifies the application for reconsideration or rehearing process by deleting superfluous provisions currently in the statute.

Your Committee, however, finds that certain amendments are necessary to preserve the intent and purpose of this bill and to permit the PUC to conduct its proceedings in an orderly and uniform manner and consistent with the Rules of Practice and Procedures (hereinafter "Rules") which were recently revised and became effective on February 2, 1978. Certain technical amendments for purposes of uniformity and clarity have also been made.

The amendments are as follows:

1. In Section 1, 271-32(a), line 5 and line 7, the word "action" has been deleted because actions are filed with the courts and not with an administrative agency.
2. In Section 1, the term "application" has been deleted throughout and the word "motion" substituted therefor, for the reason that the current Rules designate it as such.
3. In Section 1, 271-32(b), page 2, line 3, the word "filed" has been deleted and the word "served" substituted. The reason for this change is that the current Rules provide that a person may file his motion for reconsideration or rehearing within ten days after he is served and not from the date the decision and order is filed.
4. In Section 1, page 2, lines 7 through 13, have been deleted for the reason that your Committee sincerely believes that only confusion can arise and lead to ineffective regulation by the Commission should the Commission's order be stayed automatically by the filing of a motion for reconsideration.

Your Committee wishes to note that H.B. No. 1938-78, H.D. 1 and H.B. No. 1939-78, H.D. 1 before the Senate are bills which are attempting to establish uniform appeal procedures for water carriers and public utilities that are contained in Section 271-32 of the motor carrier law. Under existing law, the requirement of filing a motion for reconsideration prior to taking an appeal is applicable only to motor carriers. To this end your Committee is revising these bills so that the procedures will be uniform.

Your Committee further notes that Rule 14-2 of the Commission's Rules now provides that the filing of a motion for reconsideration does not automatically stay a decision and order. If a party desires a stay, a motion for a stay has to accompany the motion for reconsideration stating the reasons why a stay is needed. Rule 14-2 further states that the Commission will act on the motion for stay promptly and if a stay is granted, the stay shall remain in effect until the motion for reconsideration is disposed of. Under this bill, it appears that any decision or order, whether prior to or during a hearing, can be stayed by the filing of a motion for reconsideration. This procedure can lead to an intolerable amount of delays and prevent speedy and efficient hearings.

These procedures which are now part of the Commission's Rules, your Committee believes, are sufficient and reasonable safeguards to any party's rights in a proceeding. We note further that Section 271-32(e) of the Motor Carrier Act expressly provides that the filing of a motion for reconsideration or rehearing does not excuse compliance of the Commission's order.

Your Committee also wishes to point out that both the water carriers and motor carriers have a "file and suspend" method of obtaining rate increase. Should the automatic stay provision of this bill also become applicable to a Commission's suspension order of increased rates, it is possible to have said increased rates take effect even though the Commission's express decision was to suspend the proposed rates until an investigation was completed as to the reasonableness of the proposed increase. The automatic suspension being proposed in this bill, (new rates for motor carriers can take effect after 30-day notice to the Commission, unless suspended) could possibly stay a Commission's order so that the rates can take effect and become legal after 30 days, in which case, the rates can only be reduced after a hearing on the merits of the case. A rate increase case normally takes months of preparation and a hearing before a decision is rendered.

Your Committee believes that for the foregoing reasons, the automatic stay provision when a motion for reconsideration is filed is not necessary and will lead to confusion between the utility statute's and motor carrier and water carrier statutes and lead to ineffective hearing procedures and regulation. Your Committee has replaced the twenty-day limitation with a requirement that the Commission act promptly to issue a final determination on a motion for reconsideration and all issues raised therein.

5. In Section 1, 271-32(f), the bracket at the end of the subsection (f) has been deleted. The bracket has been inserted at the end of subsection 271-32(d) instead. Since the automatic stay provision has been deleted from this bill, subsections 271-32(e) and 271-32(f) are necessary powers for the Commission and do not detract from the intent and purpose of this bill. Section 271-32(e) provides that if a party files a motion for reconsideration, the party is not excused from complying with the order, decision or any requirement. Subsection 271-32(f) authorizes the Commission, upon review of a motion for reconsideration or rehearing, to amend its decision and order.

6. With the deletion of subsection 271-32(c) and 271-32(d), subsections 271-32(e) have been renumbered accordingly.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 1937-78, H.D. 1, as amended herein, and recommends it pass Third Reading in the form attached hereto as H.B. No. 1937-78, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 642-78 Transportation on H.B. No. 2934-78

The purpose of this bill is to amend section 291-36, Hawaii Revised Statutes, by:

(1) Allowing the carrying of a copy of an annual permit (authorizing excessive vehicle dimensions or loads to operate on roads) in the vehicle, while the original is retained at the place of business;

(2) Deleting the payment of permit fees to the counties; and

(3) Allowing vehicles used in agricultural operations or activities to cross public highways without a permit.

Your Committee has received testimony in favor of this bill from the Hawaiian Sugar Planters' Association and the department of transportation.

Your Committee has adopted the recommendations of the department of transportation and has amended the bill as received by your Committee by:

(1) Requiring the owners of vehicles transporting agricultural products and equipment to construct and maintain structurally suitable pavement sections at each crossing;

(2) Requiring such companies to provide for the cleaning and removal of all debris and mud generated from their operation;

(3) Limiting the maximum length of vehicles transporting agricultural products and which only crosses public highways to 80 feet;

(4) Limiting the maximum length of vehicles, including load, used in transporting agricultural equipment to 100 feet; and

(5) Making certain nonsubstantive grammatical changes and adding the rest of section 291-36 which was omitted.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2934-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2934-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 643-78 Health on H.B. No. 3012-78

The purpose of this bill is to require United States citizens who have resided five or more years in a foreign country, territory, or possession of the United States with high occurrence of communicable diseases to submit an examination report to the Department of Health.

Presently, individuals who are citizens by birth but have lived abroad for several years and individuals who were born abroad but attain citizenship through United States parentage can enter or re-enter this State without going through the visa process which requires a health examination, including a chest x-ray. The Department of Health testified that when these individuals are screened by the department's tuberculosis screening program, the rate of incidents of this communicable disease was found to be similar with that of the immigrants.

Your Committee believes that this bill will help safeguard the health of our people by requiring certain individuals who have lived abroad in areas of high occurrence of communicable diseases to submit a medical examination report to the Department of Health.

Your Committee on Health has amended the bill to require the submission of a tuberculin skin test report to the Department of Health rather than a chest x-ray report. In the event that the skin test is positive, a chest x-ray report shall be required. It is the feeling of your Committee that the skin test is a more appropriate initial screening device in the detection of active cases of tuberculosis.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3012-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3012-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 644-78 Health on H.B. No. 3011-78

The purpose of this bill is to amend the voting requirements for the Hawaii Statewide Health Coordinating Council and Subarea Health Planning Councils so that any decisions of the Councils may be validated by a vote of the majority of the members present at a meeting when a majority of the members who have accepted nomination, and been confirmed and qualified as members are present. The purpose of this bill is also to make a technical amendment to the definition in Section 323D-41(4), Hawaii Revised Statutes, to conform with Section 323D-43, Hawaii Revised Statutes.

Your Committee believes that this bill will expedite the performance of the councils' duties and responsibilities while at the same time, assuring that the interests and needs of the community are adequately represented. Under the existing law there is no provision for a quorum or number of members necessary to take valid action thus the concurrence of a majority of all the members of the council must be achieved.

This voting requirement has led to numerous situations where the majority of the members present at the meeting were in favor of a motion but the motion did not pass because there was no majority vote of all the members of a council. This bill amends Chapter 323D to allow the councils to validate its decisions by a vote of a majority of the members present at a meeting when a majority of the council members are present.

Your Committee on Health has amended H.B. No. 3011-78, H.D. 1 to provide for the advise and consent of the Senate in the appointment of the administrator of the State Health Planning and Development Agency because of the far reaching responsibilities of that position in the implementation of health planning legislation, Public Law 93-641 and Act 159 of 1975.

Your Committee finds that the administrator of the State Health Planning and Development Agency is currently appointed by the Governor. Your Committee finds that Section 323D-11, Hawaii Revised Statutes, should be amended to require the advice and consent

of the Senate to ensure the appropriate qualification of any appointee to the position. The administrator of the State Health Planning and Development Agency, as the chief executive officer of the State's primary health planning agency, implements the certificate of need program which significantly determines the growth and future development of all health programs and facilities in the State of Hawaii.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3011-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3011-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 645-78 Ways and Means on H.B. No. 3039-78

The purposes of this bill are to amend Act 10, Special Session Laws of Hawaii 1977, to make supplemental appropriations for the fiscal biennium July 1, 1977 to June 30, 1979 and to authorize the issuance of bonds.

INTRODUCTION

Your Committee's deliberations in formulating this proposed supplemental budget was characterized by confrontations with economic uncertainties and the harsh realities of limited financial resources.

As a consequence of the slowdown of the Hawaii economy, the State's tax revenues have also fallen off. One year ago, it was expected that the 1977-78 tax revenues would be 10.1% over the 1976-77 level. That projection, however, was subsequently revised downwards by the governor's revenue estimating committee to 8.3%. In terms of actual experience to date, the cumulative general fund tax revenue collected through February 1978 reflects only a 6.1% increase over the same period a year ago.

Serious questions have been raised as to whether the 8.3% projection is a realistic one. It is problematic as to whether it will be attained by the end of June this year.

Given this situation, your Committee has had to scrutinize the administration's proposed supplemental budget closely. Generally, we have found the budget requests to be reasonable and necessary. For the most part, they have been incorporated into this bill.

We have, however, been able to identify areas where budgetary reductions could be effectuated without critically impairing State services. In consultation with the subject matter committees, we have made these reductions in this bill. With the consequent cost savings along with other resources we have been able to identify, we have - again in consultation with the subject matter committees - refocused the 1978-79 fiscal and budgetary priorities of the State. These are reflected in this bill and in various other bills reported out by your Committee.

In this process, we should note that we have been continually mindful of the necessity to monitor the State's revenue outlook and to adjust our expenditure policies accordingly. Should changing conditions in the State's tax revenue outlook develop in the days ahead, it may be necessary to make future revisions in this bill. We are extremely concerned with the importance of maintaining the State's fiscal integrity. We have attempted to address this concern while concomitantly providing the required funds to meet the State's operating needs and priorities.

A NOTE ON METHODOLOGY

In preparing this bill, your Committee has taken a departure from the method used in preparing budget bills in prior legislative sessions.

In the past, the legislature would generally consider the administration's budget request as one unit apart from those programs and budget items deemed important by the legislature which constitute another unit. The budget bill would be accordingly structured so that the administration's budget would be contained in a "program appropriations" part while the legislative items would be in a separate part entitled "supplemental appropriations."

We believe this method of preparing the budget bill has several deficiencies: it creates an arbitrary distinction between executive and legislative programs and priorities; by separating appropriations to given programs in different parts of the bill, it makes it difficult to assess the full scope of a program's total appropriation level; the terminology

used tends to give the impression that the supplemental appropriations part of the bill is of lesser significance than the program appropriations part; in the allocation and expenditure process the supplemental appropriation items tend to experience greater difficulties in getting funds released; it is contrary to the State's planning-programming-budgeting system where a program's total size and activities need to be taken into consideration in the decision-making process.

To correct these deficiencies, your Committee has decided to incorporate the programs and budget items recommended by the Senate into the program appropriations part of the bill. We believe this to be a more meaningful and logical approach.

Insofar as the supplemental appropriations recommended by the House in its draft of the bill, we have basically left this part of the bill intact. We find the items recommended by the House to be meritorious and beneficial to the well-being of the State. However, since the House simply provided a \$5 million lump-sum appropriation for all these items, we are unable to ascertain the amounts to be allocated to each of them individually.

Your Committee has adjusted the \$5 million to \$1 million to facilitate further deliberations with the House on these items in conference. At that time, we anticipate the House to provide more specific details as to their costs.

BUDGET HIGHLIGHTS

The major highlights of this supplemental budget bill, together with our associated expressions of legislative intent and concerns, are as follows:

Economic Development

Aquaculture. Your Committee has provided \$548,000 for various aquaculture research and development projects in the department of agriculture. The amount is a portion of the \$750,000 supplement originally requested for the department of planning and economic development. The transfer to the department of agriculture is consistent with the Senate policy to make it the lead agency in aquaculture. The remaining \$202,000 of the \$750,000 goes to the Anuenue fisheries, department of land and natural resources, for development of the prawn industry.

It is believed that the department of agriculture is the appropriate State agency to coordinate overall research, planning and development of aquaculture since such activities would complement its efforts in agricultural matters. The potential of aquaculture becoming a major new industry for Hawaii is yet to be realized. By focusing responsibility in one lead agency, hopefully, faster progress can be made.

Sugar loans. A \$600,000 appropriation has been provided to assist independent sugar growers with supplemental direct loans to cover deficits through the 1978 crop year. Your Committee understands that this sum will be adequate to meet the immediate needs of these farmers. We are hopeful that the federal government will soon adopt and implement a new national sugar policy which will bring stability and economic viability to a troubled industry.

Energy. The development of Hawaii's energy resources which will eventually lead to greater energy self-sufficiency and economic and social progress is one of the major goals of the Senate this year. It is a central part of our legislative recommendations. As evidence of our commitment to the goals of the Senate, your Committee has provided \$612,600 for energy research and developments projects and - by separate bill - an additional \$3.8 million in related capital improvement projects.

In this bill, your Committee also has provided \$5 million for research facilities to develop alternative energy sources which may be matched with possible future federal and private funds. Specifically, funds have been provided for new facilities for the research and development of the conversion of alga to fuel oil, non-electrical applications to deliver geothermal fluids in Puna, Hawaii, and other alternative energy sources. Funds have been provided for the modification of plant facilities for the production of alcohol from sugarcane and the construction of the Natural Energy Laboratory at Ke-ahole Point, Hawaii for the support of energy research projects.

Kakaako Development Project. Your Committee has provided \$208,645 in general funds for phase I (data collection and inventory), inter-phase I/II (qualitative and quantitative standards), phase II (capacity-constraint analysis) and inter-phase II/III (development of guidelines). The development of Kakaako represents a great potential for the future of central Honolulu. It is the purpose of this project to guide that development in a planned and coordinated manner.

Employment

State Comprehensive Employment and Training Program. Through separate bill, your Committee has provided for a one-year extension of the State Comprehensive Employment and Training (SCET) Program. An appropriation of \$2.5 million has been provided. We were informed by the department of labor and industrial relations that this amount is needed to carry out the phasing out of this program. We understand that the phase out will be accomplished by transferring the enrollees to other federally-funded programs and by natural attrition.

We urge the department to make every effort to see that all SCET enrollees are given counseling and placement assistance.

Health

Emergency Medical Service. It is a matter of great legislative concern that a fully integrated, comprehensive emergency medical services (EMS) system be established and maintained throughout the State of Hawaii. Consequently, your Committee provided supplemental funds to the department of health designed to promote and assist in the development of county EMS systems; in specific, by contracting for emergency ambulance services on Maui, developing a central dispatch on Maui and providing for the statewide maintenance of the MEDICOM system. We have also provided for the extension of the "911" emergency phone system to Maui and Kauai which will greatly enhance the efficiency of the emergency medical services delivery to the residents of those islands.

The Hawaii Medical Association-Emergency Medical Services (HMA-EMS) program, a program nationally recognized for its excellence, has been funded through a grant-in-aid to enable the continuation of the life-saving services which have evolved thereunder during the past years. We are informed that the HMA-EMS program has a good chance to receive additional federal funds in the future so that this grant-in-aid is intended to be a transitional item until the federal funds are available.

Vision and Hearing Screening Program. Your Committee finds that in the past year of its operation, the vision and hearing screening program has demonstrated its effectiveness in identifying sensory deficiencies in Hawaii's school children, and in providing prompt referral and follow-up services for the corrective medical treatment of such deficiencies. Your Committee recommends the continuation of the program for vision and hearing screening as a separate program from the school health services project.

Hospital Care. It is the intent of your Committee to ensure that quality health care services be available in rural communities, especially in the neighbor islands. Your Committee has responded to the vital needs of rural hospitals and has provided additional resources for them. Of particular concern to us were the problems encountered at Maui Memorial Hospital - problems which we believe have been addressed by this supplemental budget.

A capital improvements appropriation of \$2 million has been provided for the planning of a new Hilo Hospital facility to meet the health needs of that community.

Other Concerns. Your Committee notes that the Senate is presently considering the adoption of S.R. No. 313 and S.C.R. No. 85 requesting an audit of Habilitat, Inc. In the hearing on these measures, a number of questions were raised concerning various financial and program practices at Habilitat. Without prejudging the issues involved in these resolutions, we believe the questions raised are serious enough to warrant attention on the part of the department of health and other State agencies when they contract for services with Habilitat. Consequently, we request the agencies to be aware of these questions and take them into account in the course of their negotiations.

Social Problems

Public Assistance. Your Committee recognizes that the department of social services and housing is trying, to the best of its ability, to operate within the amounts appropriated to provide payments for medical services and financial assistance to indigents and medical indigents under the department's public assistance programs. However, the anticipated caseloads, patient loads and payment levels are in excess of the estimates specified in Act 10, Session Laws of Hawaii 1977, First Special Session.

A combination of various factors, many beyond the control of the department, have been identified which have contributed significantly to the alarming increase in welfare costs: liberal eligibility standards for public assistance as mandated by State and federal welfare laws leading to high caseloads; increases in payment levels with increased shelter costs; increases in medical costs, together with increases in hospital, laboratory and prescription

costs; and continued high unemployment rates.

Your Committee fully supports the proposed study of the public welfare program which will be conducted by the legislative auditor's office in fiscal year 1978-79, and is hopeful that the complexity of the public welfare problem will be addressed, and that viable cost containment solutions will be proposed. In addition, we support legislation for the establishment of a Medicaid fraud unit in the attorney general's office, and the hiring of a medical consultant, who, along with two consultants currently in the department of social services and housing, will be able to provide medical expertise in reviewing medical practices and in assisting in the investigation of provider fraud and abuse; the hiring of investigators within the department to investigate welfare recipient fraud and abuse, and to collect overpayments.

Supplemental funds to meet the anticipated deficits in the income maintenance and medical payment programs have been appropriated by your Committee.

Lower Education

Competency Testing. There has been, during this session, a great deal of attention focused on "basic" or "minimum" competency and the means by which student achievement in these competencies would be measured. The department of education is presently engaged in a study to identify areas and levels of learning a student should achieve prior to completing the educational process. It is the means by which the department has proposed to assess a student's attainment of these competencies that has caused concern among legislators, teachers, parents, students, and members of a legislatively established citizen's advisory committee.

These various sources have questioned the need for the department's proposed tests in view of the other achievement tests presently employed; the absence of guidelines on the use of the test results; the potential damaging effect upon the child that might result from a poor test performance; the quality of the test instruments itself; and the rather limited input into the study of school-level personnel. Your Committee finds these criticisms of the project of sufficient severity to warrant an expression of concern on the part of the legislature as to the present conduct and proposed terms of the project. It is your Committee's intent that adequate safeguards be instituted to prevent potential excesses in the administering of competency tests. We have included proviso language for this purpose in this bill.

Special Needs Funds for Individual Schools. The department of education has been provided a \$791,921 appropriation for the special needs of individual schools. This appropriation is based upon a formula of \$1000 per school and \$3.50 per student. Your Committee believes that the funds made available to individual schools under this program during the current school year have been expended prudently and for educationally beneficial purposes. For these reasons, your Committee has once again made these funds available at the current service level. We ask that the department of education continue its monitoring of the expenses during the coming fiscal year.

Special Education. Your Committee has reaffirmed the State's commitment to equal education opportunity by providing additional funds for special education programs in compliance with P.L. 94-142. Testimony received by us indicates that the recent diagnostic activities have resulted in the identification of a number of students requiring special educational efforts, but that after the initial pool of students awaiting diagnosis has been exhausted, the number of students requiring these services will taper off each year. Accordingly, it is our belief that the fulfilling of a portion of the special education needs be through contractual arrangements rather than through the establishment of permanent positions.

Higher Education

Selective Excellence. Your Committee agrees with the university that the university of Hawaii cannot be "all things to all people" and recognizes the need for emphasis on areas in which the university has special competence or potential for excellence. However, with the exception of the possible development of the proposed institute of tropical agriculture as an area of selective excellence, your Committee wishes to express its concern with the progress being made in the implementation of the concept in other areas. Your Committee requests that increased leadership efforts be made in this area.

Tropical Agriculture. Because the economy of the State depends to a large extent on agricultural pursuits, your Committee is in agreement with the university that tropical agriculture is an area in which excellence should be a goal. We are greatly encouraged by the possibility of a large federal commitment towards the development of an institute of tropical agriculture. If this proposal materializes, it will put Hawaii in a position of world

leadership in tropical agriculture. Towards this goal, we have provided funds for a new tropical agriculture facility on the Manoa campus.

Women's Athletics. In recognition of the growing interest in women's athletics, your Committee has provided \$231,250 for the expansion of this program.

Physical Education Facilities. Your Committee has approved \$10.2 million for new physical education facilities at the university of Hawaii at Manoa. In prior years, your Committee has hesitated to approve this project because of questions which were raised concerning its scope, design and usage. In particular, we were concerned that the facilities may not be readily accessible for the use of the general student body for physical education, intramural athletics and recreational sports. However, after holding a joint hearing with your Committee on Higher Education on the Manoa campus where we received testimony in favor of the facilities from university officials and students, we have become persuaded of the desirability of this project. Especially persuasive was the assurance given by the university administration to the students that they would be given expanded opportunities for the use of the facilities.

We were advised by the students that they were satisfied with this assurance.

Your Committee notes that the construction of this facility will necessitate relocation of the ROTC and AFROTC buildings. It is your Committee's position that these buildings should not be relocated to the proposed makai-Diamond Head corner of the quarry area as such a site would be detrimental and disruptive to the ROTC and AFROTC programs. We request the university administration to locate another more convenient site for these buildings.

Student Help. Your Committee also recognizes that with the statutory raising of the minimum wage, the university's current appropriations may be insufficient to maintain the various student employees at the increased salary levels. Thus, your Committee has provided additional funds to ameliorate this problem. Your Committee has also provided funds for improved services at Hamilton library, largely for student help.

Transfer of Center for Governmental Development. Your Committee recognizes the need for staff development and related in-service training programs but finds that presently there are three related in-service training units in State government. To avoid continuation of the duplication of functions, legislation is currently under consideration to transfer the functions of the center for governmental development, with the exception of the legislative internship program, to the training and safety division of the department of personnel services. Your Committee has included appropriate provisos to provide for the orderly transfer of funds should such legislation be enacted.

Culture and Recreation

Parks. Your Committee has provided funds for operation and maintenance of existing State parks and coordinating the acquisition, planning and development of additional parks. Included are funds for 12 park caretaker positions in parks which are newly developed.

Over \$7 million in capital improvement program funds have been appropriated for the enhancement and expansion of our State's park system. This will not only provide for more recreational facilities but also ensure and enhance our open space.

Public Television. Your Committee recognizes the valuable service provided by public television and has appropriated funds for additional staff and for the refurbishment of the television tower in Hilo to improve reception.

Iolani Palace. Funds have been provided for the operations of Iolani Palace which has been restored and is scheduled to be opened shortly to the public for educational, historical and cultural purposes.

Public Safety

Hawaii Crime Commission. Through separate legislation, funds have been provided for the continuation of the crime commission. The commission has proven its usefulness by taking an active role in studying and informing the public of the nature and extent of crime in Hawaii.

Other Programs. Your Committee has provided funds to maintain the current levels of service at the Hawaii Correctional Facility, to expand the furlough program which will allow selected inmates to participate in work and educational release programs; to hire temporary staff to operate the new residential modules which are scheduled for completion

in March 1979, and to operate the Hawaii State Prison Annex which will accommodate low-risk offenders during the construction phase of the new correctional facilities.

Government-Wide Support

Constitutional Convention. Your Committee has appropriated \$1.5 million to the office of the governor to meet the expenses of the 1978 constitutional convention. This appropriation is supplementary to the \$1.5 million provided by the legislature last year. Of the sum appropriated, \$140,547 may be contracted to the legislative reference bureau for the following purposes: \$100,000 for a citizen education program which will provide the public with objective information on the pros and cons of the various constitutional issues and \$40,547 for staff services for the constitutional convention delegates.

It is your Committee's judgment that these funds should be adequate to meet the reasonable needs of the constitutional convention. We are hopeful that the convention will be a successful one and that the amendments and revisions proposed by it will improve and update the basic law of our State.

State Debt Program. Your Committee has been keenly aware of the State's rising debt service costs and the growing number of capital improvement projects for which bonds are authorized but unissued. In recent years, we have made efforts to limit the amount of new general obligation bond authorizations. We believe our efforts have had a beneficial influence in maintaining the State's favorable credit rating.

In this spirit and guided by the cautionary note in the Peat, Marwick, Mitchell and Company report, Review and Evaluation of the State of Hawaii Debt Program, we have restricted the total new net general obligation bond authorizations this year to \$70.8 million. In arriving at this net authorization level, we have in this bill deleted some \$19.3 million in previously authorized projects and - via a separate measure - provided for the lapsing of another \$2.7 million in project authorizations.

Taxation. Your Committee has provided funds and positions for the continued updating of the Hawaii income tax law in conformance with changes in the federal Internal Revenue Code. Through separate legislation, your Committee has recommended enactment of major amendments to the State law to bring about closer conformance. This will hopefully result in greater efficiency, understanding and compliance on the part of State government and also the private sector.

Other Concerns. It is becoming more and more difficult for the average citizen of the State to keep abreast of the expanding range of services which the State provides to assist him in almost any given situation, whether it be in time of need or in attaining compliance with governmental strictures. The average citizen knows little of these services which are available to him, but when he needs a particular service, he wants to know how, where, and when he can obtain that service quickly. Whether his particular need is large or small, of critical urgency or not, permanent or transient, he views it personally as a moment of crisis and expects not only efficient assistance in obtaining such service but assistance which is convenient and readily accessible. This, your Committee believes, he is entitled to receive.

Thus, your Committee feels that it is not enough that government establishes and maintains such services, it must assure that its citizens be made as fully aware as possible of the availability of the services it provides and that assistance in gaining information about, and access to, these services be made in such fashion as to be effective, efficient, and convenient to all who may need them.

To this end, the legislative auditor is directed to conduct a study of the present structure of the State's system or systems for informing the public of the services available to them and for providing assistance in gaining information about, or access to, such services. The legislative auditor shall, in his study, develop and determine the feasibility of alternatives for providing such assistance more effectively, efficiently, and conveniently, if such is found to be needed.

CONCLUSION AND RECOMMENDATION

Your Committee has amended the title of this bill back to its original form which, in our judgment, is a more accurate description of the bill's contents. The bill provides many separate appropriations, not just one.

Your Committee on Ways and Means is in accord with the intent and purposes of H.B. No. 3039-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3039-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 646-78 Ways and Means on H.B. No. 2318-78

The purpose of this bill is to establish a \$1,000,000 ceiling upon the liability of the State in insuring loans made by private lenders to qualified aquaculturalists.

Presently, there is no loan limit under the aquaculture loan program. The Attorney General has ruled that it is possible the aquaculture loan liability could be applied against the debt margin set by the bonded debt of the State and the debt ceiling of the State. Establishment of the liability ceiling would prevent complications with the future funding of general obligation bonds of the State and other funded indebtedness. Additionally, it would assure that a proper loan fund reserve is maintained to guarantee payment of defaulted insured loans.

Your Committee has amended section 2, paragraph (6), of the bill by replacing the term "board" with "department" to make this paragraph consistent with other proposed amendments in the bill. Your Committee has also made other technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2318-78, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2318-78, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 647-78 Ways and Means on H.B. No. 2827-78

The purpose of this bill is to establish a statewide school health services program within the department of health.

Your Committee has amended the bill in various ways. Specific provisions for audiologists and screening technicians have been deleted, and school health aides are required to assist whenever possible in providing hearing and vision screening services. Qualifications for professional nurses which the Department of Health is required to provide to each school health complex are established, to ensure the appropriateness of the background of such personnel.

The composition of the school health services advisory committee has been amended, to provide for representation by allied agencies and organizations most closely related to and interested in school health services. In addition the role of the advisory committee is amended to coordinate, guide, and evaluate the school health services program. In addition, the members of the committee have been authorized to receive reimbursement for necessary expenses incurred in the discharge of their duties.

School health aides' salary provisions have been amended to provide that aides employed for less than full time shall be paid on the basis of the number of hours they work. Further, school health aides' vacation days have been amended to conform to that of their respective bargaining unit, and provision has been made for parallel sick leave allowances.

The bill has been further amended to provide that any person transferred as a result of the bill shall not lose salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege, so that no employee is unduly prejudiced by the bill.

Your Committee has inserted an appropriation of \$503,056 for the school health services program, to provide for its operation until June 30, 1979.

Other style and technical amendments to the bill have been made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2827-78, 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. 2827-78, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 648-78 Ways and Means on H.B. No. 1075

The purpose of this bill is to encourage persons to join and be members of the Hawaii National Guard, and of reserve components of the Army, Navy, Air Force, Marine Corps,

and Coast Guard of the United States of America by providing tuition waivers at campuses of the University of Hawaii.

Your Committee finds that there is an immediate and serious need for more incentive to enlist and remain in the National Guard and reserves. Your Committee also finds that the availability of tuition waivers at the University of Hawaii will provide such incentive. The tuition waivers will also help to maintain the quality of performance of the personnel in these units.

Your Committee finds that these tuition benefits should be supplemental to any other state-funded benefits and should not be applied to deprive a qualified student of such other benefits.

This bill as received by your Committee would extend the tuition waivers to cover junior grade officers, part-time students, and those receiving veteran's educational benefits and include classes taken during the summer session and classes given by the college of continuing education. Although your Committee feels that there is merit to these proposals, it finds that it would not be feasible to adopt them at this time.

Your Committee has amended this bill by:

1. Adding a requirement that the person receiving benefits under this bill not be receiving veteran's benefits;
2. Adding a requirement that the person be a full-time undergraduate student;
3. Adding a requirement that the person be "enlisted" personnel;
4. Adding a provision that the exemption shall be applicable only for the academic year excluding summer session and courses offered by the college of continuing education and public service;
5. Adding a provision that in case of enactment of federal legislation providing for the similar benefits (but less than full tuition coverage), tuition waivers under this bill shall be added to federal benefits to provide for full coverage of tuition;
6. Changing the effective date from on approval to July 1, 1978 to make clear that the Act does not apply to current school year;
7. Defining "resident" as defined by the board of regents under section 304-4, Hawaii Revised Statutes;
8. Making clear that tuition waiver applies in addition to any other waiver authorized by chapter 304;
9. Providing that provisions of Act shall cease to be effective as of June 30, 1981; provided that the state department of defense and the University of Hawaii shall report to the 1981 legislature on effectiveness of Act and suggested amendments or extensions; and
10. Making certain nonsubstantive word changes in style and grammar.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1075, 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. 1075, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 649-78 Ways and Means on H.B. No. 2727-78

The purpose of this bill is to amend chapter 88, Hawaii Revised Statutes, to exclude temporary public service employees paid by the Comprehensive Employment and Training Act (CETA) and hired on or after July 1, 1978, from membership in the State Retirement System. This bill also provides that CETA public service employees who are members of the system on June 30, 1978, will remain in the system unless and until they elect to terminate membership, in which case they will be paid for their accumulated contributions.

Your Committee finds that federal rules and regulations under the Comprehensive Employment and Training Act discourage state and local agencies from having CETA participants as members of their respective retirement systems, although these same rules and regulations allow public service employees' participation in a retirement

system under certain conditions. These conditions, however, are in conflict with those of chapter 88, Hawaii Revised Statutes, the Hawaii State Retirement System. Furthermore, the U.S. Department of Labor has insisted that unless changes are made to the State's retirement system laws which mandate that county and state employees shall be members of the system, then the State may lose certain federal CETA funds.

Your Committee recognizes that a commitment has been made to the U.S. Department of Labor by the State to change the law governing the state retirement system in order to receive CETA funds for this current fiscal year. It is felt that this bill will provide the best answer in resolving the problem at this time.

Your Committee has amended the bill to clarify the intent that the positions affected are temporary public service employment positions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2727-78, 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. 2727-78, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 650-78 Ways and Means on H.B. No. 3045-78

The purpose of this administration bill is to expand the construction grant scope eligibility for water pollution control facilities and plans to include other related projects intended for wastewater reclamation or waste management, in particular, recycling and utilization of wastewater for irrigation or for aquacultural projects requiring high nutrient additions.

Your Committee has amended this bill, based on testimony submitted by the Department of Health, to clarify the intent that continued funding of conventional sewage treatment works authorized under the present statute is not barred by this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3045-78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3045-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Anderson.

SCRep. 651-78 Ways and Means on H.B. No. 2164-78

The purpose of this bill is to establish within the Attorney General's Office, a fraud unit to handle the investigation and, where appropriate, the prosecution of Medicaid fraud cases.

Your Committee agrees with the findings of the Senate Committee on Judiciary that there is an urgent need for the establishment of an investigative and enforcement body to eliminate or minimize fraud in the area of Medicaid assistance. Furthermore, your Committee notes that the federal government, pursuant to Public Law 95-142, will assume ninety per cent of the cost of the unit. This financial assistance, coupled with the incidences of Medicaid fraud, makes establishment of the unit feasible as well as necessary.

Your Committee further notes that the Governor has requested immediate passage of this bill pursuant to the Governor's prerogative under Article VI, section 5, of the State Constitution.

Your Committee has amended this bill by amending section 4 to provide a lapsing date of June 29, 1979 and by making nonsubstantive technical changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2164-78, 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. 2164-78, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 652-78 (Majority) Ways and Means on H.B. No. 1770-78

The purpose of this bill is to appropriate moneys out of the general revenues of the State for the payment of certain tax refunds, judgments, and settlements, and other miscellaneous claims against the State.

Your Committee has amended this bill to provide for an additional 17 claims submitted

by the director of finance totaling \$316,989.42, including a claim for John and Aiko Reinecke of \$253,780.82. The legislature authorized this action by the Reineckes in Act 161, Session Laws of Hawaii 1977, and this award is for settlement of this case which was approved by the court.

Your Committee directs the department of budget and finance, with the cooperation of the department of the attorney general and other interested agencies, to develop guidelines and criteria for claims submitted to the legislature and to submit these guidelines and criteria to the legislature prior to the convening of the 1979 session. Such guidelines and criteria are necessary to assist the legislature in this area.

This bill as amended appropriates the total sum of \$1,062,771.16 representing 60 individual claims for legislative relief pursuant to section 37-77 and chapter 662, Hawaii Revised Statutes. Your Committee recommends that payment of these individual claims be authorized by the legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1770-78, H.D. 1, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1770-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Anderson.
Senators Henderson and Soares did not concur.

SCRep. 653-78 Ways and Means on H.B. No. 2102-78

The purpose of this bill is to provide for improved administrative procedures, eliminate inequities, and provide for the imposition of penalties in relation to the collection of the state vehicle tax and motor carrier gross weight fees.

The bill also provides for penalties in the event there is failure to pay the required fees or taxes, and in addition, sets a vehicle weight tax maximum of \$36 per vehicle. In addition, the bill seeks the refund of all taxes imposed by section 249-33, Hawaii Revised Statutes, for all vehicles with a net vehicle weight of 6,000 or more pounds, and, for 1978 only, of all gross weight fees.

The bill further exempts handicapped persons from certain vehicular weight taxes, to include within the group of handicapped persons eligible for such exemption, people who are blind or confined to wheelchairs, etc., who own the vehicles but who are unable to drive the vehicles themselves.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2102-78, H.D. 2, S.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 654-78 Ways and Means on H.B. No. 2936-78

The purpose of this bill is to amend Section 9, Act 10, Special Session Laws of Hawaii 1977, regarding the limitation for fiscal year 1977-78 for state matching funds for the operation of the Oahu Metropolitan Planning Organization, and the amount of money to be expended to reimburse the City and County of Honolulu for planning work.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 2936-78, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 655-78 Ways and Means on H.B. No. 2937-78

The purpose of this bill is to amend section 279E-5, Hawaii Revised Statutes, to establish a revolving fund of \$50,000 to support the activities of the Oahu Metropolitan Planning Organization (OMPO).

OMPO, the transportation policy coordination and planning agency for metropolitan Oahu, operates on federal, state, and local funds. The federal share is in the form of reimbursements. A problem currently exists where the federal reimbursements are delayed or untimely provided causing OMPO to have periods during which necessary operating funds are insufficient to meet immediate financial obligations. The revolving fund would give OMPO access to moneys during these periods.

The state department of transportation has testified that this bill "...will provide

the means to meet the financial obligations of OMPO operations on a timely basis."

Upon the request of the state department of transportation your Committee has amended the amount established in the revolving fund from \$50,000 to \$30,000. In addition a spelling correction has been made which does not affect the substance of the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2937-78, 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. 2937-78, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 656-78 Ways and Means on H.B. No. 3046-78

The purpose of this bill is to amend section 465-12, Hawaii Revised Statutes, to increase the fee for the examination of psychologists.

Your Committee has made a minor technical change in the bill to conform it to the present statutory section.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3046-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3046-78, S.D. 2.

Signed by all members of the Committee except Senator Anderson.

SCRep. 657-78 Ways and Means on H.B. No. 592

The purpose of this bill is to amend section 235-54, Hawaii Revised Statutes, in order to allow persons who are blind, deaf, and totally disabled an income tax exemption of \$7,000.

In 1957, the income tax law provided a \$5,000 tax exemption to the blind.

Act 90 in 1970 allowed the deaf and disabled a tax exemption of \$5,000.

Your Committee finds that it is in order to compensate for the loss of spending power due to inflation and an increase in tax exemption from \$5,000 to \$7,000 is fair and equitable.

Your Committee received testimony from the Department of Taxation to the effect that it had no objections to the passage of this bill.

Your Committee has changed the effective date from December 31, 1976 to December 31, 1977 and made certain technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 592, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 658-78 Ways and Means on H.B. No. 450

The purpose of this bill is to exempt certain residual pension payments from the inheritance tax when the residual proceeds are payable in periodic installments.

Section 239-9.1, Hawaii Revised Statutes, generally provides that the residual proceeds of pensions, allowances, or stipends made by an employer to a deceased employee's surviving spouse, children, parents, brothers, or sisters in consideration of past services of a deceased person shall be exempt from all taxes imposed by this (inheritance tax) chapter; provided that the exemption allowed under this section shall not apply to amounts in excess of \$30,000.

This bill extends the exemption if (1) residual proceeds are payable in periodic installments over the life of the surviving spouse, children, parents, brothers, or sisters, with no right to commute to lump sum payment, and (2) no residual value to such pension etc. exists upon the subsequent death of the surviving spouse, etc. where such residual value is payable in a lump sum.

Your Committee finds that Act 67, Session Laws of Hawaii 1977, provided for an increase in exemption and new inheritance tax rates on property which passes to the surviving

spouse, direct line beneficiary, and other beneficiaries. Section 3 of Act 67 provided that Act 67 shall apply only to property which passes by will or intestacy after December 31, 1977 and fails to mention other types of property or interests also subject to the inheritance tax. Your Committee finds that this omission is an oversight which should be corrected. Your Committee has amended this bill by providing a new section 2 amending the oversight in section 3 of Act 67 and making this correction retroactive to January 1, 1978.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 450, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 450, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 659-78 Ways and Means on H.B. No. 1911-78

The purpose of this bill is to change the date in certain real property related tax provisions to clarify tax lien and exemption procedures.

Act 157, SLH 1975, made substantial revisions to the real property tax law relating to the schedule of real property assessment functions. One of the changes was a shift in the assessment date from July 1, which is the first day of the tax year, to January 1 preceding the tax year. Revisions to the lien date and the effective date of certain tax exemptions also shifted from July 1 to January 1.

As a result of the change in assessment date, property values are now assessed six months prior to the corresponding tax year in which the tax is actually imposed. It is important to note that the tax is still imposed and collected on a tax year (or fiscal year) basis. Because of this, the lien date should fall within the tax year and should not have been changed in the first place. Similarly, the changes providing for certain properties to become exempt from real property taxes as of January 1 were also incorrect. This bill will move the lien date and the effective date of tax exemptions back to the start of the tax year (July 1).

Your Committee has made a nonsubstantive technical change to conform the language of this bill to the language of the statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1911-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1911-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 660-78 Ways and Means on H.B. No. 1803-78

The purpose of this bill is to amend Act 151, as amended, to continue the State Comprehensive Employment and Training (SCET) component of the State Program for the Unemployed (SPU) until June 30, 1979.

Your Committee finds that the SCET program, designed to provide temporary public service jobs to unemployed and underemployed individuals, has at present approximately 1,100 participants. It is anticipated that by June 30, 1978, approximately 900 participants will be on board. The department of labor and industrial relations proposes to continue reduction of SCET enrollments in fiscal year 1979 through natural attrition and through the placement of SCET participants into employment not supported by the program.

Your Committee has amended this bill by:

- (1) Adding a findings and purpose clause;
- (2) Deleting the appropriations (sections 2 and 3) in the bill as received; and providing for a \$2.5 million appropriation for the SCET program; and
- (3) Rewriting section 4 of the bill as received to clarify its intent.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1803-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1803-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 661-78 Ways and Means on H.B. No. 1917-78

The purpose of this bill is to amend the law relating to the authority and duties of the department of accounting and general services with regard to federal surplus property to conform to amendments of the Federal Property and Administrative Services Act effective on October 17, 1977. The State receives approximately \$1 million annually in surplus property donated by the federal government. This bill would expand the scope of donee agencies eligible to receive federal surplus property.

Your Committee has made certain technical language and style changes to conform this bill with the existing statute and with appropriate style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1917-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1917-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 662-78 Higher Education on H.B. No. 2229-78

The purpose of this bill is to provide tuition waivers to enlisted members of the Hawaii National Guard and the reserve components of the various military services.

Your Committee heard much testimony in favor of this bill as a means of providing an incentive to our youth to enlist and remain in the National Guard and the various reserve components.

While your Committee understands and is in sympathy with the advocates of this bill, your Committee is also fully cognizant of the serious fiscal restraints on the general funds of this State. Therefore, the bill has been amended throughout in order to minimize the financial impact on these funds.

As amended, the bill gives enlisted members of the Hawaii National Guard and United States Army Reserve (deleting reserve members of the other services) undergraduate educational benefits similar to those enjoyed by senior citizens. Since there is no way at the present time to determine the financial impact of this bill, the bill is amended to be limited to two years, after which time the Hawaii National Guard and the United States Army Reserve shall supply the University with the necessary information so the financial impact of these provisions and the desirability of continuing the benefits can be determined.

The full-time degree seeking student qualification has been deleted. Your Committee feels that most of the guardsmen and reservists who would be attracted to these education benefits would pursue their education on a part-time basis.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2229-78, 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. 2229-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 663-78 Ecology, Environment and Recreation on H.B. No. 2293-78

The purpose of this bill is to clarify the authority and responsibilities of the Office of Environmental Quality Control.

Your Committee heard testimony from the Office of Environmental Control and the Department of Health. Both the Office of Environmental Quality Control and the Department of Health reiterated their belief that the function of the former with respect to monitoring of ecological, environmental and social conditions of the State is one of coordination rather than actual monitoring, and that this in fact is what that office is doing.

Both agreed, however, that the present wording of the statute is probably misleading, and therefore at the suggestion of the Office of Environmental Quality Control your Committee has amended subparagraph (2)(b) on page 1, line 14 by deleting the words "Develop a system for monitoring and" and substituting the words "Arrange for and coordinate," and has renumbered the subparagraphs accordingly. For grammatical purposes, your Committee has deleted the word "for" at the end of line 14 and inserted the word "of" after the word "State" on line 15.

Your Committee is in accord with the intent and purpose of H.B. No. 2293-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2293-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 664-78 Judiciary on H.B. No. 491

The purpose of this bill is to hold pupils and their parents responsible for the pupils' acts of vandalism against any public school building, facility, or grounds.

Your Committee feels that this bill is necessary as a deterrent to willful destruction of school property. This bill provides a legal framework for the enforcement of responsibility and restitution on the part of the student and his or her parents.

Your Committee has amended the bill by placing a maximum ceiling of \$2,000 for any monetary restitution.

Your Committee has further amended the bill by setting forth an informal procedure involving the principal in cases involving less than \$100 property damages, together with a right of appeal to the district superintendent. We have also set forth a more formal hearing procedure under Chapter 91 for cases involving more than \$100 but less than \$2,000. Your Committee believes that these procedural provisions are necessary and proper to insure the protection of the rights of the parties.

Your Committee has also inserted a provision stating that the State may elect to bring any action against any person for damages to school properties. It is the intent of the Legislature that this bill, if enacted, shall not preclude or limit in any way the right of the State to pursue claims against any person responsible for damages to school properties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 491, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 491, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 665-78 Judiciary on H.B. No. 1688

The purpose of this bill is to provide for the establishment and operation of the State Law Enforcement Planning Agency by statute as is required by the Federal Crime Control Act of 1976.

The Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, as amended by Section 105 of the Crime Control Act of 1976, Public Law 94-503, requires, as a condition to participating in the Federal Law Enforcement Assistance Administration (LEAA) program, that the various states, by December 31, 1978, create or designate by law a state law enforcement planning agency with responsibilities, among others, to develop and implement a comprehensive law enforcement plan to reduce crime and juvenile delinquency and to administer the LEAA program in said respective states.

This bill will enable the State of Hawaii to comply with the requirements of the Crime Control Act of 1976 and will insure continued Federal funding of the LEAA program in Hawaii.

This bill also insures that the State would not be obligated to take over the funding of the agency and its programs in the event Federal funding ceases.

Your Committee concurs with the findings and conclusions of your Committee on Government Operations and Efficiency as set forth in Standing Committee Report No. 535-78.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1688, H. D. 1, S. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 666-78 Judiciary on H.B. No. 1870-78

The purpose of this bill is to permit and encourage savings and loan associations to utilize alternative mortgage instruments to qualify more residents for residential

mortgage loans and to assist the elderly in meeting living costs while retaining their homes.

Your Committee finds that though the present system of direct reduction mortgages characterized by long-term, fixed rate, amortized mortgage with equal monthly payments, worked well when interest rates were fairly stable and inflation was not a part of every day vocabulary, it fails to serve the needs of many people today. Because personal income has not kept pace with the escalating costs of housing, many people are forced to forego or postpone dreams of owning their own residence since their income level is insufficient to meet the qualifying income ratio.

The alternative mortgage instrument offers attractive potential of rectifying this situation. Such instruments include the concept of graduated mortgage payments, reverse mortgages, and deferred interest plans.

The graduated mortgage payment plan would particularly fit the needs of younger families and individuals. Often, such people find that they cannot qualify for a loan or cannot qualify for the amount needed to purchase the desired residence. Under the graduated payment plan, the monthly payments are not equal over the term of the loan. At the beginning, the monthly payments would be lower than the payments due for an equivalent sum borrowed under a conventional direct reduction mortgage. The amount of the payment would gradually increase until it stabilizes to a constant monthly payment, usually at the end of the fifth year. Because the payments at the beginning are lower, individuals will find it easier to qualify for a loan under this plan, and the anticipated rise in the borrower's personal income is expected to offset the gradual rise in the monthly payments. Since this concept involves the deferring of interest at the beginning of the term of the loan and the charging of interest on the deferred interest, it is necessary to amend Chapter 478, Hawaii Revised Statutes, on interest and usury so that local lending institutions may offer such mortgages.

Another group of people who would benefit from the alternative mortgage instrument are the elderly homeowners who have either no mortgage or a small mortgage balance on their homes. These elderly persons would normally not qualify for a mortgage loan but the reverse mortgage instrument would allow them to borrow on their equity rather than be faced with the alternative of selling their home. Since elderly homeowners are usually on fixed incomes, while living costs increase, this type of mortgage would allow them to supplement their incomes.

The reverse mortgage instrument provides for a mortgage loan to be disbursed in monthly increments with interest charged on disbursements. Each disbursement would be an interest payment to the lender and tax-free income to the borrower.

Families who plan to occupy a particular home for four or five years may wish to use the deferred interest plan. Under the plan, the interest rate charged will be lower than the prevailing market rate with a resulting lower monthly payment. By advance agreement, if the house is sold within a specified time, the borrower will pay the deferred interest plus a fee to reflect the difference between the lower interest rate received and the normal market interest rate for a comparable loan.

In summary, the overall alternative mortgage instrument concept is one of meaningful flexibility to adapt to changing circumstances: graduated payment loans at one end of the scale, deferred interest loans in the middle, the reverse mortgage at the other end, and various adaptations which tailor goals to abilities as appropriate.

Your Committee has amended the bill in several aspects. On page 2, line 12, the words "financial institutions" have been substituted for "savings and loan associations". This amendment clarifies that the intent and purpose of this bill is to permit and encourage all financial institutions in this State to utilize the concept of alternative mortgage instrument.

Your Committee has amended this bill by deleting all references that "an alternative mortgage instrument means a mortgage instrument which contains any graduated mortgage provisions, including but not limited to provisions for adding deferred interest to principal" in Sections 2 and 3 of the bill.

To alleviate apprehensions that the actual effective interest rate on alternative mortgage instruments will significantly vary from those on conventional mortgages. Chapter 402, Hawaii Revised Statutes, was amended by adding a new Section requiring the bank examiner to adopt rules to define and govern the utilization of alternative mortgage instrument. This amendment authorizes the bank examiner to define alternative mortgage instrument. Your Committee has amended this bill by requiring the bank examiner to issue rules and regulations defining and governing the utilization of alternative mortgage

instruments.

As stated earlier, this bill will permit and encourage the utilization of alternative mortgage instruments to qualify more residents for residential mortgage loans. These types of loans are presently being made in fourteen states. Section 478-10, Hawaii Revised Statutes, enacted in 1977, authorized a similar program under the National Housing Act. The time consuming processing, reporting and servicing of the federal program, however, limits the availability of these loans.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1870-78, 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. 1870-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 667-78 Judiciary on H.B. No. 1960-78

The purpose of this bill is to (1) disqualify owners and registrants of both insured and uninsured motor vehicles from assigned claims eligibility; (2) allow the Joint Underwriting Plan or any insurer to whom the claim is assigned, a right of subrogation to the rights of the claimant; and (3) make certain that the no-fault benefits paid to a surviving spouse or surviving dependent are in no way reduced on account of any social security or worker's compensation benefits received.

Your Committee finds that the intent of the Legislature in establishing the Assigned Claims Program was to establish an avenue of last resort for those innocent injured victims who have no appropriate no-fault policies available, such as the hit-skip victim who may not own a car. It was not intended to admit insured individuals who declined to purchase the optional collision or uninsured motorist protection made available to them. This proposed amendment corrects the loophole and clarifies the eligibility requirements of the program.

Your Committee further finds that the proposed amendment allowing the Joint Underwriting Plan the right of subrogation once it has paid no-fault benefits, will alleviate some of the cost burdens currently being absorbed by the plan, inasmuch as there are no premiums being collected to fund the program. The proposal would also create some sanctions against the uninsured motorist and it would aid compulsory insurance enforcement activities by making it as uneconomical as possible for any uninsured motorist.

Your Committee also agrees with the proposed amendment to Section 294-5 which would make certain that no-fault benefits paid to a surviving spouse or surviving dependents are in no way reduced on account of any social security or worker's compensation benefits received.

Your Committee believes that through regular review and re-evaluation of the Hawaii No-Fault Law, the no-fault system will remain relevant and meaningful in protecting the interest and welfare of all concerned.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1960-78, H. D. 1, S. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 668-78 Judiciary on H.B. No. 2319-78

The purpose of this bill is to repeal in its entirety the existing law relating to the county committees on the status of women. The repeal will take effect December 31, 1978.

This bill further provides for the establishment of county committees on the status of women. The membership, function, and optional details of the committees shall be determined by the respective counties.

Your Committee concurs with the findings of your Committee on Intergovernmental Relations as expressed in Standing Committee Report No. 537-78.

Your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2319-78, 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. 2319-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 669-78 Judiciary on H.B. No. 2379-78

The purpose of this bill is to protect purchasers against fraud, misrepresentation and mistake in transactions involving the sale and purchase of artistic prints.

Your Committee concurs with the findings of your Committee on Consumer Protection as expressed in Standing Committee Report No. 561-78.

Your Committee has amended this bill by amending the definitions of "reproduction" and "signed fine print" to read as follows:

"'Reproduction' means a copy of an original print made by a commercial mechanical process which does not require the use of the plate."

"'Signed fine print' means an original print signed by the artist signifying examination and approval by the artist and does not refer to a plate containing the signature of the artist."

Your Committee has also amended this bill for technical reasons without affecting any of the substantive provisions therein. Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2379-78, 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. 2379-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 670-78 Judiciary on H.B. No. 2447-78

The purpose of this bill is to provide the annual update of the Controlled Substances Act and to amend Section 321-198, Hawaii Revised Statutes, by requiring the Department of Health to certify counselors and accredit programs, effective December 31, 1979.

Your Committee concurs with the findings of your Committee on Health as expressed in Standing Committee Report No. 589-78.

Your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2447-78, 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. 2447-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 671-78 Judiciary on H.B. No. 2816-78

The purpose of this bill is to place law enforcement officers and the courts of the State in an effective statutory position to enforce the compulsory insurance requirements of the Hawaii No-Fault Law in order to protect the public as intended under the law.

Your Committee finds that under present law, each county police department is authorized to issue citations for violations of the compulsory insurance requirement in a form and manner approved by the Violations Bureau of the District Court of the First Circuit. However, the Motor Vehicle Insurance Division has found that certain problems exist in the present law which hamper effective enforcement. One problem is that the present law does not specifically authorize police officers to demand production of proof of insurance from a motorist and does not require a motorist to present proof upon demand. Another problem is that the present laws do not provide adequate guidelines to the courts as to the appropriate penalty for violations. The bill addresses itself to these shortcomings in the present law.

Section 2 of the bill mandates the issuance of insurance identification cards by each insurer to its insureds and requires the identification cards to show the name of make and the factory or serial number of the motor vehicle, policy number, names of the insured and the insurer, and the effective dates of coverages including the expiration date. However, insurers of commercial fleets of five or more motor vehicles need not list the make and serial number on the insurance identification card for such vehicles.

Section 2 of the bill also provides for issuance of a certificate of self-insurance by the commissioner of motor vehicle insurance to self insureds.

Section 3 of the bill sets forth the procedures to be followed by district courts in handling alleged violations of the compulsory insurance requirement. The courts are mandated to hear and dispose of such actions expeditiously. Where a person is found guilty of an alleged violation, the mandatory penalty to be imposed are the suspension or revocation of the vehicle's registration or the suspension or revocation of the driver's license of the driver and registered owner of the automobile. These penalties, together with the impoundment of the automobile, would be in addition to any other penalty that the court could impose.

Section 286-116, Hawaii Revised Statutes, which requires driver's licenses to be carried at all times when operating a motor vehicle and to be displayed to a police officer upon demand, is amended by Section 4 of this bill so as to impose the same requirement with respect to insurance identification cards. A citation must be issued whenever a police officer finds a motor vehicle in operation by a driver not in possession of an insurance identification card. Verification of no-fault coverage would result in the dismissal of the charge. The bill also imposes upon police officers the duty to demand of a driver who has been stopped for any reason the production of the insurance identification card. Your Committee amended the bill by clarifying that the driver's license and no-fault insurance identification card must be a valid one.

Section 294-8, Hawaii Revised Statutes, is amended by Section 5 of the bill to require the owner of a motor vehicle to maintain a no-fault policy at all times for the entire motor vehicle registration period. This requirement, together with the requirement that the insurance identification card be displayed upon demand by a police officer, would dispense with the necessity of proving insurance coverage at the time of annual registration, thus relieving owners, motor vehicle registrars and insurance companies of the problems encountered shortly after the initial implementation of the compulsory law.

Section 294-9(c), Hawaii Revised Statutes, is amended by Section 7 of the bill by deleting the requirement that notice of cancellation of the insurance be given by the insurance companies to the chief of police and director of finance. Your Committee is in agreement that the present requirement of notification of cancellations is an exercise in futility without any apparent value.

Section 294-39, Hawaii Revised Statutes, is amended by Section 8 of the bill to establish a minimum fine of \$100 which cannot be suspended for any violation of the compulsory provisions of the no-fault law.

Section 286-26, Hawaii Revised Statutes, is amended so as to require the production of the insurance identification card when the vehicle is presented for safety inspection. The consequence of failing to produce the card is the withholding of the inspection certificate and the sticker.

Your Committee amended the bill by adding a new section to Chapter 294 to provide a penalty for making or knowingly issuing any fictitious or fraudulently altered no-fault identification card.

Your Committee also amended the bill by adding a new section amending Section 286-108, to provide that a driver's license examiner when conducting a road test shall require that the examinee displays a valid no-fault identification card.

Your Committee made an additional amendment to the bill by changing the effective date from January 1, 1979 to September 1, 1978.

Your Committee is in agreement that this bill provides the necessary teeth to the no-fault law enforcement provisions, and will reduce the uninsured motorist population.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2816-78, 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. 2816-78, H. D. 1, S. D. 2.

Signed by all members of the Committee.

SCRep. 672-78 Judiciary on H.B. No. 2895-78

The purpose of this bill is to further clarify the exemption provisions of the attachment and execution laws of the State of Hawaii and, in particular, to clarify that such exemption

provisions apply only to attachment and execution.

Your Committee finds that in 1976, the Legislature enacted Act 136 which substantially revised the exemption provisions of the attachment and execution statute. In reviewing such revision, however, your Committee finds that further clarifications are necessary because of ambiguities that appear in the present statute. This bill was intended to provide the necessary language.

However, your Committee received testimony that this bill, as written, does not fully clarify the existing law. Accordingly, your Committee has amended the following Sections of the Hawaii Revised Statutes contained in this bill:

(1) Sections 651-92 and 651-121, to clarify that the exemption provisions contained therein apply only to attachment and execution. The broad and ambiguous language in the existing statute may be susceptible to misinterpretation which may lead to the application of the exemptions to mortgage, foreclosures, partition sales, and any involuntary sales of real or personal property.

(2) Section 651-64, to clarify that the court is empowered to adjudge the exempt status of property seized as a collateral issue in the action, whether or not defendant gives a bond, and centralizes all powers in the court, and that the prevailing party will be awarded costs including an attorney's fee incurred in the proceeding in which the court determines whether or not the property seized is exempt.

(3) Section 651-91, to clarify the definition of "Head of a Family". Your Committee has amended this bill by including the definition of head of household contained in the Internal Revenue Code of 1954, as amended.

(4) Section 651-92, to clarify the legislature's intent that a person may claim a real property exemption on only one parcel of real property in the State and that no more than one exemption can be claimed on any parcel of real property, and that the exemption shall not apply to mechanics' and materialmen's liens, tax liens, consensual liens created by mortgages and security agreements, and liens created prior to the acquisition of and commencement of residence on the real property.

(5) Section 651-94, to clarify that any division of real property must be in compliance with the applicable State and county land use, zoning, and subdivision laws, to provide an order of priority for the application of proceeds from a sale of divided property, and to define "material injury".

(6) Section 651-95, to provide that any sale of real property under execution is subject to prior liens and encumbrances to be consistent with Hawaii law relating to mortgage foreclosure proceedings, the general rule applicable in judicial sales, and Section 651-94. Your Committee finds that under the existing law the actions taken by a judgment lienor seeking execution may unfairly jeopardize the rights of prior lienors; e.g., first mortgagees.

(7) Section 651-95, to further clarify that the court may order a sale when the appraisal shows that the value of the property exceeds the amount of the exemption, all prior liens, and all anticipated costs. Because your Committee feels that a creditor's right to execute should not be defeated by claims of subsequent lienors or a requirement that his entire claim be satisfied, the value of the property need not be also adequate to cover subsequent liens or the entire amount of the judgment being executed upon.

(8) Section 651-96, to extend the present protection for sale proceeds received by a defendant for his exemption beyond the present six-month period when such proceeds are applied to the acquisition of a new residence.

(9) Section 651-122, to provide that no exemptions for personal property shall apply to attachment or execution issued under a judgment for foreclosure on any security agreement or instrument encumbering personal property.

In addition, your Committee has amended the effective dates of this bill to provide that this Act shall take effect upon its approval except that Sections 11, 12 and 13 of this bill shall take effect on April 15, 1979.

Your Committee feels that this bill is necessary to provide adequate protection to judgment debtors as well as prior lienors and encumbrances of property against which a judgment creditor seeks to enforce his judgment.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2895-78, H. D. 1, as amended herein, and recommends that it pass Third Reading in

the form attached hereto as H. B. No. 2895-78, H. D. 1, S. D. 1.

Signed by all members of the Committee.

SCRep. 673-78 Judiciary on H.B. No. 3049-78

The purpose of this bill is to abolish the office of the State Fire Marshal and to transfer the function of the State Fire Marshal to the respective counties and to place all functions relative to the protection of persons and property from fire with the respective county governments. This bill also provides for the establishment of a State fire council comprised of the fire chiefs of the various counties and the chief of fire prevention bureau of the City and County of Honolulu which shall be responsible for the adoption of a State fire code.

Your Committee concurs with the findings of your Committee on Intergovernmental Relations as expressed in Standing Committee Report No. 581-78.

Your Committee has amended this bill as follows:

1. Delete the sentence: "Each county council may delegate to an appropriate official of the county the authority to make rules not inconsistent with the provisions of the state-wide model fire code adopted pursuant to section 132-3 relating to:" in lines 5 to 9 on page 4 and inserting in lieu thereof the following sentence: "The fire chief of each county may adopt rules not inconsistent with the provisions of the State fire code adopted by the State fire council pursuant to section 132-3 relating to:"
2. Delete the following sentence: "The State fire council shall, after public hearings pursuant to chapter 91, adopt a state-wide fire code which, insofar as is practicable, shall be complementary to and consistent with building and other codes of the respective counties." in lines 10 to 14 on page 6 and insert in lieu thereof the following sentence: "The State fire council shall, after public hearings pursuant to chapter 91, adopt prior to July 1, 1979, a State fire code establishing minimum requirements relative to storage, handling and use of hazardous substances, materials and devices, and to control conditions hazardous to life or property in the design, use or occupancy of buildings and premises which, insofar as practicable, shall complement, augment and be consistent in form and language with the building and other codes of the respective counties."
3. Delete the sentence: "The State fire council may in similar manner amend the state-wide model fire code from time to time." in lines 21 and 22 on page 6 and insert in lieu thereof the following sentence: "The State fire council shall meet annually to review and amend the State fire code."
4. Delete the words: "architect, a licensed electrical engineer, a representative" in line 9 on page 27 and insert in lieu thereof the following words: "architect recommended by the Hawaii Society of the American Institute of Architects, a licensed electrical engineer and a licensed mechanical engineer recommended by the Consulting Engineers Council of Hawaii, a representative".
5. Amend the effective date of the Act to read as follows: "This Act shall take effect July 1, 1979; provided that paragraphs (3) and (19) of Section 2 of this Act shall take effect upon approval."

Your Committee has further amended this bill by making several technical amendments without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3049-78, 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. 3049-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 674-78 Judiciary on H.B. No. 49

The purpose of this bill is to assure public representation on all regulatory boards and commissions within the Department of Regulatory Agencies.

Presently, there are certain regulatory boards and commissions within the Department of Regulatory Agencies all of whose members are persons engaged in the profession regulated by the board. Your Committee finds that it is in the public interest to have persons on a regulatory board or commission who are not professionals regulated by

that board or commission.

Your Committee amended the bill by adding a new section which amends Section 467-3, Hawaii Revised Statutes. By the provisions of the amendment, the membership of the Real Estate Commission will be increased to nine. The amendment also provides that two of the members shall be laymen and that four members shall constitute a quorum to do business.

In addition, your Committee has made grammatical changes; has corrected typographical errors in the bill; and has clarified the language in Section 6, relating to the State Board of Examiners in Naturopathy, and Section 12, relating to the State Board of Registration of Professional Engineers, Architects and Surveyors. The latter amendments will clear up the intent of the proposal to insure lay membership on the prior-mentioned boards.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 49, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 49, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 675-78 Judiciary on H.B. No. 263

The purpose of this bill is to include within the ambit of Section 707-713, Hawaii Revised Statutes, reckless endangering in the first degree, the intentional firing of a firearm which places another person in danger of death or serious bodily injury.

Your Committee finds that in many situations involving the intentional firing of firearms, the elements necessary to constitute attempted murder, a class A felony, was lacking. As a result the courts have classified that crime as recklessly endangering in the second degree which is a misdemeanor. Because of the grave dangers posed by the use of a firearm, your Committee feels that this reclassification to a class C felony is appropriate.

Your Committee has amended this bill for purposes of clarity without making any substantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 263, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 676-78 Judiciary on H.B. No. 617

The purpose of this bill is to amend the Uniform Commercial Code, Chapter 490, Hawaii Revised Statutes, so as to clarify certain technical problems which have arisen. The clarification of these areas is based upon the experience of working with Chapter 490 over the years. These amendments were the joint effort of the Permanent Editorial Board for the Uniform Commercial Code, an adjunct of the National Conference of Commissioners on Uniform State Laws and the American Law Institute.

The official function of the Permanent Editorial Board is to promulgate amendments to the Official Text of the Uniform Commercial Code when it is shown by experience that a particular provision is unworkable, obsolescent or otherwise in need of adjustment.

The following is a brief summary and explanation of the amendments:

(1) One of the areas that was not specifically covered as potential collateral under Article 9 of the Uniform Commercial Code relates to the collateralization of oil and gas rights. It was the intention of the drafters of the Code to include oil and gas at the well head or mine head as collateral which could be used for purposes of securing obligations under the Code and this intention is clarified under the proposed amendments. See for example, Sections 490:1-201, 2-107, and 9-103.

(2) Another provision which finds its way into many of these amended sections is the elimination of the distinction between accounts and contract rights. Initially the drafters of the Code proposed to separate these two concepts, accounts standing for that portion of an account receivable which had already been executed and had therefore given rise to payment and contract rights being the executory or unperformed portion of the contract receivable. Theoretically, either of these rights could be assigned as

security. However, as a practical matter, the account receivable remained a unitary item. Consequently, the contract rights concept has been dropped and the old concept of accounts receivable as a unitary form of collateral has been reinstated by denominating it an account. See for example Section 5-116 and other references throughout Article 9 (e.g. Sections 9-102, 103, 106, etc.) relating to that change.

(3) Section 9-103 has been completely rewritten to clarify the relationship of its several provisions to each and to other sections defining the applicable law. The section now concerns itself exclusively with perfection of security interests and the effect of perfection or non-perfection thereof. The earlier Code has several references to the "validity" of a security agreement. These have been deleted.

Certain rules relating to the manner of perfecting collateral which has been removed from the jurisdiction have been reworked and clarified under Section 9-103.

(4) Section 9-104 clarifies certain matters relating to what kinds of transactions are included or excluded under Article 9. Here the official text of the amendments has been amended so as to include "deposit accounts" as redefined, within the scope of the Code for purposes of Article 9 perfection. With the increasing use of intangible forms of account, a notice method of perfection is suggested where third party accounts are involved. However, in the case of certificates of deposit, there is tangible evidence of the collateral. In the case of certificates of deposit, it is contemplated that these will be perfected in the same manner as "instruments", the method of perfection depending upon whether or not the "instrument" is negotiable.

(5) Section 9-114 will clarify the problems relating to the definition of "consignment" under the Code. One of the difficulties has been whether the transaction is a true consignment or the creation of a security interest. The categorization has a substantial effect on the rights of third parties who may otherwise claim an interest in the inventory of the consignee-debtor.

(6) Certain other technical amendments relate to clarification concerning the time of attachment and/or perfection of security interest including certain determinations with respect to when a financing statement must be filed in the Bureau of Conveyances to so perfect. See for example Sections 9-302, 9-304.

(7) Section 9-305 has been reworked so as to clarify certain ambiguities with respect to when rights in proceeds would arise. Section 9-203(1)(b) of the earlier Code seemed to indicate that proceeds could be claimed by virtue of an express term in a security agreement whereas Section 9-306(2) indicated a virtual automatic security interest in proceeds absent a term indicating a contrary intent. It has now been clarified that the latter position is the only position of the Code.

(8) Section 9-307 protects consumers with respect to their rights to security as buyers in the ordinary course for a period of 45 days. This conforms to certain tax considerations relating to the effective tax liens filed against the same property.

(9) Section 9-312 is clarified with respect to the perfection of certain interests of the Code including the resolution of the question as to who shall have priority between a person claiming accounts as proceeds of inventory and those claiming them by way of a direct assignment. This related to the question of priority between the inventory financier and the first financier in the business cycle of the debtor (i.e., the purchasers of chattle paper). Under the Code as amended the judgment has been made that there is no prior right given to the inventory financier except as to identifiable cash proceeds. Certain other conforming aspects relating to future advances and the like were also promulgated.

(10) Section 9-313 is an attempt to clarify a certain fixture provision relating to real estate financing and real estate titles as they relate to the impact on construction loans and also to clarify the filing provisions relating to the Code filings so they can be found in the regular real estate title search records. One problem which has arisen relates to when the completion of construction is to be ascertained for purpose of determining fixture priorities. Your Committee recommends that the Code Comment setting out standards for determining the completion of construction be added to the official Code Commentary following Section 9-313 to read as follows:

As used in Section (6) it is suggested that "completion of construction" be determined in accordance with normally recognized periods of construction. Consequently, it is suggested that an acceptable standard would be to consider construction to have been completed as of ninety (90) days after the issuance by a responsible county agency of a certificate of occupancy or similar certificate certifying that the improvements have

been completed in accordance with applicable county building and similar standards. Where the construction of improvements does not require the certificate of occupancy or similar certificate, then the "completion of construction" likewise could be determined to be ninety (90) days after an affidavit of publication of notice of completion has been filed in the office of the Clerk of the Circuit Court where the subject property is situated, as provided in Section 507-43(f) of the Hawaii Revised Statutes.

(11) So as to clarify certain aspects with respect to fixture filings, your Committee recommends that the following Code Comment be added to the Comments following Section 9-402:

Exceptions in Section 9-402 provide for simplified fixture filings for transmitting public utilities. Where the debtor is a transmitting public utility the fixture filing does not have to meet the requirements of subsection (5), including the requirement that it contain a description of the real estate and the name of a record owner or record lessee. It is sufficient if it otherwise meets the requirements of Section 9-402, Subsections (1) and (2).

(12) Finally, although there are other technical matters also covered including conforming aspects relating to filings, the aforementioned materials contain the bulk of any substantive change relating to the Code. In addition, it should be noted that under Section 9-505, the notice provisions are changed whenever the secured party, after default elects to return collateral in lieu of sale. So the provision is an effort to clarify what procedures are available for persons objecting to such a method of resolving the obligations after default.

(13) Article 11 is new and is an attempt to clarify certain transition provisions which will obviously be necessitated by the aforementioned amendments. In other words, under Article 9, there are a number of ongoing rights and obligations. What impact, if any, will result from the aforementioned amendments is clarified by Article 11. Essentially whatever rights were available under the pre-amendment provisions of the Code shall remain the same. A pattern which has been generally followed under the Code.

Your Committee made the following amendments to the bill:

(1) Added a new Section 3 amending Section 490:1-201(37). The amendment deletes the term "contract rights" from that Section and is consistent with other amendments made in this bill.

(2) Revised Sections 490:9-313(1)(b) and 490:9-402(5) to conform those Sections with existing Hawaii law.

(3) Deleted subparagraph (6) of Section 490:9-402 because it is duplicative of Section 9-408.

(4) Added Subsections (6) and (7) to Section 490:9-403 because they were inadvertently left out. Various sections of the Code refer to those subsections.

(5) Revised Section 490:9-105(1)(e) by inserting the word, "negotiable", between the words, "a" and "certificate".

(6) Changed the effective date of the bill to July 1, 1979.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 617, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 617, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 677-78 Judiciary on H.B. No. 1838-78

The purpose of this bill is to make it a class A felony to promote sexual abuse of a minor, defined as any person less than 18 years old, by directing, producing, or participating in any material or performance which uses a minor to engage in or assist others to engage in sexual conduct.

Your Committee finds that the use of minors in sexual activities in material and performances is seriously detrimental to the health and welfare of the minor and has become sufficiently widespread to require immediate legislation. Your Committee also finds that this bill as received is too broad in certain circumstances and too narrow in others. For example,

certain key definitions are omitted so that the bill might also lead to prosecution of relatively minor participants, e.g. ushers in a movie theater.

Your Committee has amended this bill:

- (1) Defining "material", "performance", and "minor" (changed to less than 16 years old);
- (2) Defining "disseminate", and making exception for employees of a disseminator other than where the employee is also a shareholder or partner of the disseminator-employer, to preclude prosecution of people such as ushers in a movie theater, truck drivers, etc.;
- (3) Changes the term "sexual abuse of a minor" to "child abuse";
- (4) Adds provision that the person know, "or have reason to know" of the character and content of the material and performance to require a person to investigate and ascertain such character and content under certain circumstances;
- (5) Changes the offense from where one "produces, directs, or participates" to "produces, directs, or participates" and also where one "disseminates", making separate classes and penalties for dissemination (class C felony--promoting child abuse in the second degree) and for participating, directing, or producing (class B felony--promoting child abuse in the first degree);
- (6) Defines "sexual conduct" in terms of masturbation, bestiality, homosexuality, lesbianism, deviate sexual intercourse, sexual intercourse, and sadomasochistic abuse;
- (7) Creates prima facie evidence that the person who engaged in the conduct did so with knowledge and that if the minor was in fact a minor, this is prima facie evidence that the person knew him to be a minor;
- (8) Requires such acts to be for compensation since these problems appear to be in commercial exploitation of children.

This bill places the offense under chapter 707 of the Hawaii Revised Statutes relating to offenses against the person rather than chapter 712 relating to pornography since this bill is directed toward action which involves sexual conduct by a minor and does not attempt to define the offense in terms of pornography. This bill makes it a criminal offense to engage in such conduct where the material or performance involves a minor engaging in sexual conduct whether or not the material or performance is also pornographic.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1838-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1838-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 678-78 Judiciary on H.B. No. 1876-78

The purpose of this bill is to conform the definition of "child" in the Uniform Probate Code to Chapters 578 (Adoption), and 584 (Uniform Parentage Act), Hawaii Revised Statutes.

Under Section 578-16, Hawaii Revised Statutes, an adopted child is considered to be the natural child of the adopting parent or parents for purposes of intestate succession and cannot inherit intestate from the former legal parent. This is consistent with the theory that adoption cuts off the rights of the former legal parent, who is usually the natural parent.

However, the Uniform Probate Code states that the child can inherit from both the former legal parent and the legal parent who married the adopting parent. To cure this inconsistency, this bill amends the Uniform Probate Code to conform to the philosophy that adoption cuts off the legal rights and responsibilities between the former legal parent and the child who is adopted. Thus, neither the child nor the former legal parent can inherit from each other.

The bill also provides that in all other cases, a person is considered the child of those persons specified in Section 584-1, Hawaii Revised Statutes. This language clarifies what is existing law. Only legitimate children and those who are later legitimized

or acknowledged by the father may inherit from the father intestate.

Your Committee has amended this bill by removing the brackets in lines 7 and 11 on page 1 and delete the words "those persons specified in section 578-16" in lines 11 and 12 on page 1. The word "either" is deleted in line 11 on page 1 and the following word "that" is inserted in lieu thereof. This amendment should clarify any confusion that may be engendered by the reference within Section 578-16, Hawaii Revised Statutes, to the Uniform Probate Code.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1876-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 1876-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 679-78 Judiciary on H.B. No. 1879-78

The purpose of this bill is to decriminalize traffic offenses, other than those of a serious nature, to the status of violations.

By decriminalizing all but serious traffic offenses, the bill reserves the criminal penalties of imprisonment, probation and restitution for traffic offenses such as those concerning accidents involving death, personal injury or property damage, failure to give information and render aid, false reports, improper overtaking and other offenses enumerated in Section 291C-161(c).

Criminal penalties for lesser traffic offenses are harsh and unnecessary since the court may fine the violator. In addition, the imposition of criminal penalties for lesser traffic offenses contributes substantially to overburdening the court system.

The bill as introduced provided for the decriminalization of only the Statewide Traffic Code. In recognition of the fact that there are traffic statutes outside of the Code, your Committee has accordingly amended the bill to bring those sections within the rationale of the bill.

Accordingly, your Committee has amended Section 286-128(m) to delete provisions related to a jail term. Sections 286G-3, 291-23, and 291-24, have been accordingly amended.

Section 291C-23 relating to "obedience to police officers" has been reclassified as a misdemeanor.

Section 291C-22 has been repealed as the misdemeanor provisions within that section do not conform to the rationale of decriminalization.

Your Committee has also inserted the word "judge" for "magistrate" since the district court judicial officer is now a judge.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1879-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 1879-78, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 680-78 Judiciary on H.B. No. 1884-78

The purpose of this bill is to simplify procedures for giving of notice in probate and garnishment proceedings.

Under existing law notice may be given by first class mail, postage prepaid. If the person to whom notice was mailed does not appear as scheduled or acknowledges receipt of notice in writing, then by personal service or delivery. If notice cannot be effected in the above two circumstances, notice may be made by publication in a newspaper of general circulation at least once a week for three consecutive weeks, the last publication to be at least ten days before the time set for either the hearing or registrar's action.

Your Committee has amended this bill to provide for more flexibility in the giving of notice. This bill provides that notice may be given by any method by which the person entitled to notice receipts for a copy. The requirements of a receipt provides

the evidence for the delivery of notice. Thus, one may send notice by first class mail, postage prepaid, with an enclosed receipt and a self-addressed stamped envelope which is to be returned by the recipient with the receipt within. Certified or registered mail, return receipt requested, may be used. Personal service or delivery may also be utilized. Thus, the person giving notice is afforded the flexibility in the method of notice he desires to use. If notice cannot be effected by any of these methods, then publication must be used.

Your Committee has amended this bill to provide that notice shall be given to the parent or guardian if the person receiving notice is a minor or incapacitated person.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1884-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 1884-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 681-78 Judiciary on H.B. No. 2087-78

The purpose of this bill is to provide the courts with authority to impose conditions on an individual who is released on bail.

Your Committee finds that in appropriate cases, the courts should be given authority to impose conditions on bail releases, and to impose sanctions for wilful violations of those conditions.

Your Committee has amended this bill by including a new paragraph (5) to provide that the court may impose any combination of the listed conditions.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2087-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2087-78, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 682-78 Judiciary on H.B. No. 2094-78

The purpose of this bill is to amend the Hawaii Administrative Procedures Act by providing that the party initiating the proceeding shall have the burden of proof, including the burden of producing evidence as well as the burden of persuasion. The degree of quantum of proof shall be a preponderance of the evidence.

Presently, in contested case proceedings before the various State regulatory boards, commissions, and agencies, it is not clear who has the burden of proof and what the quantum of proof is required to carry the burden. As a result, the various bodies have adopted requirements that are not uniform. This bill adopts the same standards found in the Federal Administrative Procedures Act and clearly places the burden of proof, including the burden of producing evidence and the burden of persuasion, on the party initiating the proceeding. The degree or quantum of proof shall be a preponderance of the evidence.

Your Committee has amended this bill by inserting the phrase "Except as otherwise provided by law," in line 14 on page 2.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2094-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2094-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 683-78 Judiciary on H.B. No. 2312-78

The purpose of this bill is to increase the jurisdictional limit under the probate code procedure which permits collection of debts owed to a decedent or personal property of the decedent upon the presentation of a death certificate and an affidavit by anyone claiming to be a successor of the decedent. Your Committee agrees that usefulness of the procedure has been limited by inflation and feels that this bill provides a more practical dollar limitation.

Under existing law the affidavit requires a statement that the net value of the decedent's estate be less than \$100. Your Committee has amended this bill to provide for a figure of \$500 as the jurisdictional limit for collection of debts or personal property by way of an affidavit.

This bill increases the jurisdictional amount for estates where circuit court clerks are authorized to collect and distribute assets of a decedent's estate from a sum not exceeding \$700 to a sum not exceeding \$2,000.

Upon further consideration, your Committee has amended this bill to provide for certain technical changes to the Uniform Probate Code.

Section 560:1-201, Hawaii Revised Statutes, has been amended to clarify that a person's status as an interested person ends when he does not have an interest in the estate. For example, when a creditor receives his compensation, his status as an interested person ends. Therefore, it is not required to send any notice to him.

Section 560:2-201, Hawaii Revised Statutes, is amended to provide that real and leasehold property situated within the State shall vest in accordance with the laws of the State. Section 560:2-201 provides that the right of the surviving spouse to an elective share is governed by the decedent's domicile at the time of death. Since the decedent may die in a state that provides for dower and curtesy or community property, this provision poses problems in the conveyancing of real property in Hawaii. Since one cannot predict where the seller will die, the spouse of the seller must always relinquish, during conveyancing, any rights the spouse may have by operation of law. If the spouse does not do so, a cloud on the title will exist. By this amendment conveyancing problems should be lessened since the surviving spouse's interest in real and leasehold property will be determined by the right to elective share rather than the laws of whatever state is the domicile of the decedent at the time of death.

Section 560:2-401, Hawaii Revised Statutes, is amended to clarify that the \$5,000 homestead allowance may be taken in cash or property.

Section 560:2-504, Hawaii Revised Statutes, is amended to provide that the affidavits of the witnesses to be used for the self-proved will shall be in substantially the form and content as provided for in the statute. The current languages could present problems in proving wills if the witnesses are unavailable and the affidavit differs only slightly from the statutorily provided affidavit.

Section 560:3-204, Hawaii Revised Statutes, is amended to provide that the demandant of notice of any order or filing pertaining to a decedent's estate shall pay for the costs of reproduction copies so demanded.

Section 560:2-801, Hawaii Revised Statutes, is amended to correct an inadvertent omission that occurred during the enactment of the Uniform Probate Code. The Uniform Disclaimer of Property Interest Act was repealed and its provisions were included within Section 560:2-801. Unfortunately, provisions related to renunciation of property or interest acquired by nontestamentary instruments or contracts were not included in the Uniform Probate Code.

The time for renunciation was increased from six to nine months to conform to the provisions of the Internal Revenue Code.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2312-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2312-78, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 684-78 Judiciary on H.B. No. 2611-78

The purpose of this bill is to further improve and modernize selected provisions of the Hawaii Corporate Law.

The bill adds a section to permit the directors and committees to meet by telephone conference call unless prohibited by the corporation's articles of association, charter, or bylaws. This change was adapted from the Model Business Corporation Act and is consistent with modern communication practices. It permits convenient and expeditious action by a board of directors, some of whose members may reside on another island or on the mainland.

The bill amends Section 416-23, having to do with amending corporate charters and articles, by eliminating filing with the Bureau of Conveyances as a prerequisite to the effectiveness of corporate name changes. The combined operation of the filing requirements of the Department of Regulatory Agencies and the Bureau of Conveyances, and the Bureau of Conveyances' recording policies, makes it difficult if not theoretically impossible to complete and document a name change on the same day. This problem has reportedly caused difficulties in major corporate merger and financing transactions.

The bill amends Sections 416-64, 416-65, and 417-4, Hawaii Revised Statutes, by adding provisions to conform stockholder voting requirements for the approval of increases in capital, reductions in capital and mergers to the voting requirement for the approval of corporate dissolutions contained in Section 416-121. The amendments eliminate the requirement that stockholder action be authorized by each separate class of stock.

The bill further amends Section 416-91, Hawaii Revised Statutes, to expressly permit directors or managers to authorize the payment of dividends from other than profits and earned surplus, even if a capital surplus would be created and the corporation is not dissolved pursuant to Section 416-121, if such payment is pursuant to plan of complete liquidation adopted by the stockholders and all of the assets are distributed within twelve months of the adoption of the plan. The proposed amendment conforms to Sections 333 and 337 of the Internal Revenue Code.

Your Committee, after careful review, made the following amendments:

1. Added a section providing for the appointment of a provisional director in appropriate situations. Your Committee finds that a corporation with an even number of directors in some instances may suffer irreparable harm if the directors are deadlocked in voting. By establishing a procedure for appointment of a provisional director in those situations where a corporation has an even number of directors and the directors are deadlocked, the possibility of the corporation suffering irreparable harm is reduced. It is not contemplated that an application for a provisional director will be filed in those instances where one shareholder owns more than 50% of the issued and outstanding shares of voting stock of the corporation.

2. Adding a section providing for the appointment of directors by an appropriate circuit court in appropriate situations. The amendment will permit an appropriate circuit court to appoint directors in situations, where a corporation has not issued shares and all the directors resign, die or become incompetent, and a creditor of a corporation files a petition.

3. Adding provisions amending Sections 416-4, 416-11, 416-18 and 416-81, Hawaii Revised Statutes, and repealing Section 416-15, Hawaii Revised Statutes. The amendments will: (a) reduce the amount of directors a corporation must have to one; (b) reduce the number of required resident directors to one; (c) reduce the number of required incorporators to one; (d) permit a corporation to have one person serving as a President, Vice President, Secretary, and Treasurer of a corporation; (e) reduce the number of members or stockholders who have to make application to a court for an order to call a meeting. Your Committee finds that businesses are sometimes attracted to a state because of the simplicity of doing business therein. Your Committee finds that these amendments will make it simpler to do business in this State through a corporation.

4. Deleted the section relating to director conflicts of interest.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2611-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2611-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 685-78 Judiciary on H.B. No. 2893-78

The purpose of this bill is to allow a police officer who issues a citation in lieu of an arrest pursuant to Section 803-6, Hawaii Revised Statutes, to subscribe to the complaint under oath administered by any police officer whose name has been submitted to the prosecuting officer and who has been designated by the chief of police to administer the oath.

At present this procedure is authorized only when a complaint results from issuance of a traffic summons. In other cases, the complaint must be subscribed to under oath before a prosecuting officer.

Your Committee finds that by implementing the procedure set forth in this bill, police officers will be able to devote their time to more productive endeavors.

Your Committee has amended this bill for purposes of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2893-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2893-78, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 686-78 Judiciary on H.B. No. 2894-78

The purpose of this bill is to amend the existing law by allowing a police officer who issues a summons or citation to subscribe to the complaint under oath administered by another police officer whose name has been submitted to the prosecuting attorney and who has been designated by the chief of police to administer the oath.

Your Committee finds that the existing law does not make any provisions for a police officer issuing a summons or citation in lieu of an arrest to subscribe to the complaint under oath administered by another police officer as is currently allowed where a complaint results from the issuance of a traffic summons. As a result, a police officer shall, after issuing such summons or citation, locate a prosecuting officer and subscribe to the complaint under oath administered by the prosecuting officer. Your Committee finds that because of the remoteness of some of the areas covered by the police and the variation in hours of assignment, the procedure authorized under this bill will make more efficient use of the police officer's time on duty.

Your Committee has amended this bill for purposes of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2894-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2894-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 687-78 Judiciary on H.B. No. 3060-78

The purpose of this bill is to improve the functioning of the medical claim conciliation panel by (1) allowing any licensed attorney to be a member thereof; (2) creating a separate panel for each case filed; and (3) increasing the number of days from the completion of a hearing in which such panel must file its decision.

Your Committee finds that under the existing law the attorney member of the medical claim conciliation panel must be an "active trial attorney". However, since the phrase is not operationally defined, the number of attorneys who could be called upon to serve would be severely restricted if it is interpreted to mean an attorney who spends all or most of his time in trial work. Accordingly, this bill would eliminate the requirement that the attorney member be an active trial attorney.

Your Committee recognizes that the attorney member of the medical claim conciliation panel should have some practical experience in trial work. An attorney experienced in trial practice would be familiar with the many practical problems involved in the trial of medical claims and would therefore be able to greatly aid the work of the panel.

Your Committee has amended the bill by adding the requirement that the attorney be experienced in trial practice. This amendment will increase the number of attorneys who may be called upon (since many attorneys are experienced though not necessarily active in trial work), and at the same time will restrict the attorney pool to those with the necessary practical trial experience.

With respect to creating a separate panel for each case file, the existing law provides for a panel to serve for one month and to hear all cases brought before it during that month. Your Committee finds that it is unrealistic to expect one panel to hear all cases to come before it during a month given the fact that the number of cases filed within that period are relatively large and that members are unpaid volunteers. Accordingly, this bill will spread the work load by providing for a separate panel to be formed for each case filed.

With respect to increasing the number of days within which a panel must file its decision, the existing law requires a panel to file its decision within 15 days after the completion of the hearing. Your Committee finds that given the fact that panel members serve on a part-time basis and have their own busy schedules and that parties may be allowed a week after the hearing in which to file memorandums, it is unrealistic to expect a panel to render a decision within 15 days. Accordingly, this bill will increase the time period to 30 days which your Committee feels is a more reasonable time.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3060-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3060-78, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 688-78 Housing and Hawaiian Homes on H.B. No. 1987-78

The purpose of this bill, as referred to your Committee, is to amend the provisions of chapter 516, Hawaii Revised Statutes, Residential Leaseholds, to extend the applicability of the chapter to leases made prior to June 24, 1967, which are of thirty-five years or more, and to leases made after June 24, 1967, which are of twenty years or more. Presently, the chapter applies to leases made before June 24, 1967, which are of more than thirty-five years, and to leases made after that date which are of more than twenty years.

Your Committee has amended this bill to streamline the administrative procedures of the Hawaii Housing Authority under chapter 516. Major substantive additions include the following:

(1) Guidelines have been established for deposits to be made for lessees desiring to purchase their lots in fee simple.

(2) The definition of "owner's basis" has been amended to specify how one of the alternative valuation formulas is to be selected in the instance of a particular development tract; furthermore, a court, arbitration panel, or jury determining that neither of the statutory formulas fits a particular set of circumstances, may apply an alternative formula consistent with real estate appraisal techniques. Formula "A" for figuring the owner's basis has also been amended by setting the discount rate as that prevailing in the community.

(3) Development tract designation procedures have been amended by providing that, where all or part of a tract was previously designated by the Hawaii Housing Authority, lessees in the same area can obtain designation based on a petition of 10 lessees or 50 per cent of the lessees of the remaining leasehold lots in the tract, whichever is the lesser.

(4) Section 516-28 has been amended to provide that the restrictions on the disposition of lots not be applicable where no State funds are used. The section has also been amended to permit more than one lot to be transferred by the Hawaii Housing Authority to an entity organized by lessees to facilitate fee simple ownership.

(5) Section 516-33, which delineates qualifications for prospective purchasers, has been amended to provide that where no State funds are used, the prospective purchaser need not be a resident of the State and have a bona fide intent to reside in the lot, and may own other fee simple residential property in the county.

(6) Persons with contracts to purchase leasehold improvements and long-term residential lease lot under an agreement of sale would be permitted to apply to the Hawaii Housing Authority for inclusion in a development tract designation.

(7) The provision regarding deposits by lessees has been expanded and recodified into a new section.

Your Committee feels that these amendments will facilitate administration of chapter 516, Hawaii Revised Statutes, and consequently assist more lessees in becoming fee simple homeowners.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1987-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1987-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 689-78 Housing and Hawaiian Homes on H.B. No. 2054-78

The purpose of this bill is to require the tenant, in any legal dispute over the payment or nonpayment of rent, to pay into a court administered special fund any rent as it becomes due pending final determination of the dispute.

Presently, if a dispute regarding the payment or nonpayment of rent arises and the tenant refuses to pay all rents, a landlord has no recourse but to commence lengthy eviction proceedings. However, eviction proceedings will not compensate the landlord for the rent accrued since, as a practical matter, at the end of the proceedings the landlord would gain possession only. For one reason or another, the rent monies would not be available to the landlord.

Your Committee finds that this bill would give Hawaii's courts the power, in any lawsuit where the payment or nonpayment of rent is an issue, to order at the request of either party that the tenant make rental payments into a fund. When a final decision has been reached, the rental moneys paid into the fund would be distributed by the court accordingly.

In order to effectuate the purposes for which this fund is established, your Committee has amended this bill to provide that if the tenant is unable to comply with the court's order in paying the full amount of rent in dispute into the court, the landlord shall have judgment for possession and execution shall issue accordingly.

Your Committee has further amended this bill to clarify the defendant's right to file a counterclaim in the event that a suit is filed regarding the disposition of a security deposit, and to require that the counterclaim be heard by the judge assigned to hear landlord tenant matters in order to insure consistency, expertise and the saving of time.

In order to insure that cases involving rental agreements subject to the landlord tenant code are resolved as expeditiously and inexpensively as possible, your Committee has further amended this bill to provide that such cases will be heard and determined without the intervention of a jury.

Your Committee has also amended Section 1 of this bill to conform to these new amendments.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2054-78, H.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2054-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 690-78 Housing and Hawaiian Homes on H.B. No. 2499-78

The purpose of this bill is to extend the period of written notice of a rent increase required to be given by a landlord to his tenant before such a rent increase can be effectuated.

The present law provides that in a month-to-month tenancy, a landlord is prohibited from increasing the amount of rent without giving written notice thereof 28 days preceding the end of such tenancy. This bill increases the notice period from its current 28 days to 45 days prior to the effective date of the increase.

The law presently is silent as to rent increases in tenancies of less than month to month. This bill provides for the giving of notice for 15 consecutive days before any rent increase can become effective.

The Office of Consumer Protection pointed out in testimony before your Committee that a landlord may attempt to use the notice of termination as a threat or bargaining tool to increase rent and thus evade the purpose and intent of this bill. Your Committee has therefore amended this bill to provide that any notice of termination initiated for the purposes of evading the obligations of the landlord under subsections 521-21 (d) or (e) shall be void.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2499-78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2499-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 691-78 Housing and Hawaiian Homes on H.B. No. 2765-78

The purpose of this bill is to permit a landlord to post notice on the dwelling unit of the tenant if the tenant cannot be personally served.

Under the present law, the landlord cannot initiate a summary proceeding or other action for possession unless the tenant is served with notice informing the tenant that the rental agreement will be terminated if the rental payment is not made within a specified time. Your Committee finds that the law places the landlord in an inequitable situation by allowing the non-paying tenant to cause economic losses by simply avoiding service of notice.

In testimony it was pointed out that similar problems exist for landlords regarding the receipt of notice under section 521-69 Landlord's remedies for tenant's waste, failure to maintain, or unlawful use. Your Committee has therefore amended this bill to include a similar provision allowing the posting of notification for this section.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2765-78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2765-78, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 692-78 Economic Development on H.B. No. 2173-78

The purpose of this bill is to set forth the Hawaii State Plan that shall serve as a guide for the future long-range development of the State of Hawaii; identify the goals, objectives, and policies for the State; provide a basis for determining priorities and allocating limited resources, such as public funds, services, manpower, land, energy, water, and other assets; and assure the coordination of state and county plans, policies, programs, projects, and regulatory activities.

The Hawaii State Plan, as set forth in the bill, was formulated pursuant to Chapter 225, Hawaii Revised Statutes. It is the further purpose of this bill to establish a structure for policy formulation and program coordination to provide for a proper coordination of all state and county programs. Implementation provisions of the bill are designed to carry out statewide guidelines presented in the form of the overall theme and goals, objectives, and policies.

In formulating the plan, public informational workshops were held in 1976 and 1977 on each island; public hearings were held on each island in 1977; and a survey was conducted in 1976 to assess the attitudes of the people of Hawaii.

Your Committee held a public workshop and public hearing on this bill and received testimonies that such a State Plan was desirable and necessary for the well-being of our State. Your Committee has amended this bill to address the concerns voiced by the Department of Planning and Economic Development, other state agencies, the counties, and other interest groups. Specifically, your Committee has made the following amendments:

1. A definition for the term "county development plan" has been added to page 4, line 20 of the bill to insure clarity.
2. Page 8, line 7, of the bill was amended to require the director, in consultation with the advisory council, to adopt administrative guidelines in accordance with Chapter 91 by June 30, 1979.
3. Page 9, line 3, of the bill was amended to require the director to provide recommendations to the mayor of each county, in addition to the governor, on any difference between the state plan, priority directions, county general plans, state functional plans and state programs, to facilitate the resolution of any such differences.
4. Page 9, line 15, of the bill was amended to further require the director to complete a review of Chapter 225 every fourth year and within one year thereafter, submit a report of said review to the Legislature.
5. Page 9, line 21, of the bill was amended to prevent the director of Planning and Economic Development from serving as chairman of the advisory council inasmuch as the latter body is to advise the director and your Committee finds that it may be incongruous and possibly stifling discussion for said body to advise its chairman, if the director were appointed chairman.

6. Page 10, line 11, of the bill was amended to require the public members of the advisory council to be nominated by the mayor of each county with the advice and consent of its respective county council.
 7. The role of the advisory council was amended on pages 11 and 19 to expressly provide that the advisory council may, with or without the concurrence of the director, make recommendations to the Legislature for amendments to Chapter 225 as it determines are required.
 8. Page 12, line 18, of the bill was amended to give the advisory council the added function of reporting directly to the Legislature, any unresolved conflict between a state functional plan and a county general plan, on an item by item basis, for appropriate action by the Legislature.
 9. In regard to the priority directions provided for on page 12 of the bill, your Committee agrees with the amendments made by the Committee on Ecology, Environment and Recreation regarding the deletion from H.B. No. 2173-78, H.D. 3, of the priority directions and requiring the adoption of the same by concurrent resolution rather than by statute. However, your Committee feels that inasmuch as the priority directions have not had the same citizen input as the State Plan, nor public hearings held in each county, and the respective county councils have not had an opportunity for input, it may be premature at this time to adopt priority directions. Nevertheless, because the State Plan lacks the specificity necessary to make it a meaningful document, it is the recommendation of your Committee that priority directions be adopted by this session of the Legislature, effective May 1, 1979, thus giving the next Legislature an opportunity to amend the priority directions, as adopted, after receiving the benefit of input from the public and the various county councils.
 10. Page 14 of the bill was amended to provide that the county general plans should, to the maximum extent possible and in accordance with charter and statutory provisions, contain certain enumerated objectives and policies, and implementation priorities to carry out said objectives and policies. Your Committee feels that the inclusion of said objectives and policies and implementation actions in the county general plans is necessary to fulfill the objectives of the State Plan, however, your Committee was concerned that a mandatory direction for the inclusion of the same in the county general plans could in some instances violate existing charter and statutory provisions.
 11. Page 16a was amended by the inclusion of a new subsection (e) requiring the functional plans for agriculture, housing and transportation be submitted to the Legislature prior to the 1979 session and the remaining functional plans required by Section 225-8(a) be submitted prior to the 1980 session. Also, in regard to functional plans, your Committee notes that the establishment of any advisory committee should not duplicate the functions of any existing advisory body, such as the Oahu Metropolitan Planning Organization.
 12. The objective and policies in planning the State's population on pages 23 and 24 of the bill have been amended to provide that the objective is to "guide" rather than "direct" population growth along the guidelines set forth in the chapter. Further, the two subparts beginning on line 19 of page 23 have been deleted. In their place has been included the following:

"Manage population growth statewide by providing increased opportunities for Hawaii's residents to pursue their physical, social and economic aspirations which shall recognize the unique needs of each county."
 13. Page 53 of the bill was amended by the inclusion of a policy statement and objectives for planning the State's fiscal management.
 14. In dealing with the question of the enactment of the functional plans by statute, your Committee is in accord with the Committee on Ecology, Environment and Recreation that such statutory enactment is not advisable. Your Committee feels that to do so would elevate functional plans over all county general and/or development plans. This would destroy the fabric of home rule and be contrary to the balance arrived at in this chapter. Furthermore, on Oahu where neighborhood boards are contributing to the formulation of development plans it would seriously nullify and impair that process.
- Finally, it must be stated that the State Plan should not be considered to be a static document. It is a plan for Hawaii's future designed by Hawaii's residents for the good of Hawaii. At all times, we must continue to encourage review and public participation in this very important planning process.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2173-78, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2173-78, H.D. 3, S.D. 2.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 693-78 Economic Development on H.B. No. 2756-78

The purpose of this bill is to provide a more flexible and efficient method of processing special permits by county planning commissions pursuant to Section 205-6, Hawaii Revised Statutes.

Your Committee finds that rigid time frames set in the present law have caused unnecessary delays and have otherwise hampered the efficient handling of special permit applications. This bill permits a more flexible and efficient method of processing special permits by allowing each county, through its respective central coordinating agency, to establish its own time requirements for processing and acting on special permits. Further, each county may establish an appropriate fee for processing a special permit petition.

Inasmuch as the enactment of the State Plan would repeal Section 205-16.1, Hawaii Revised Statutes, relating to the Interim Statewide Land Use Guidance Policy, Section 2 of this bill is amended as follows to retain in effect the Interim Statewide Land Use Guidance Policy:

"SECTION 2. Section 205-16.2, Hawaii Revised Statutes, is amended to read:

Sec. 205-16.2 Legal effect of interim statewide land use guidance policy. The interim statewide land use guidance policy set forth in section 205-16.1 shall remain in full force and effect during the period from June 2, 1975, until two years after the effective date of the enactment of the state plan."

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2756-78, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2756-78, S.D. 2.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 694-78 Economic Development on H.B. No. 139

The purpose of this bill is to amend Section 4 of Act 133, Session Laws of Hawaii 1976, releasing the Interim Tourism Advisory Council members from their duties upon submittal of the ten year master plan for the growth of tourism.

Your Committee finds that it is possible that the State may be left without a specific tourism policy for an indefinite period of time in the event that the ten year master plan for the growth of tourism is submitted prior to the adoption of either the Hawaii State Plan or the State Tourism Plan.

Your Committee, therefore, has amended this bill to have the Interim Tourism Advisory Council remain in existence until the ten year State Tourism Plan is submitted and adopted by concurrent resolution of the Legislature.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 139, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 695-78 (Majority) Economic Development on H.B. No. 2100-78

The purpose of this bill is to extend State authority to regulate fishing in the Leeward Islands to include Nihoa and Necker Islands, together with the appurtenant reefs and territorial waters of all of the Leeward Islands stretching from Nihoa Island northwesterly to Kure Island.

Under the present language of Section 188-37, Hawaii Revised Statutes, the Department of Land and Natural Resources is authorized to adopt regulations relating to fishing in the "Leeward Islands." However, the present statute limits the definition of the "Leeward Islands" to "[t]hose islands, reefs and shoals of the Hawaiian Islands chain

beginning and including French Frigate Shoals to and including Kure Island. . . ." Legislative history indicates that, probably by inadvertence, the statute did not include Nihoa and Necker Islands, which lie south of French Frigate Shoals, and also did not include "appurtenant reefs," such as reefs which are partially submerged, throughout the Leeward Islands and the territorial waters surrounding all the Leeward Islands from Nihoa to Kure Islands. Under Section 2 of the Organic Act of 1900 and Section 2 of the Admission Act of 1959, such appurtenant reefs and territorial waters are part of Hawaii.

Both commercial and sport fishermen have reported significant fish catches in the areas in and around all of the Leeward Islands, including Nihoa and Necker Islands (despite the current off-limits nature of those islands). As noted above, this bill would allow the Department of Land and Natural Resources to extend the reach of its fishing regulations to Nihoa and Necker Islands, as well as the appurtenant reefs and territorial waters of all of the Leeward Island chain. These regulations preserve natural resources while allowing fishermen to take a reasonable amount of fish by requiring such fishermen to obtain permits to operate in the Leeward Islands. The permits allow the taking of such species as mullet and lobster in the Leeward Islands during times when such taking is prohibited in the main Hawaiian islands. In addition, the permits allow the use of non-portable "appliances," i.e., fish traps, in the Leeward Islands, although such traps cannot be used in the main Hawaiian islands.

The State of Hawaii, at the same time, has engaged in good-faith negotiations with the U.S. Department of Interior to define the respective jurisdictions of the state and federal governments in the Leeward Islands, including Nihoa and Necker Islands, but such negotiations have not met with successful conclusions. The question of respective jurisdictions has arisen because of the differing views of the state and federal governments as to the status of the Leeward Islands.

Section 2 of the Organic Act of 1900, referring to the "Joint Resolution to Provide for Annexing the Hawaiian Islands to the United States" in 1898, and Section 2 of the Admission Act of 1959 included the Leeward Islands as part of Hawaii. However, in 1909 President Theodore Roosevelt, under Executive Order 1019, ordered that certain "islets" and "reefs" of the Leeward Islands be "reserved and set apart, subject to valid existing rights, for the use of the Department of Agriculture as a preserve and breeding ground for native birds." (Emphasis added) These islets and reefs were then transferred for use by the U.S. Department of Interior as such a preserve and breeding ground. The exact nature of the "valid existing rights" of the Territory of Hawaii and its successor, the State, in the Leeward Islands has not yet been satisfactorily resolved. There is a distinct possibility that the State retains an ownership interest in the various land masses of the Leeward Islands, including Nihoa Necker Islands, despite contentions of the U.S. Department of the Interior to the contrary.

Despite the aforesaid possibility, the Interior Department is supporting legislation in the U.S. Congress that proposes placing all of the Leeward Islands, including Nihoa and Necker Islands, and appurtenant reefs and territorial waters under the jurisdiction of a National Wildlife Preservation System controlled by the Interior Department. In addition, the U.S. Marine Mammals Commission has proposed a "critical habitat" for the monk seal, a so-called endangered species, which habitat would extend three miles from certain islands, atolls, shoals, and reefs in the Leeward Islands. Fishing would be prohibited within this three-mile limit. These actions have been taken despite the well-known fact that the State and its predecessor, the Territory, have continuously recognized the commercial and sport fishing potential of the Leeward Islands and have continuously issued permits for fishing in the Leeward Islands by fishermen from the main islands of the State.

Passage of this bill would be a clear signal that the State is totally serious in its claims to jurisdiction over all of the Leeward Islands, including Nihoa and Necker Islands, and the appurtenant reefs and territorial waters of all of the Leeward Islands. The Leeward Islands have great potential not only for fishing but also for recreational, esthetic, mineral and other purposes, and the State, given its relatively narrow economic base and its small land mass, is committed to the development of a fishing industry in the Leeward Islands and to increasing recreational and esthetic experiences for its people through their increased knowledge of, and exposure to, those islands.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2100-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2100-78, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nishimura.
Senator King did not concur.

SCRep. 696-67 Economic Development on H.B. No. 2689-78

The purpose of this bill is to provide the needed flexibility for reasonable and equitable land use within agricultural use districts by providing exceptions to the minimum lot size as specified by law.

Your Committee finds that often there are lots in agricultural districts having areas of less than the required one-acre size. These lots would be classified as nonconforming.

Your Committee recognized that land area required for utility purposes is determined by the function the utility facility serves. Accordingly, lots used for utility purposes, such as county water reservoir sites, pump sites, and similar utility lots, are often less than one acre in size.

Additionally, in the private sector, owners of abutting nonconforming lots should have the right to consolidate and subdivide their respective lands even though such consolidation and subdivision may result in new lots, each smaller in size than the required one acre, if the net result is a move to greater boundary conformity and land utilization.

Your Committee finds that broadening the criteria for approving small lots of less than one-acre size to include the concept of improved land utilization in agricultural use districts is a desirable and realistic position. Your Committee, however, would not want to see a move to a greater number of nonconforming lots than previously existed.

Your Committee has amended this bill by deleting the phrase "but in no event less than one-half acre." According to testimony received from the State Land Use Commission, this provision would preclude many property owners from adjusting old property lines to meet current needs through consolidation and resubdivision.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2689-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2689-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hulten, Kuroda and Nishimura.

SCRep. 697-78 Transportation on H.B. No. 1473

The purpose of this bill is to amend section 291C-82, Hawaii Revised Statutes, relating to U-turns, to authorize, instead of require, the Director of Transportation and the counties to place no U-turn signs.

Your Committee has received testimony in favor of this bill from the Department of Transportation.

Your Committee has amended the bill by providing that:

(1) U-turns shall not be made unless they can be made in safety and without interfering with other traffic;

(2) U-turns shall not be made upon any street in a business district, upon any highway with three or more lanes, or at any intersection where traffic is controlled by traffic signal lights, except as otherwise permitted by official signs and markings; and

(3) The amendment of section 291C-82 in the bill as received is deleted.

Your Committee has also made other nonsubstantive style and technical amendments to the bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1473, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 698-78 Ways and Means on H.B. No. 992

The purpose of this bill is to correct an inequity in the application of the general excise tax on commissions of insurance general agents, subagents, and solicitors by eliminating the excise tax currently set at 4 per cent for general agents and subagents and 2 per cent

for solicitors and by raising the rates for the premium tax payable by certain insurers to cover any loss in revenue.

Under present law, those in the insurance profession are taxed at similar rates as other occupations which operate on commissions. Unlike these other occupations, however, the insurance agent (including solicitors) is prohibited by state law from passing on the excise tax to his customer and is therefore liable for an actual tax burden of 4 per cent while those other taxpayers who can and do pass on the excise tax are liable for an actual tax burden of only .15 per cent. This .15 per cent figure is obtained by determining the actual amount a taxpayer would have to pay (at 4 per cent) after passing on most of the excise tax on to the customer.

Your Committee finds that of the 31 various occupations which operate on a commission basis, only 3 are prohibited by law from passing on the excise tax to their customers, and that of these 3, only insurance agents are prohibited by a state statute, the other 2 being affected by a city and county ordinance and by a federal statute, respectively. Your Committee finds that this statutory prohibition is inequitable in applying to insurance agents while most of the other occupations are not similarly restrained.

Your Committee finds that some legislation to correct the inequities involved is necessary. As received by this Committee, this bill eliminates the excise tax on insurance agents and solicitors. Your Committee finds that elimination of the excise tax would place the insurance agent and solicitor in a more favorable position than those other occupations operating on a commission basis because these other occupations are able to pass on most, although not all, of the excise tax to their customers and consequently must pay some excise tax. Your Committee therefore finds that reduction of the excise tax rate is a more equitable means of correcting the inability of the insurance agents and solicitors to pass on the excise tax and that the excise rate should be reduced for solicitors and agents to .15 per cent, the actual tax burden of the other occupations.

Your Committee also finds that a reduction in the excise tax rate for insurance agents and solicitors will result in loss of tax revenue, and replacement of this revenue source must be found. The bill as received by your Committee raises the premium tax rates for certain types of insurance inserting various new figures. Your Committee finds that these figures were established assuming that the excise tax would be eliminated in this area and is not accurate or applicable where the tax is instead reduced.

Your Committee therefore has amended this bill by:

- (1) Adding a findings and purpose clause to this bill;
- (2) Amending section 237-13 of the Hawaii Revised Statutes to reduce the excise tax for insurance agents and solicitors from 4 and 2 per cent to .15 per cent, instead of eliminating the excise tax;
- (3) Raising the various premium tax rates from current rates to various rates as specified;
- (4) Providing that the premium shall be raised upon application by the insurer whenever the premium tax is raised, placing this provision in chapter 431 of the Hawaii Revised Statutes;
- (5) Changing the effective date from July 1, 1977 to January 1, 1979 to give the parties and the administration sufficient time to prepare for implementation and make clear that the effective date is prospective for all parties concerned; and
- (6) Making certain nonsubstantive grammatical and technical changes to conform the language of this bill with the language in statutes.

Your Committee directs the department of taxation to report on revenue loss and the department of regulatory agencies to report on revenue gain under this bill to the legislature prior to the convening of the Regular Session of 1980 and 1981.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 992, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 992, S.D. 2.

Signed by all members of the Committee except Senator Henderson.

SCRep. 699-78 Ways and Means on H.B. No. 1771-78

The purpose of this bill is to allow an owner of real property to claim a real property tax credit on a portion of the sewer charge assessed by a private sewer system.

Your Committee finds that the bill as drafted would be very difficult to administer and would cost the counties a large sum of money. Further, it would require all persons in the county to pay for those few who are subject to a private sewer charge.

Your Committee has amended the bill to provide instead that such private sewer charge may be a deduction from the gross income of the taxpayer in the year in which paid. This solution will provide for some relief for these persons without imposing the necessity of placing the provision of such relief on all persons in a county. In so amending this bill, your Committee also amended the title of the bill to "A BILL FOR AN ACT RELATING TO INCOME TAXES".

Your Committee finds that this only provides an interim solution to the problem of private sewer companies. The final solution must be approached by the proper state and county agencies and for this reason your Committee directs the Department of Taxation, the Department of Health, and the several counties to work together to come up with a specific plan of action to take care of this problem and to report this solution to the Legislature prior to the Regular Session of 1979.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1771-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1771-78, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 700-78 Ways and Means on H.B. No. 1779-78

The purpose of this bill is to amend Act 11, Special Session Laws of Hawaii, 1977.

This is the supplemental budget bill for the Judiciary.

Your Committee has reviewed the budget recommendations made by the Committee on Judiciary. Basically, we are in agreement with these recommendations.

Your Committee has amended this bill by taking a 25% turnover savings on new positions authorized therein and by deleting the funds for a position which was disallowed. Additionally, your Committee has provided \$200,000 for EDP services. We were advised by the Director of Finance that this is the basic amount necessary.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1779-78, 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. 1779-78, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 701-78 Ways and Means on H.B. No. 1885-78

The purpose of this bill is to increase the number of circuit court judges to two to provide for the rotation of judges to hear landlord-tenant and small claims matters and to provide an additional judge in the district court in the third circuit.

Your Committee finds that because of increasing caseloads, there is need for one additional judgeship in the first circuit court, and has so amended the bill. Your Committee has also amended the effective date of the bill to July 1, 1979.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1885-78, 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. 1885-78, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 702-78 Ways and Means on H.B. No. 2480-78

The purpose of this bill is to lapse certain capital improvement appropriations which are unencumbered or which have not yet been lapsed by law.

Your Committee finds that in prior acts of the legislature, appropriations have been made for a number of capital improvement projects for which there remain appropriations and appropriation balances which are unencumbered. The existence of these inactive appropriations, with the corresponding authorization to finance the appropriations through the issuance of general obligation bonds, obscures the true funded debt position of the State. Because the state funded debt includes not only outstanding bonds but also general obligation bonds

which are authorized but unissued, it is prudent fiscal policy to limit unissued debt to active appropriations and to lapse those appropriations and those unencumbered balances of appropriations which are inactive. The effect of such action is to lower existing authorized but unissued debt and replenish the legal debt margin.

The bill has been amended to exclude from the bill as received item 72-C-68 of Act 218, Session Laws of Hawaii 1974 and item 88-C-51 of Act 195, Session Laws of Hawaii 1975, as these two projects are ready to be implemented and should not lapse. A nonsubstantive change in style and a technical change have been made to conform the language of this bill to the language in the Session Laws of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2480-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2480-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 703-78 Ways and Means on H.B. No. 2462-78

The purpose of this bill is to provide for the regulation of commercial employment agencies by licensing commercial employment agencies and providing that an applicant for a license to operate an employment agency must pass a certified employment consultant examination as designated by the director of labor and industrial relations, except those holding a license on the effective date of the Act.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2462-78, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 704-78 Ways and Means on H.B. No. 2764-78

The purpose of this bill is to allow the Office of the Lieutenant Governor to furnish session laws, supplements, and replacement volumes of the revised statutes free of charge to public officials including officials of the Hawaii congressional delegation, the United States District Court in Hawaii, the United States Attorney's Office in Hawaii, and the legal aid society. Under present law, distribution of such material is limited to "public officials" and that has been defined by the Attorney General as those who occupy government positions in state and county governments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2764-78, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 705-78 Ways and Means on H.B. No. 2185-78

The purpose of this bill is to strengthen and provide explicit direction in the regulation of adult family boarding homes and care homes by the department of social services and housing and the department of health, respectively.

Adult family boarding homes and care homes provide domiciliary care for adults who are unable to adequately care for themselves. These facilities are operated as businesses and receive compensation from public sources for the services they provide.

The laws of the State do not provide explicit direction for the licensure, inspection, and continual regulation of adult family boarding homes and care homes. These functions are carried out under the authority of very general enabling statutes. This bill, for the first time, provides explicit statutory direction in this matter.

Your Committee submitted the bill to the department of social services and housing and department of health for their review. They requested many changes which, together with changes by your Committee, are incorporated in the amended version. The changes made are rather extensive. Because of this, only the more significant substantive changes are listed in this standing committee report. They are:

(1) Addition of a definition of "adult family boarding home";

(2) Deletion of the department of social services and housing's requirement to license and regulate "other institutions";

(3) Provisions for the suspension and revocation of licenses and temporary permits of adult family boarding homes;

(4) Declaration of the department of social services and housing's right to inspect adult family boarding homes;

(5) Repeal of the "inspection, visitation, training" section of the bill relating to care homes. This change is made because the department of health already has the authority to conduct the functions;

(6) Repeal of the provisions in section 346-53(e), Hawaii Revised Statutes, relating to the payment of the same rate for a resident as long as that resident resides in the same adult family boarding or care home and prohibition of removal of a resident from adult family boarding or care home by the State without approval by the resident.

(7) Repeal of section 346-90, Hawaii Revised Statutes.

As stated previously, the changes made are rather extensive and the amended version differs greatly from the version passed by the House. This bill is important to the state government, adult family boarding and care home operators, and residents of these facilities and must be passed. Your Committee notes that it did not have the chance to thoroughly examine the ramifications of our version due to time constraints. But, your Committee is faced with a choice of reporting out the House version which is unacceptable or to report out this version which contains desired, but not completely examined changes. Thus, your Committee chooses the second option; the bill is reported out even with its possible imperfections for further consideration in conference.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2185-78, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2185-78, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 706-78 Ways and Means on H.B. No. 514

The purpose of this bill is to exempt a pickup truck having a gross weight of five thousand pounds or less from the payment of "truck fees" upon proof by the owner that the pickup truck is not being operated for compensation or commercial purposes.

Presently, under the motor vehicle weight tax law, the individual counties are empowered to set the tax rate. The rate is set on a cost per pound basis and differentiates between categories of motor vehicles. For example, a truck is assessed a higher rate than a passenger motor vehicle. This bill provides that a truck weighing five thousand pounds or less which is not operated for compensation or commercial purposes and thus, is used in the same manner as a passenger motor vehicle shall not be assessed a higher rate. Proof of noncommercial use is required to be submitted to the director of finance.

Your Committee feels that there is no compelling reason for treating noncommercial pickup trucks differently from passenger motor vehicles under the motor vehicle weight tax law. Thus, this bill changes present practice to rectify the situation.

Upon examination, your Committee amends the bill substantively while maintaining the basic purpose. The bill now amends section 249-13, Hawaii Revised Statutes, instead of chapter 286, Hawaii Revised Statutes. Section 249-13, Hawaii Revised Statutes, presently mandates the counties to set the rate of motor vehicle weight tax. Thus, it appears to be the proper section for the amendment. As amended, the bill specifically provides that the tax on a truck meeting the weight and noncommercial qualifications shall be the same as that on a passenger motor vehicle.

The statement "exemption from truck fees" as paraphrased from the original version is discarded because:

(1) There is no definition or mention of "truck fees" in chapter 249 or 286, Hawaii Revised Statutes, nor are the "truck fees" really "fees", they are charges for the use of public services; and

(2) "Exemption from truck fees" may be construed to mean a total exemption from the motor vehicle weight tax; which your Committee feels is not the purpose of this bill.

Your Committee also amends the bill to delete the adjective "pickup" when it describes "truck". This is done because present statutes define "truck" but not "pickup truck", and it is felt that the weight and noncommercial qualifications are sufficient for the purpose of this bill.

Your Committee also amends the violation clause to provide that false submittal of proof to the director of finance of noncommercial use is a petty misdemeanor. This is done to exclude the director of finance and the council from criminal penalty.

These amendments make technical corrections which improve the bill and clarify yet maintain the original purpose.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 514, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 707-78 Ways and Means on H.B. No. 559

The purpose of this bill is to include state firemen in the definition of "firemen" for retirement benefits in the state retirement system.

Presently firefighters who are employees of the State are not included under the definition of "firemen" as provided in section 88-21, Hawaii Revised Statutes. Consequently, these firefighters are not eligible for retirement benefits provided for firefighters employed by the counties. By amending the statutory definition of "firemen" to include state employed firefighters, retirement benefits of county firefighters will be extended to these state employees.

Your Committee has amended the title of the bill by replacing the word "firemen" with the word "firefighters" and the bill itself has been amended by substituting "firefighters" for "firemen" wherever the latter word appears, and by replacing the word "policemen" with "police officers" where the latter word appears to conform to Act 191, 1977 Hawaii Session Laws.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 559, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 559, S.D. 1.

Signed by all members of the Committee.

SCRep. 708-78 Ways and Means on H.B. No. 2728-78

The purpose of this bill is to amend existing statutory provisions for adjusting the compensation of employees who are promoted, reallocated, or temporarily assigned to higher grades. Under this bill, basic guidelines are established for the adoption of rules and regulations pertaining to such adjustments.

Prior to July 1, 1977, contractual agreements and civil service compensation rules guaranteed public employees an increase in compensation equivalent to one full step whenever they were granted promotions, reallocations, or temporary assignments to a higher grade. Your Committee finds however, that because of the negotiated pay increases which became effective July 1, 1977, there are many employees presently compensated at rates that fall between increment or longevity steps, or beyond the maximum step for their pay range. Under the present law, these employees do not receive a full step increase upon promotion, reallocation, or temporary assignment, but are entitled only to the difference between their actual pay and the next higher step. This could result in a wage increase of as little as one dollar per month for such employees.

Your Committee further finds that serious morale problems have resulted from this situation. Such token wage increases do not serve as adequate incentives or rewards for promotions and if allowed to continue, may lead to a deterioration of the quality of service, especially in the supervisory and managerial ranks. Some employees have actually refused promotions and temporary assignments because wage increases were not commensurate with the assumption of higher level duties and increased responsibilities.

This bill addresses the problem by amending section 77-10 (civil service promotions, demotions, reallocations, and assignments) to provide that an employee shall receive no less than the rate of the next higher step of his existing pay range if his existing

rate is one step, or no less than the dollar difference between the steps above and below his existing rate if his existing rate is in between steps. The bill provides further that for employees who are at or above the maximum step of their existing pay range, the rules may provide for other methods of pay adjustment. In no event, however, may an employee's compensation be increased to an amount which will exceed the highest pay step of the higher pay range.

Your Committee notes that this bill provides for an effective date retroactive to July 1, 1977, in order to permit adjustments in compensation for those employees who were promoted, reallocated, or temporarily assigned since the effective date of the negotiated wage increases. Your Committee feels that this provision is necessary to correct the previous inequities in compensation adjustments.

Your Committee has made a technical nonsubstantive amendment on page 1, line 13, of the bill as received by inserting a period after the word date and underlining the last three words on that line.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2728-78, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2728-78, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 709-78 Ways and Means on H.B. No. 630

The purpose of this bill is to grant health fund benefits to all persons employed for at least 3 months and whose jobs are equivalent to or exceed one-half of full-time equivalent (FTE) positions, and to salaried full-time members of boards and commissions appointed by the governor.

Your Committee has amended this bill by deleting the appropriations provision, on the basis of information received from the Health Fund Administrator that sufficient funds are available to cover the cost of the changes sought to be made by this bill. Your Committee has amended the effective date of this bill from July 1, 1977 to July 1, 1978 and made nonsubstantive technical corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 630, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 630, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 710-78 Ways and Means on H.B. No. 819

The purpose of this bill is to amend the law relating to positions exempted from civil service laws.

Your Committee has amended the bill to provide only that all employees of the Office of Collective Bargaining except the chief negotiator and deputy negotiators, and the public participation coordinator of the Water Quality Management Planning Project (HTH 849) are converted to civil service status as of the effective date of this bill. The continuity of personnel in certain positions is vital to ensure the overall long-term effectiveness of the respective programs, and your Committee feels that such positions should be granted civil service status.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 819, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 819, S.D. 1.

Signed by all members of the Committee.

SCRep. 711-78 Ways and Means on H.B. No. 2239-78

The purpose of this bill is to redesignate the Hawaii Commission on Crime as the Hawaii Crime Commission, to extend the life of that commission to June 30, 1980, to appropriate funds for its operation for the 1978-79 fiscal year, and to amend the statutes governing the commission in various ways.

The bill specifically increases the membership of the commission from 11 members to 12 members, and gives the legislature the power to select the chairman of the commission.

The bill also seeks to authorize the chairman to authorize preliminary inquiry into projects and investigations, and authorizes the holding of closed hearings. Further, among other provisions, the bill designates the unauthorized release of information resulting from the work of the commission by a commission member as a misdemeanor, and requires state and county agencies to cooperate with the commission to the extent necessary for the commission to accomplish its tasks.

Your Committee has amended the bill by deleting the per diem of the chairman and by more clearly specifying that the type of information the release of which is made a misdemeanor is confidential information only.

Your Committee has made other technical and style amendments which do not affect the substance of the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2239-78, 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. 2239-78, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 712-78 Ways and Means on H.B. No. 2170-78

The purpose of this bill is to (1) consolidate funds by function and source; (2) standardize terms; (3) add new funds as a depository for interest charges, borrowed moneys and gifts bequeathed to the Department of Hawaiian Home Lands; (4) define parameters of use; and (5) increase the loan guarantee amount.

Seven revolving funds and seven special funds are established. These changes will facilitate efforts to maintain orderly and accurate accounting; establish a framework for mortgage financing without cost to the State; pursue private moneys; and enable maximum use of all moneys of the department.

Your Committee has amended the bill by reducing the amount in the Hawaiian home loan fund from \$7.5 million to \$5 million. This reduction has been made because of the State's dismal financial condition. The change has been made on page 19, line 16, of the bill as received.

In addition, your Committee has made other nonsubstantive technical changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2170-78, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2170-78, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 713-78 Judiciary on H.B. No. 2403-78

The purpose of this bill is to simplify the language in Section 514A-66, Hawaii Revised Statutes, relating to the right of a purchaser of a condominium apartment to a refund of moneys paid if the final public report is not issued within one year from the date of the preliminary report.

Your Committee finds that the existing Section 514A-66 is ambiguous and difficult to comprehend. This bill will clarify the intent and meaning of said Section.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2403-78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2403-78, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 714-78 (Majority) Judiciary on H.B. No. 2545-78

The purpose of this bill is to authorize the extension by mutual agreement of a school bus contract made between the State and a private contractor from one year to two years. The authorized extension would total four years which would be in two-year increments.

Your Committee concurs with the findings of your Committee on Education as expressed in Standing Committee Report No. 551-78.

Your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2545-78, 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. 2545-78, H. D. 2, S. D. 2.

Signed by all members of the Committee. Senators Chong and Kawasaki did not concur.

SCRep. 715-78 Judiciary on H.B. No. 1889-78

The purpose of this bill is to increase the availability of retired Supreme Court Justices to serve as substitute justices and to deal with the problems raised by a vacancy on the court after oral arguments are heard but before the decision is rendered.

Your Committee finds that under Article V, Section 6 of the Hawaii Constitution, the Supreme Court is already empowered to promulgate procedural rules dispensing with oral arguments. Such discretion is required to deal with the appropriate case in which oral arguments may be unnecessary. However, to avoid a possible conflict between the court rules and the statutes, it was decided that a clear statutory mandate was desirable. Therefore, your Committee has amended this bill to provide the court with the discretion to dispense with oral arguments in appropriate cases.

Your Committee has also amended this bill by providing that all parties shall be entitled to bring their appeal before a full court. The purpose of this amendment is to avoid any possible implications that an appeal may be brought before less than a full court.

Your Committee also realizes the need to clarify the circumstances under which a substitute justice may be appointed, and the desirability of eliminating the present age limitations placed on participation by retired justices. The present 70 years age limitation is arbitrary and bears no reasonable relationship to a retired justice's actual abilities to hear a case. This bill eliminates the present age limitation.

Your Committee also recognizes the problems which may arise when a justice retires or is otherwise unable to continue on a case after oral arguments have been heard, but before the decision is rendered. The concurrence of three justices will in any case constitute a sufficient majority to carry a decision. This bill provides that a case may be decided or disposed of upon the concurrence of three justices without the need to replace the absent justice.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1889-78, H. D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 1889-78, H. D. 2, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 716-78 Judiciary on H.B. No. 227

The purpose of this bill is to amend the existing Hawaii Franchise Investment Law by requiring that at the time of registration, the relevant disclosure requirements be set forth in the offering circular rather than in the application itself. This bill also authorizes the Director of Regulatory Agencies to accept offering circulars from other jurisdictions which substantially meet the requirements of Hawaii Law. Your Committee is in agreement that the elimination of the detailed information in the application would improve administration.

Your Committee has amended this bill to overhaul and clarify Hawaii Franchise Investment Law and bring it more in line with the laws of other states on this subject.

Section 482E-2, Hawaii Revised Statutes, has been amended to clarify which activity will bring a franchise offering within the jurisdiction of the State of Hawaii.

Section 482E-3, Hawaii Revised Statutes, has been amended to delete entirely the requirement that franchise offers be registered. Instead, this Section makes it unlawful to sell a franchise unless the seller has presented to the prospective franchisee a detailed offering circular at least seven days prior to the date the sale is consummated. The offering circular for the most part must contain the same information presently required to be set forth in the application for registration. Your Committee feels that the requirement that the offering circular be submitted to the franchisee is sufficient and that registration is not required for his protection since individual notice of all relevant information will be made.

Section 482E-4, Hawaii Revised Statutes, which presently sets forth exemptions from the registration requirements of the Franchise Investment Law has been extensively

revised to reflect the repeal of the registration requirement. As amended by your Committee, this Section sets forth certain exemptions from the requirement that an offering circular be delivered and from Section 482E-6 governing the relationship between franchisor or subfranchisor and franchisee.

Section 482E-5, Hawaii Revised Statutes, has been amended to delete the requirement that advertisements offering a franchise be filed with the Director of Regulatory Agencies. Since registration is no longer being required, review of advertising does not appear necessary.

Section 482E-6, Hawaii Revised Statutes, which governs the relationship between franchisors or subfranchisors and franchisees, has been amended by those states after which Hawaii present law was modeled. Franchisors have long argued that Hawaii current law is vague and invites litigation and introduces into the franchise relationship much uncertainty as to the legal rights of the parties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 227, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 717-78 Judiciary on H.B. No. 429

The purpose of this bill is to increase the maximum amount of the estimated cost of a building which may be constructed without a stamp of certification by an architect or engineer from \$35,000 to \$50,000 for a one-story building and from \$30,000 to \$45,000 for a two-story building.

Your Committee notes that the present maximum estimated cost limits of \$35,000 and \$30,000 were established in 1969. Due to the increased rise in the cost of construction since that time, your Committee finds that the increase of the maximum limits is appropriate at this time but finds that the proposed increase should be restricted to only residential buildings. Your Committee has amended this bill to reflect said restriction.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 429, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 718-78 Judiciary on H.B. No. 1920-78

The purpose of this bill is to clarify the definition of boards which regulate professions and businesses and to allow such boards to initiate their own complaints against licensees and to take further disciplinary action against a licensee who fails or refuses to comply with an order of a board, including suspending or revoking a license or seeking injunctive relief.

It is presently unclear whether a board can proceed with an investigation on its own information absent a written complaint. As a result, a board has not been able to initiate an investigation although provided with information about allegedly illegal activity engaged in by a licensee within the jurisdiction of a board.

In addition, under present law, the power of a regulatory board or commission to seek injunctive relief or to take further disciplinary action against a licensee who fails or refuses to comply with an order of a board is ambiguous. As a result, licensees have defied board-ordered restitution, for example, and the board has been unable to take further disciplinary action.

Your Committee feels that the provisions of this bill would effectively eliminate these problems now faced by regulatory boards and commissions.

Your Committee amended the bill by adding a new Section to the bill which extends the effective date of repeal of Chapters 438 (relating to the practice of barbering) and 452 (relating to massage and Hawaiian lomilomi), Hawaii Revised Statutes, to December 31, 1984.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1920-78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 1920-78, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 719-78 Judiciary on H.B. No. 2085-78

The purposes of this bill are to curb unlicensed contracting activities by requiring counties to follow stricter procedures in issuing a building permit to any contractor or subcontractor and to clarify the owner's exemption set out in Section 444-2, Hawaii Revised Statutes.

Under existing law each applicant for a building permit must file as a condition to the issuance of a permit, a statement to the effect that the applicant is licensed under Chapter 444, Hawaii Revised Statutes, and that such license is in full force and effect, or, if the applicant is not required to be licensed under said Chapter 444, a statement setting forth the basis for such exemption. Your Committee has been advised that there have been many instances where an applicant for building permit has given a false license number or used the license of someone else.

Under this bill each county is required to verify against a list of licensed contractors provided by the State contractors licensing board that the license of the applicant is current and that the applicant is in fact the contractor so licensed prior to the issuance of a building permit.

Your Committee has amended this bill by changing the Chapter to be amended for consistency purposes. Your Committee further amended the bill by eliminating the provision relating to the voidance of building permits issued in violation of the bill.

Although your Committee agrees that owners exemption in Section 444-2, Hawaii Revised Statutes, requires clarification, your Committee feels that the title of this bill, "Relating to Building Permits.", is not broad enough to encompass the amendment to Section 444-2. Accordingly, your Committee has amended this bill by deleting Section 2 of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2085-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2085-78, 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. 720-78 (Majority) Judiciary on H.B. No. 2095-78

The purpose of this bill is to amend the law relative to the duty of parties to marriage to support themselves, each other and their family. In the case of an ongoing marriage, existing law places the responsibility for such support solely on the husband. However, in the case of a legal separation or a divorce, either party to the marriage may be required, pursuant to court order, to fulfill in whole or in part this support responsibility, depending on the particular circumstances of the members of the family.

Article One, Section 21, of the Constitution of the State of Hawaii provides that:

"Equality of rights under the law shall not be denied or abridged by the State on account of sex. The legislature shall have the power to enforce, by appropriate legislation, the provisions of this section."

Section 573-7, Hawaii Revised Statutes, does not appear to meet the constitutional standard because, in the case of ongoing marriages, by making the husband solely responsible in every case for family support, it discriminates on the basis of sex.

Your Committee notes that when the Legislature adopted no-fault divorce in Hawaii, one of the primary purposes was to avoid unnecessary disputes between the parties. However, because of the vagueness of the present law, many divorces continue to be marred by disputes over division of marital assets and support and maintenance obligations. Your Committee therefore amended the bill by listing factors which clearly define the rights and obligations of the parties in regard to division of marital assets and maintenance obligation. These factors add certainty to the law and minimize avoidable disputes between the parties.

Your Committee also amended the bill by amending subsection (d) of Section 580-47 and Section 580-74 to provide the court with discretion in appropriate cases to revise or amend support or maintenance orders previously rendered.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2095-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2095-78, H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senators Ching, Hara, Taira, F. Wong and Saiki did not concur.

SCRep. 721-78 Judiciary on H.B. No. 2118-78

The purpose of this bill is to provide that a person commits the offense of disorderly conduct if the person accosts other persons in a public place or in any place open to the public with the intent to cause physical inconvenience or alarm by a member or members of the public, or recklessly creating a risk thereof.

This bill also provides that each council shall adopt by ordinances, rules and regulations not inconsistent with any law regulating the conduct of the business of all persons licensed under this section, such rules and regulations to include prohibitions against accosting, impeding, or otherwise inconveniencing the public or any member thereof in any public place or in any place open to the public.

This bill further provides that no person shall, in soliciting contributions or the sale of goods for a charitable organization or other entity governed by this chapter, accost, impede or inconvenience the general public or any member thereof in any public place or any place open to the public.

Your Committee was informally advised by the Department of Attorney General that this bill may be unconstitutional for vagueness. Your Committee finds that the undesirable behavior sought to be discouraged is not that of approaching others but the impeding or obstructing of the movement of the person solicited. A person walking in public cannot be immunized from being approached, but statutes may be enacted to deter conduct after the approach that would impede or obstruct traffic.

Accordingly, your Committee has amended this bill by amending the new paragraph (e) in lines 1 and 2 on page 2 to make it unlawful if a person "(e) Impedes or obstructs any person in any public place or in any place open to the public."

Your Committee has amended this bill by rewording the language in lines 16 to 21 on page 2 as follows: "Each council shall enact ordinances not inconsistent with any law regulating the conduct of the business of all persons licensed under this section, prohibiting the impeding, obstructing, or otherwise inconveniencing the general public or any member thereof in any public place or in any place open to the public."

Your Committee has further amended this bill by amending the new subsection (g) in lines 5 to 9 on page 5 as follows: "(g) No person shall, in soliciting contributions or the sale of goods for a charitable organization or other entity governed by this chapter, impede, obstruct, or otherwise inconvenience the general public or any member thereof in any public place or in any place open to the public."

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2118-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2118-78, 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. 722-78 Judiciary on H.B. No. 2390-78

The purpose of this bill is to change the present statutory loan period from six to fifteen years for loans made by industrial loan companies where the interest charged on a loan does not exceed one and one-half per cent per month on the unpaid principal balance of a loan.

The bill also provides that for loans with a term exceeding six years, the note shall provide for repayment of the loan in equal monthly installments over the term of the loan with a final payment not exceeding twice the monthly payment. The purpose of this provision is to ensure that borrowers will not be faced with a balloon payment at the end of the extended term.

Your Committee was also concerned about the unsophisticated borrower who finds it difficult to resist the high interest "easy credit" loans. Consequently, your Committee

has amended this bill by providing that retail installment contracts as defined in Section 476-1, Hawaii Revised Statutes, unsecured loans for less than \$5,000, and loans not less than \$7,500 secured only by personal property shall not be contracted hereunder for a loan period of longer than six years.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2390-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2390-78, 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. 723-78 Judiciary on H.B. No. 2465-78

The purpose of this bill is to grant a gasoline dealer's spouse or next of kin the right of first refusal of a new franchise or lease agreement with the franchisor or oil dealer in the event such gasoline dealer dies.

Your Committee finds that under present oil company franchises, it is specifically provided that if the dealer dies, the agreement is cancelled. Such franchises do not provide any guarantee that the family who has been running the business will be able to continue to do so. Unlike other franchise operations, oil companies have written their agreements with special provisions to give the oil company control over the dealer, basically to protect it from a dealer's attempt to escape personal liability through a corporate structure. On the other hand, such agreements do not provide sufficient assurance that the dealer's survivors would be able to continue in the business upon which they have been financially dependent.

Your Committee finds that this bill will serve the rights and interests of both the dealers as well as the oil companies. It protects the dealers' interest by granting the surviving spouse or surviving adult children the right to succeed to the decedent's interest in the franchise lease agreement or the like, and it protects the interests of the oil companies by specifically requiring that the right be predicated upon the active participation and qualification to run the dealership. Your Committee feels that this bill adequately balances the interests of both.

Notice of the exercise of the right to succeed must be communicated in writing by the designated successor as defined in this bill within sixty days.

Your Committee has amended this bill by substituting for the concept of the right of first refusal with a right which would automatically pass as a right to succeed to the various interests of the deceased dealer in the franchise lease or other agreement without the necessity of the franchise lease or the like being offered by the oil distributor. The group from whom the successor designee may be chosen has been limited to members of the immediate family, namely the surviving spouse and the surviving adult children. Provisions relating to the operation of the dealership during the interim period between the time of death and the appointment of successor designee by the oil company have also been inserted. The time within which the family member designee must notify the company has been revised so that notice must be given within thirty days followed within fifteen days by written confirmation.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2465-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2465-78, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor, Ching and Kawasaki. Senator Leopold did not concur.

SCRep. 724-78 Judiciary on H.B. No. 2687-78

The purpose of this bill is to make unlawful the possession of a master key unless he is the owner of the premises or the locks which are operated by such master key or is authorized in writing by the owner to possess such master key.

Your Committee finds that many theft crimes are committed through the use of master keys. This bill amends Section 708-812, Hawaii Revised Statutes, by making the possessions of a master key a misdemeanor.

Your Committee has amended this bill by conforming the language to the existing law on possession of burglary tools. The amendment provides that the person must

knowingly possess a master key with intent to commit an offense involving entry into premises or theft by a physical taking.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2687-78, H. D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2687-78, 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. 725-78 Judiciary on H.B. No. 2860-78

The purpose of this bill is to increase the fee for service of civil summons, warrants, attachments and other civil process in two increments, from \$5 to \$6 effective July 1, 1978, and from \$6 to \$7 effective July 1, 1979.

The bill also increases the fee for the service of a subpoena or garnishee summons from \$3 to \$5 and the mileage from twelve cents to fifteen cents a mile.

Your Committee finds that the increase is reasonable and necessary to offset the rising costs of service that must be borne by the deputy sheriff. The deputy sheriff is an independent contractor who bears all the expense involved in his line of work, including automobile and insurance. There is no expense to the State since the fee is part of the court costs.

Your Committee has amended this bill by correcting an inadvertent omission by raising the mileage fee for the District court from twelve to fifteen cents a mile. The mileage fee was increased from twelve to fifteen cents a mile for the service of any process in the Circuit and Supreme court, but the District court mileage fee was inadvertently left at twelve cents a mile.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2860-78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2860-78, 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. 726-78 (Majority) Judiciary on H.B. No. 425

The purpose of this bill is to allow a homeowner to personally perform certain emergency repair work on his plumbing system in his principal place of residence.

Your Committee agrees that a homeowner should have the right to make certain emergency repairs in his own home. However, to insure safety, such exceptions to licensed activity should be a matter of the function and purpose of the repair instead of the dollar value. This bill specifies that such emergency repairs shall not involve the rearrangement of valves, pipes or fixtures, and that no such emergency repairs may be performed on sewer lines, drains, gas lines, and on fixtures being served with backflow devices which includes heaters, water closets, dishwashers and garbage disposal units.

Your Committee has amended this bill for technical reasons without affecting any of the substantive provisions therein.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 425, H. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H. B. No. 425, H. D. 1, S. D. 1.

Signed by all members of the Committee except Senator Kawasaki.
Senator Ching did not concur.

SCRep. 727-78 Judiciary on H.B. No. 2248-78

The purpose of this bill is to amend Chapter 46, Hawaii Revised Statutes, relating to regulation of certain public nuisances.

Your Committee concurs with the findings of your Committee on Intergovernmental Relations as expressed in Standing Committee Report No. 583-78. Your Committee has amended this bill for purposes of clarity.

Your Committee has also amended this bill by amending the existing State statutes relating to parks and playgrounds for subdivisions. Under existing State law each

county is required to enact ordinances requiring a subdivider, as a condition precedent to approval of a subdivision and the issuance of a building permit in some instances, to provide land in perpetuity or dedicate land for park and playground purposes for the use of purchaser or occupant of lots or units in a subdivision. In lieu of providing land in perpetuity or dedicating land, the ordinances may permit a subdivider to pay to the county a sum of money equal to the value of the land he would otherwise have had to provide or dedicate, or combine the payment of money with land to be provided or dedicated, the total value of such combination being not less than the total value of the land he would otherwise have had to provide or dedicate.

Your Committee finds that the housing cost has increased tremendously during the past years in the State of Hawaii. If the housing costs continue to soar and remain unchecked, many potential homeowners will no longer be able to purchase a home in this State.

Your Committee finds that one of the many factors contributing to the high cost of housing in the City and County of Honolulu in the past year is the park dedication ordinances. There was testimony to the effect that one subdivider was asked to contribute \$3,250 per dwelling unit, while another subdivider was asked to contribute \$1,300 per dwelling unit as a result of the park dedication ordinances. Your Committee finds that there is a great disparity in the amount of cash contributions required by each county under the various park dedication ordinances in this State.

Your Committee finds that one of the reasons for the enactment of Section 46-6, Hawaii Revised Statutes, in 1967, was to ensure that each county provided adequate park and playground facilities for its residents. However, your Committee finds that the park dedication ordinances may be working to the detriment of the potential homeowner in some instances. In particular, the ordinances has increased the development costs which are passed on to the new homeowner. This has the natural result of reducing the availability of affordable homes in the State. Your Committee feels that there should be a balance between the availability of parks and affordable housing in this State. Hence, your Committee has amended this bill by providing that the total contribution under Section 46-6(b), Hawaii Revised Statutes, shall not exceed \$500 per dwelling or lodging unit. In the event that the subdivision is not approved by the county, your Committee feels that any money paid to the county shall be refunded to the subdivider.

Your Committee has further amended said Section 46-6(b) by deleting the phrase "and facilities" in paragraph (1) and by deleting the phrase "not less than" in paragraph (2) and inserting in lieu thereof the phrase "equal to".

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2248-78, S. D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H. B. No. 2248-78, S. D. 2.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 728-78 Judiciary on H.B. No. 3033-78

The purpose of this bill is to provide enabling legislation to support proposed rules and regulations for the exploration and development of geothermal resources.

Your Committee concurs with the findings of your Committee on Energy/Natural Resources as expressed in Standing Committee Report No. 545-78.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 3033-78, H. D. 1, S. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 729-78 Ways and Means on H.B. No. 1822-78

The purpose of this bill is to provide a vehicle by which the State will work with the visitor industry and all other governmental agencies associated with tourism to coordinate and implement comprehensive policies to achieve the State's desired goals and objectives of attaining a high quality of life for the people of Hawaii.

Your Committee finds that fulfillment of this purpose is to be initially achieved by establishing an Office of Tourism headed by a director within the Department of Planning and Economic Development for administrative purposes only.

Your Committee further finds 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. Tourism has replaced agriculture as the State's number one

industry, and is the State's first multi-billion dollar enterprise. The need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and sectors of the visitor industry.

The growth of the visitor industry must take into consideration not only the needs of the industry, but the needs of the community as well. There is a special need for the state government to take an active role to set directions and standards for both the public and private sectors of the visitor industry so that we may preserve or enhance our unique quality of life in Hawaii.

Legislative adoption will be required for a ten-year policy plan which has been developed by the Department of Planning and Economic Development in conjunction with the Interim Tourism Advisory Council. Upon enactment of this bill and the appointment of a Director of Tourism, he will be assisted by a visitor industry council which shall consist of representatives of the visitor industry, organized labor, the general public and state and county governments, and serve in an advisory capacity.

The Office of Tourism shall succeed to all the functions, rights and powers exercised, and all of the duties and obligations incurred by the Department of Planning and Economic Development in the administration, management, control, operation and implementation of its duties and functions transferred by this bill.

Your Committee has amended this bill:

1. A purpose clause has been added on page 1.
2. Sec. -2 establishment of office of tourism, director of tourism, has been amended to include the qualifications of the director as not less than seven years of administrative or managerial experience. It is the intent of this amendment to include direct and indirect affiliates to include, but not be limited to, the School of Travel Industry Management, University of Hawaii, labor unions, restaurants, and other related activities.
3. Sec. -4(1) has been amended to include five representatives from visitor industry organizations to be appointed by the governor. It is the intent of this Committee that the Interim Tourism Advisory Council shall remain in effect until the Visitor Industry Council is formed pursuant to this bill.
4. Wherever your Committee has provided for majority vote in the Visitor Industry Council, there is also provision for a minority report. In the event there is no majority vote, the Visitor Industry Council shall submit individual minority opinions. The director shall also be entitled to file a minority opinion.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1822-78, 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. 1822-78, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators O'Connor and Young.

SCRep. 730-78 Ways and Means on H.B. No. 2618-78

The purpose of this bill is to allow the Hawaii Housing Authority to issue revenue bonds for the financing of FHA-insured rental housing projects which the authority has received notification of selection of preliminary proposal under a federal rent subsidy program. The bill also establishes a revenue bond special fund for the use in conjunction with such bonds.

Your Committee finds that the Hawaii Housing Authority has been informed that unless it secures long-term financing for the rental projects it has proposed, the sums allocated for its use in the Section 8 program will lapse as of April 30, 1978. Accordingly, this bill is necessary to ensure the realization of such projects.

Your Committee has amended the bill by providing that the revenue bonds which the Hawaii Housing Authority is being empowered to issue may not exceed an aggregate amount of \$5,000,000.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2618-78, 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. 2618-78, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 731-78 Legislative Management

Informing the Senate that S.C.R. No. 124, S.R. Nos. 379 to 384 and Stand. Com. Rep. Nos. 632-78 to 730-78 and 732-78 to 743-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 732-78 Higher Education on Gov. Msg. No. 82

Recommending that the Senate advise and consent to the nominations of ALBERT M. FELIX and TOM T. SHIBANO to the Board of Regents, University of Hawaii, for terms ending December 31, 1981.

Signed by all members of the Committee except Senator Yee.

SCRep. 733-78 Higher Education on Gov. Msg. No. 83

Recommending that the Senate advise and consent to the nomination of PATRICIA SAIKI to the Western Interstate Commission for Higher Education, for term ending December 31, 1981.

Signed by all members of the Committee except Senators Saiki and Yee.

SCRep. 734-78 Higher Education on S.C.R. No. 82

The purpose of this concurrent resolution is to endorse and support the establishment of an intercollegiate post-season football bowl game here in the State of Hawaii.

According to testimony presented to your Committee, this bowl game would encourage the finest caliber in intercollegiate athletic competition and the monies raised would be contributed to local charities. The primary sponsor for this event will be the Greater Honolulu Athletic Foundation. The University of Hawaii Athletic Department will participate by serving as a liaison between the Foundation and the NCAA. Further, the Athletic Department will assist the Foundation with the staging of the bowl game.

If the football game is a successful endeavor, there is a good possibility that other sporting events could be held in conjunction with the bowl game similar to the Orange Bowl which, in addition to the football bowl game, hosts tennis and golf tournaments.

Since this event must be scheduled after the close of the regular intercollegiate football season, your Committee was concerned that it might run into our busiest tourist season. However, your Committee was assured that the date which is being sought is prior to Christmas thus averting the Christmas-New Year visitor crush.

Your Committee feels that an event of this nature would bring additional national recognition to the State and thus enhance tourism and the general economy of the State.

Your Committee is in accord with the intent and purpose of S.C.R. No. 82 and recommends its adoption.

Signed by all members of the Committee except Senator Yee.

SCRep. 735-78 Higher Education on S.R. No. 292

The purpose of this resolution is to endorse and support the establishment of an intercollegiate post-season football bowl game here in the State of Hawaii.

According to testimony presented to your Committee, this bowl game would encourage the finest caliber in intercollegiate athletic competition and the monies raised would be contributed to local charities. The primary sponsor for this event will be the Greater Honolulu Athletic Foundation. The University of Hawaii Athletic Department will participate by serving as a liaison between the Foundation and the NCAA. Further, the Athletic Department will assist the Foundation with the staging of the bowl game.

If the football game is a successful endeavor, there is a good possibility that other sporting events could be held in conjunction with the bowl game similar to the Orange Bowl which, in addition to the football bowl game, hosts tennis and golf tournaments.

Since this event must be scheduled after the close of the regular intercollegiate football season, your Committee was concerned that it might run into our busiest tourist season. However, your Committee was assured that the date which is being sought is prior

to Christmas thus averting the Christmas-New Year visitor crush.

Your Committee feels that an event of this nature would bring additional national recognition to the State and thus enhance tourism and the general economy of the State.

Your Committee is in accord with the intent and purpose of S.R. No. 292 and recommends its adoption.

Signed by all members of the Committee except Senator Yee.

SCRep. 736-78 Higher Education on S.R. No. 271

The purpose of this resolution is to make it known to the Board of Nursing, the Hawaii Nursing Association, the Department of Health and various hospitals that the Senate of the Ninth Legislature of the State of Hawaii is opposed to any proposal which makes it more difficult to become a registered nurse unless there is demonstrated proof that the present requirements are deficient.

Your Committee finds that the Board of Nursing and the Hawaii Nursing Association is currently discussing the possibility of requiring a Baccalaureate degree for Registered Nurse status.

The Director of the Department of Health testified that more reliable data must be provided which clearly indicates deficiencies in existing educational training and qualifications programs. He also stated that there is a severe shortage of nurses on the neighbor islands and that a move to require a Baccalaureate degree for R.N. status "may severely hamper [the DOH's] recruitment program."

Your Committee also received testimony indicating that the School of Nursing has not yet developed a cohesive program which can be taken step by step. This is to say that there is not enough continuity between the LPN, the ADN, and the four year Baccalaureate Nursing Programs.

Your Committee is also concerned about the possible impact of the discussed action on the neighbor island students. It is your Committee's understanding that the Dean of the School of Nursing has said that the community college students on the neighbor islands will be taken care of by the College of Continuing Education. However, it appears that CCECS has not heard of this proposal, and it would take several years to acquire the necessary educational qualifications.

The Hawaii Medical Association testified that it "is not aware of any good proof that requiring a Baccalaureate degree for all registered nurses will ensure substantially improved patient care." The HMA also agreed with your Committee's concern that the discussed proposal, if adopted, will increase the cost of medical care.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 271 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 737-78 Health on S.R. No. 64

The purpose of this resolution is to review and study the feasibility of prepaid second surgical consultation benefits for the people of Hawaii.

Your Committee finds that patients generally consult only a single surgeon and do not avail themselves of the benefit of a second surgical opinion which may point out and clarify the various alternatives available. In a recent study of elective surgery patients, the first doctor's recommendation for surgery was not upheld in one of four cases where a second opinion was sought.

Your Committee further finds that the cost of such second consulting opinion, and the tests and procedures necessary to the second opinion, are among the factors which inhibit the patient from seeking a second opinion. Such costs may not be covered by existing prepaid health care plans.

Your Committee further finds that second surgical consultation benefits in prepaid health care plans may help to ensure the most appropriate treatment of patients, promote informed decisions of patients, and possibly reduce overall health care costs.

Your Committee has amended the resolution by deleting the phrase "including consideration of a trial test period for such benefits" from the second resolve clause.

Your Committee on Health concurs with the intent and purpose of S.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 64, S.D. 1.

Signed by all members of the Committee except Senator Nishimura.

SCRep. 738-78 Consumer Protection on S.R. No. 42

The purpose of this resolution is to request the Office of the Legislative Reference Bureau to study recent nationwide developments in the area of product liability as they relate to the consumers and manufacturers of Hawaii.

Your Committee finds that there is an expressed need to conduct a study on product liability here in Hawaii. Product liability claims are directed not only against manufacturers but also against distributors, wholesalers and retailers. A relative lack of manufacturing in Hawaii does not mean that our economy is unaffected by these claims. In fact, we may be more severely affected because of our particularly large community of small businesses.

Product liability insurance in small businesses is rapidly becoming unobtainable because of the constant increase in premiums. As the rates go up, those affected must raise their prices, go out of business, or go un-insured. Businesses have elected each of these alternatives.

Your Committee further finds that products liability has reached crisis proportions in many places on the mainland. In Hawaii, product liability has not yet reached crisis proportion, and therefore there is still time for as to find ways to avoid the situation that currently exists on the mainland.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 42 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 739-78 Consumer Protection on S.R. No. 272

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study of the relationship between generic drugs and brand-name drugs to determine the feasibility of adopting a policy of generic drug substitution. The Legislative Reference Bureau is further requested to include information on cost savings to the consumer if such a policy is implemented, and information on the implication such a program would have on malpractice liability.

Your Committee finds that the use of generic drugs as a substitute for brand name drugs may in some cases be less expensive for the consumer. But there is a need to determine the bio-equivalency and bio-availability of these generic drugs.

Your Committee has received testimony from the Department of Health, the Attorney General's Office, Hawaii Pharmaceutical Association, and Hawaii Medical Association supporting this resolution which request that this study be conducted by the Legislative Reference Bureau.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 272 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 740-78 Consumer Protection on H.B. No. 2793-78

The purpose of this bill is to protect the public by requiring the manufacturers of nonchemical pest control devices or their representatives to submit efficacy data for examination and review; provided such examination and review may require the furnishing of specimen material or samples as may be necessary for efficacy and safety determination and approval prior to the authorization for the sale of such devices in the State.

Your Committee finds that there is a need to regulate the sale of nonchemical pest control devices since many have been of doubtful efficacy and safety. Testimony presented by the Board of Agriculture, the Office of Consumer Protection, and the Hawaiian Pest Control Association reveal the concerns over ineffective and unsafe nonchemical pest control devices, such as electromagnetic, sound and ultrasound, cosmic and other wave devices being sold which pose actual or potential threats to human health and

safety.

Your Committee has learned that both the United States Environmental Protection Agency and the Office of Consumer Protection in Hawaii have issued stop-sale orders on some devices because of their ineffectiveness.

Your Committee is of the opinion that this bill would provide a protective measure minimizing the hazards associated with these devices.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2793-78, 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. 741-78 Transportation on H.B. No. 2592-78

The purpose of this bill is to improve bicycle safety and operations by:

- (1) Defining "bicycle lane", "bicycle path", "bicycle route", and "bikeway"; and
- (2) Providing for traffic lane markings and traffic signs for bicycle lanes.

Your Committee finds that providing official traffic lane markings and traffic signs for bicycle lanes will provide greater protection for bicyclists utilizing such bicycle lanes.

Your Committee has received testimony supporting this bill from the Department of Transportation and the Hawaii Bicycling League.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2592-78, 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. 742-78 Transportation on H.B. No. 2593-78

The purpose of this bill is to improve health and safety factors affecting bicyclists by amending the traffic laws to require uniform application of certain rules of the road on nonroadway as well as roadway portions of public streets and highways.

This bill includes exceptions to the existing requirement that bicyclists ride as near to the right hand curb or edge of the roadway as practicable, and it additionally allows bicyclists to operate on the left side of one-way streets.

This bill also requires bicyclists to ride in single file within bicycle lanes where such lanes exist, and provides exceptions to this rule.

Your Committee has received testimony in favor of this bill from the Department of Transportation, the City and County of Honolulu Police Department, and the Hawaii Bicycling League.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2593-78, 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. 743-78 Transportation on H.B. No. 2942-78

The purpose of this bill is to increase allowable agricultural vehicle length. Specifically, it would permit a total overall length of up to 65 feet for truck-tractor and semitrailer combinations used for agricultural purposes, and establish a 45 feet limitation on the length of such semitrailers alone.

Your Committee has received testimony in favor of this bill from the Board of Agriculture and the Hawaii Cattlemen's Council.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2942-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 744-78 Legislative Management

Informing the Senate that S.R. Nos. 385 to 388 and Stand. Com. Rep. Nos. 745-78 to 752-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 745-78 Ecology, Environment and Recreation on S.R. No. 35

The purpose of this resolution is to request the Senate Committees on Transportation and Ecology, Environment and Recreation to jointly consider limiting the number and size of passenger automobiles in Hawaii.

Your Committee heard testimony from the Department of Transportation in which they referred to "The Statewide Transportation Plan" submitted to the 1978 Legislature by the Statewide Transportation Council and the Department of Transportation. This report contains suggested legislation for limiting usage of automobiles, considering the constraints of health, safety, and congestion.

Your Committee also heard testimony from the Department of Transportation Services, City and County of Honolulu, which favors limiting the number and size of passenger automobiles in order to amplify the need for a fixed-guideway rapid transit system as a major alternative to automobile traffic.

Your Committee recommends that the Committees on Transportation and Ecology, Environment and Recreation study "The Statewide Transportation Plan," dated December 1977, and make specific recommendations to the Tenth State Legislature, Regular Session of 1979.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 35 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 746-78 Ecology, Environment and Recreation on S.C.R. No. 60

The purpose of this Concurrent Resolution is to request the State Department of Transportation and the several Counties to develop jogging trails throughout the State and to make jogging and running safer by separating joggers and runners from motor vehicles.

Your Committee heard testimony from the Department of Transportation, which suggested that the responsible State agency be changed to the Department of Land and Natural Resources. In discussing the matter further, the Department of Transportation indicated that although primarily for disabled vehicles, shoulders on highways and bikeways could be used by joggers as well as bikers. Your Committee concluded that joggers do run on or along the sides of roadways, which would come under the purview of the Department of Transportation but that separate jogging trails apart from roads primarily for vehicles also should be developed.

Your Committee, therefore, has amended the Concurrent Resolution to request the Department of Land and Natural Resources as well as the Department of Transportation and the several Counties to develop jogging trails throughout the State.

Your Committee has further amended the resolution by changing the title to include the Department of Land and Natural Resources as follows: "SENATE CONCURRENT RESOLUTION REQUESTING THE STATE DEPARTMENT OF TRANSPORTATION, THE STATE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE COUNTIES TO DEVELOP JOGGING TRAILS THROUGHOUT THE STATE."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 60, S.D. 1.

Signed by all members of the Committee.

SCRep. 747-78 Ecology, Environment and Recreation on S.R. No. 234

The purpose of this Resolution is to request the State Department of Transportation and the several Counties to develop jogging trails throughout the State and to make

jogging and running safer by separating joggers and runners from motor vehicles.

Your Committee heard testimony from the Department of Transportation, which suggested that the responsible State agency be changed to the Department of Land and Natural Resources. In discussing the matter further, the Department of Transportation indicated that although primarily for disabled vehicles, shoulders on highways and bikeways could be used by joggers as well as bikers. Your Committee concluded that joggers do run on or along the sides of roadways, which would come under the purview of the Department of Transportation but that separate jogging trails apart from roads primarily for vehicles also should be developed.

Your Committee, therefore, has amended the Resolution to request the Department of Land and Natural Resources as well as the Department of Transportation and the several Counties to develop jogging trails throughout the State.

Your Committee has further amended the resolution by changing the title to include the Department of Land and Natural Resources as follows: "SENATE RESOLUTION REQUESTING THE STATE DEPARTMENT OF TRANSPORTATION, THE STATE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE COUNTIES TO DEVELOP JOGGING TRAILS THROUGHOUT THE STATE."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 234, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 234, S.D. 1.

Signed by all members of the Committee.

SCRep. 748-78 Ecology, Environment and Recreation on S.C.R. No. 67

The purpose of this concurrent resolution is to request Hawaii's Congressional delegation to urge Congress to pass the supplemental appropriations bill providing for fiscal 1978 funding of the Clean Water Act of 1977, which is an amendment to the 1972 Federal Water Pollution Control Act. Although the Clean Water Act authorizes funding for 75 percent federal matching funds for local sewage treatment plants over a 5-year period, the grants to states must be appropriated by Congress which has delayed final action on the supplemental appropriations bill.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 67 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 749-78 Ecology, Environment and Recreation on S.R. No. 256

The purpose of this resolution is to request Hawaii's Congressional delegation to urge Congress to pass the supplemental appropriations bill providing for fiscal 1978 funding of the Clean Water Act of 1977, which is an amendment to the 1972 Federal Water Pollution Control Act. Although the Clean Water Act authorizes funding for 75 percent federal matching funds for local sewage treatment plants over a 5-year period, the grants to states must be appropriated by Congress which has delayed final action on the supplemental appropriations bill.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 256 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 750-78 Housing and Hawaiian Homes on S.C.R. No. 78

The purpose of this concurrent resolution is to request the Office of Consumer Protection, the Legislative Reference Bureau, and the Real Estate Commission to conduct a joint study of problems and concerns related to time sharing, property management, and enforcement of condominium laws; and to review the recommended Uniform Condominium Act of the National Conference of Commissioners on Uniform State Laws and evaluate the proposals contained therein with respect to the problems experienced in this State.

This concurrent resolution further requires that the above mentioned agencies submit their findings, recommendations, and any proposed legislation to the next Legislature no later than twenty days prior to the convening of the 1979 Legislative Session and that the agencies develop their recommendations in consultation with residential condominium owners, groups representing condominium owners, purchasers of time sharing units,

and other related or potentially affected professional groups; such as the Resort Developers Conference, the Institute of Real Estate Management (Hawaii Chapter), and the Hawaii Association of Realtors.

Testimony received by your Committee from both industry and consumer representatives unanimously endorsed the necessity of the requested study.

Your Committee has amended this concurrent resolution to include the Hawaii Hotel Association as among the bodies with which the study committee must consult.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 78, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by all members of the Committee.

SCRep. 751-78 Housing and Hawaiian Homes on S.R. No. 287

The purpose of this resolution is to request the Office of Consumer Protection, the Legislative Reference Bureau, and the Real Estate Commission to conduct a joint study of problems and concerns related to time sharing, property management, and enforcement of condominium laws; and to review the recommended Uniform Condominium Act of the National Conference of Commissioners on Uniform State Laws and evaluate the proposals contained therein with respect to the problems experienced in this State.

This resolution further requires that the above mentioned agencies submit their findings, recommendations, and any proposed legislation to the next Legislature no later than twenty days prior to the convening of the 1979 Legislative Session and that the agencies develop their recommendations in consultation with residential condominium owners, groups representing condominium owners, purchasers of time sharing units, and other related or potentially affected professional groups; such as the Resort Developers Conference, the Institute of Real Estate Management (Hawaii Chapter), and the Hawaii Association of Realtors.

Testimony received by your Committee from both industry and consumer representatives unanimously endorsed the necessity of the requested study.

Your Committee has amended this resolution to include the Hawaii Hotel Association as among the bodies with which the study committee must consult.

Your Committee on Housing and Hawaiian Homes concurs 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.

SCRep. 752-78 Housing and Hawaiian Homes on S.R. No. 144

The purpose of this resolution is to request the counties to evaluate the recommendations of the Council of Housing and Construction Industry as detailed in its report to the Legislature on the concerns and findings relative to the high cost of housing in Hawaii.

During the 1976 Legislative session the Hawaii State Legislature enacted Act 166. The objective of this Act was to create the Council of Housing and Construction Industry. The Council was formed to: (1) investigate the reasons for the high cost of housing; (2) determine means to provide affordable housing for the "gap group" (home buyers whose income is within the \$14,000 to \$28,000 income bracket); (3) determine methods to facilitate a substantial decrease in the present high cost of developing housing for the people of Hawaii in the future; and (4) report it's findings and recommendations to the Legislature.

The Council has recently reported on its concerns and findings relative to the high cost of housing in Hawaii. Included in this report were their recommendations pertaining to: (1) time limitations on the county development review and approval process; (2) requirements regarding subdividers dedication of park land; (3) the reduction of housing costs through increased density allowances; and (4) governmental joint effort aid for private development finding.

Your Committee finds that since the majority of the recommendations call for the county governments' action of cooperation it would be advisable for them to evaluate this report.

Your Committee has amended this resolution to require that the counties report it's findings to the legislature no later than twenty days prior to the convening of the regular session of 1979.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. 144, as amended herein, and recommends it's adoption in the form attached hereto as S.R. No. 144, S.D. 1.

Signed by all members of the Committee.

SCRep. 753-78 Legislative Management

Informing the Senate that S.C.R. No. 125, S.R. Nos. 389 to 402 and Stand. Com. Rep. Nos. 754-78 to 763-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 754-78 Housing and Hawaiian Homes on S.C.R. No. 73

The purpose of this concurrent resolution is to request that the Congress of the United States reduce the base flood standard of the National Flood Insurance Act from 100 years to 50 years.

The National Flood Insurance Act of 1968 defines "base flood" as the flood having a one-percent chance of being equaled or exceeded in any given year, and utilizes this definition in determining "areas of special flood hazard" or "coastal high hazard areas". In order for communities to qualify for subsidized federal flood insurance under this Act, local governments must impose specific development restrictions and requirements for construction in locations designated as areas of special flood hazard or coastal high hazard areas.

Testimony by various professional groups has indicated that it can reasonably be anticipated that the effect of new codes and ordinances which conform to these federal requirements will be to the economic detriment of the community at large, and that the State of Hawaii, plagued by spiraling housing costs and an absence of great amounts of developable land, can ill afford to restrict the availability of reasonably priced housing and opportunities for economic development by the application of unreasonable building limitations. Moreover, it was noted that increasingly sophisticated early warning systems have significantly reduced the hazards of loss of life or personal injury from storm surf and tsunami in the State of Hawaii, and that a fifty year standard would adequately preserve the intent and produce the effects desired by the Flood Insurance Act.

Your Committee therefore, finds that the adoption of a fifty year standard would more realistically represent the economic life of structures, reduce pressure of urbanization on agricultural and conservation lands, and reduce the detrimental effects of building restrictions while adequately protecting and preserving the intent of the Flood Insurance Act requirements.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 73 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 755-78 Housing and Hawaiian Homes on S.R. No. 275

The purpose of this resolution is to request that the Congress of the United States reduce the base flood standard of the National Flood Insurance Act from 100 years to 50 years.

The National Flood Insurance Act of 1968 defines "base flood" as the flood having a one-percent chance of being equaled or exceeded in any given year, and utilizes this definition in determining "areas of special flood hazard" or "coastal high hazard areas". In order for communities to qualify for subsidized federal flood insurance under this Act, local governments must impose specific development restrictions and requirements for construction in locations designated as areas of special flood hazard or coastal high hazard areas.

Testimony by various professional groups has indicated that it can reasonably be anticipated that the effect of new codes and ordinances which conform to these federal requirements will be to the economic detriment of the community at large, and that the State of Hawaii, plagued by spiraling housing costs and an absence of great amounts

of developable land, can ill afford to restrict the availability of reasonably priced housing and opportunities for economic development by the application of unreasonable building limitations. Moreover, it was noted that increasingly sophisticated early warning systems have significantly reduced the hazards of loss of life or personal injury from storm surf and tsunami in the State of Hawaii, and that a fifty year standard would adequately preserve the intent and produce the effects desired by the Flood Insurance Act.

Your Committee therefore, finds that the adoption of a fifty year standard would more realistically represent the economic life of structures, reduce pressure of urbanization on agricultural and conservation lands, and reduce the detrimental effects of building restrictions while adequately protecting and preserving the intent of the Flood Insurance Act requirements.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 275 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 756-78 Public Utilities on H.B. No. 1932-78

The purpose of this bill is to provide exemptions from motor carrier economic regulation for persons transporting passengers where such transportation is ancillary to a related primary business purpose. The bill establishes procedures for suspension or revocation of certificates of public convenience and necessity and provides a penalty for advertising by non-certified carriers. The bill also requires certified carriers to report any change of address or telephone number to the Public Utilities Commission (PUC) and requires the Attorney General to prosecute all violations of chapter 271, Hawaii Revised Statutes, when requested by the PUC.

Your Committee is in agreement with the amendments that bring about clarity in language in the exemption area and in the prohibition of expansion into areas not associated with the primary venture.

Your Committee is also in agreement with the role of the PUC in the levying of suspension and revocation of certificates and permits.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 1932-78, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 757-78 Public Utilities on H.B. No. 2165-78

The purpose of this bill is to encourage the commercial development of geothermal energy by establishing procedures to insure geothermal energy producers, the public utilities, and the consumers that just and reasonable rates for such energy will be determined.

This bill provides that the rate payable by a public utility to the producer of geothermal steam or electricity generated from geothermal steam shall be agreed upon by both the public utility and the producer of this geothermal energy, subject to the approval of the Public Utilities Commission (PUC). If the public utility and the producer cannot agree upon the rate or if the PUC disapproves of the agreed upon rate, the PUC shall establish a "just and reasonable rate" for the geothermal steam or electricity.

The producer of geothermal steam or electricity is excluded from the definition of a public utility and is not subject to the regulation by the PUC in any other respect other than for determining the rates for the sale of geothermal energy.

The bill, in its present form, does not require a public utility company to purchase the geothermal steam or electricity.

Your Committee received testimony in support of H.B. No. 2165-78, H.D. 1, from the Department of Planning and Economic Development, the Public Utilities Commission, the Office of the Mayor of the County of Hawaii, the Hawaiian Electric Company, Inc., and the Hawaii Sugar Planters' Association.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 2165-78, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 758-78 Human Resources on H.B. No. 1954-78

The purpose of this bill is to amend Section 372-3 (standards for apprenticeship agreements) to conform to recently adopted Federal standards. This bill replaces the requirement for 4,000 hours of training with a requirement of 12 months or 2,000 hours of reasonably continuous employment.

Your Committee finds that effective February 18, 1977, the Federal Committee on Apprenticeship, U.S. Department of Labor, adopted Title 29 CFR 29 which covers labor standards for registration of apprenticeship programs. A term of apprenticeship of not less than 2,000 hours of work experience was established under the "Standards of Apprenticeship", which conflicts with the present provision in the Hawaii law for a minimum term of 4,000 hours. Adoption of the reduced term is a requirement necessary for the Department of Labor and Industrial Relations to obtain continued recognition by the Federal Bureau of Apprenticeship and Training as the appropriate state agency for registering local apprenticeship programs for certain federal purposes. The provision for "12 months" training in lieu of 2,000 hours is intended to accommodate those industries which desire the monthly system over the hourly one. Hawaii has been granted an extension by the DOL on the deadline for conformance to October, 1978.

Your Committee further finds that this bill will have the effect of expanding the apprenticeship system into nontraditional occupations such as those in the fields of health, energy, environment, and industries other than construction. The reduction of the minimum hours under apprenticeship from 4,000 to 2,000 hours will have no effect on the currently registered programs.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1954-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 759-78 Higher Education on S.R. No. 14

The purpose of this resolution is to request the Senate Committee on Higher Education to review the targeted programs of Selected Excellence and report back to the Senate prior to the end of the Regular Session of 1978.

Your Committee has received testimony which begins to delineate the areas of "Selective Excellence". However, your Committee feels that the University should further define the scope of each of the "targeted" areas so that the term will be fully understood by the Committee and the public especially when used as justification for budget requests.

The concept of "Selective Excellence" is currently so broad that it is not one that can be used for decision making.

Your Committee has amended the resolution so that it can follow up on the progress of the University regarding the concept of selected excellence during the interim.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 14, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 14, S.D. 1.

Signed by all members of the Committee except Senator Yee.

SCRep. 760-78 Health on S.C.R. No. 85

The purpose of this concurrent resolution is to request that the Legislative Auditor conduct an immediate and complete fiscal, management and program audit of the Habilitat program.

Your Committee finds that the substance abuse program of Habilitat, Inc. is a useful and successful drug treatment program that effectively serves its clients. Over 79 written and oral testimonies in full support of the program were received by your Committee at a four hour public hearing on this concurrent resolution.

Questions had been raised, prior to the hearing, regarding the possible recruitment of clients from the mainland for the program. Habilitat's testimony indicated that of the 163 total admissions during the 13-month period ending January 31, 1978, 61% or 99 were out-of-state clients, and of the 152 persons who have successfully completed the program to date, only 57, or 38%, were born in Hawaii. These statistics are of

concern to your Committee in view of the heavy general fund contributions to the program and the growing drug problem among Hawaii's youth.

Mr. Vince Marino, the Executive Director of Habilitat, indicated that he had no objection to the performance of an audit of the program. Officials of the Department of Health, the Department of Social Services & Housing and the Department of Budget & Finance also agreed that an audit would serve a useful public purpose.

Your Committee has amended the concurrent resolution by deleting certain paragraphs thereof which appear to be unnecessary in accomplishing the objective of the concurrent resolution, i.e. the conduct of a complete fiscal management and program audit of the Habilitat program.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 85, 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. 85, S.D. 1.

Signed by all members of the Committee.

SCRep. 761-78 Health on S.R. No. 313

The purpose of this resolution is to request that the Legislative Auditor conduct an immediate and complete fiscal, management and program audit of the Habilitat program.

Your Committee finds that the substance abuse program of Habilitat, Inc. is a useful and successful drug treatment program that effectively serves its clients. Over 79 written and oral testimonies in full support of the program were received by your Committee at a four hour public hearing on this resolution.

Questions had been raised, prior to the hearing, regarding the possible recruitment of clients from the mainland for the program. Habilitat's testimony indicated that of the 163 total admissions during the 13-month period ending January 31, 1978, 61% or 99 were out-of-state clients, and of the 152 persons who have successfully completed the program to date, only 57, or 38%, were born in Hawaii. These statistics are of concern to your Committee in view of the heavy general fund contributions to the program and the growing drug problem among Hawaii's youth.

Mr. Vince Marino, the Executive Director of Habilitat, indicated that he had no objection to the performance of an audit of the program. Officials of the Department of Health, the Department of Social Services & Housing and the Department of Budget & Finance also agreed that an audit would serve a useful public purpose.

Your Committee has amended the resolution by deleting certain paragraphs thereof which appear to be unnecessary in accomplishing the objective of the resolution, i.e. the conduct of a complete fiscal management and program audit of the Habilitat program.

Your Committee on Health concurs with the intent and purpose of S.R. No. 313, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 313, S.D. 1.

Signed by all members of the Committee.

SCRep. 762-78 Health on S.C.R. No. 84

The purpose of this concurrent resolution is to request that the Department of Health review the current air pollution control regulations and ambient air quality standards to determine the necessity and cost-benefit ratio of the visible emission limitations and the reasonableness of their impact on industry in the State of Hawaii.

Your Committee received testimony from the Department of Health stating that this is an opportune time to reassess our air pollution control strategy and the regulations necessary to meet ambient air quality standards. Requirements relative to mass emissions limitations and visible emission limitations have been in effect since 1972 thus giving the Department six years of experience for evaluation. Furthermore, with the enactment of the Clean Air Act Amendments of 1977, new adjustments will be required making a reassessment and evaluation pertinent.

Supportive testimony was received by your Committee from the Department of Health, the County of Hawaii, the Hawaiian Sugar Planters' Association and Hawaiian Electric Company, Inc. Agreement was reached among the representatives of these groups to several minor changes in the wording of the concurrent resolution and to the inclusion

of ambient air quality standards in the review.

The Department of Health is requested to report its findings to the Legislature by September 1, 1978.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 84, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 84, S.D. 1.

Signed by all members of the Committee.

SCRep. 763-78 Health on S.R. No. 311

The purpose of this resolution is to request that the Department of Health review the current air pollution control regulations and ambient air quality standards to determine the necessity and cost-benefit ratio of the visible emission limitations and the reasonableness of their impact on industry in the State of Hawaii.

Your Committee received testimony from the Department of Health stating that this is an opportune time to reassess our air pollution control strategy and the regulations necessary to meet ambient air quality standards. Requirements relative to mass emissions limitations and visible emission limitations have been in effect since 1972 thus giving the Department six years of experience for evaluation. Furthermore, with the enactment of the Clean Air Act Amendments of 1977, new adjustments will be required making a reassessment and evaluation pertinent.

Supportive testimony was received by your Committee from the Department of Health, the County of Hawaii, the Hawaiian Sugar Planters' Association and Hawaiian Electric Company, Inc. Agreement was reached among the representatives of these groups to several minor changes in the wording of the resolution and to the inclusion of ambient air quality standards in the review.

The Department of Health is requested to report its findings to the Legislature by September 1, 1978.

Your Committee on Health concurs with the intent and purpose of S.R. No. 311, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 311, S.D. 1.

Signed by all members of the Committee.

SCRep. 764-78 Legislative Management

Informing the Senate that S.C.R. Nos. 126 and 127, S.R. Nos. 403 to 418 and Stand. Com. Rep. Nos. 765-78 and 766-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 765-78 Housing and Hawaiian Homes on S.C.R. No. 74

The purpose of this concurrent resolution is to request the Council of Housing and the Construction Industry to examine the economic impact of the restrictions and requirements of the National Flood Insurance Act.

The National Flood Insurance Act of 1968 defines "base flood" as the flood having a one-percent chance of being equaled or exceeded in any given year, and utilizes this definition in determining "areas of special flood hazard" or "coastal high hazard areas". In order for communities to qualify for subsidized federal flood insurance under this Act, local governments must impose specific development restrictions and requirements for construction in locations designated as areas of special flood hazard or coastal high hazard areas.

Testimony by various professional groups has indicated that it can reasonably be anticipated that the effect of new codes and ordinances which conform to these federal requirements will be to the economic detriment of the community at large, and that the State of Hawaii, plagued by spiraling housing costs and an absence of great amounts of developable land, can ill afford to restrict the availability of reasonably priced housing and opportunities for economic development by the application of unreasonable building limitations.

Federal regulations provide a means whereby communities may obtain certain exemptions from the standards of the Flood Insurance Act where they can demonstrate severe hardship

or gross inequity due to extraordinary circumstances or local conditions. Consequently, while your Committee recognizes that the intent of Flood Insurance Act restrictions is to minimize loss of life and property due to flood, storm surf or tsunami; it also recognizes the necessity of a thorough examination of the economic impact of Flood Insurance Act restrictions and requirements in Hawaii in order to insure that they do not generate extreme or unnecessary hardship on the residents of this State.

It was noted in testimony by the American Institute of Architects that the requirements of the Flood Insurance Act may also have a detrimental effect upon the liability insurance of design professionals and on the existing body of building codes, ordinances, regulations, requirements and policies. Your Committee has therefore amended this resolution to include these two areas of study among those already specified.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 74, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 74, S.D. 1.

Signed by all members of the Committee.

SCRep. 766-78 Housing and Hawaiian Homes on S.R. No. 276

The purpose of this resolution is to request the Council of Housing and the Construction Industry to examine the economic impact of the restrictions and requirements of the National Flood Insurance Act.

The National Flood Insurance Act of 1968 defines "base flood" as the flood having a one-percent chance of being equaled or exceeded in any given year, and utilizes this definition in determining "areas of special flood hazard" or "coastal high hazard areas". In order for communities to qualify for subsidized federal flood insurance under this Act, local governments must impose specific development restrictions and requirements for construction in locations designated as areas of special flood hazard or coastal high hazard areas.

Testimony by various professional groups has indicated that it can reasonably be anticipated that the effect of new codes and ordinances which conform to these federal requirements will be to the economic detriment of the community at large, and that the State of Hawaii, plagued by spiraling housing costs and an absence of great amounts of developable land, can ill afford to restrict the availability of reasonably priced housing and opportunities for economic development by the application of unreasonable building limitations.

Federal regulations provide a means whereby communities may obtain certain exemptions from the standards of the Flood Insurance Act where they can demonstrate severe hardship or gross inequity due to extraordinary circumstances or local conditions. Consequently, while your Committee recognizes that the intent of Flood Insurance Act restrictions is to minimize loss of life and property due to flood, storm surf or tsunami; it also recognizes the necessity of a thorough examination of the economic impact of Flood Insurance Act restrictions and requirements in Hawaii in order to insure that they do not generate extreme or unnecessary hardship on the residents of this State.

It was noted in testimony by the American Institute of Architects that the requirements of the Flood Insurance Act may also have a detrimental effect upon the liability insurance of design professionals and on the existing body of building codes, ordinances, regulations, requirements and policies. Your Committee has therefore amended this resolution to include these two areas of study among those already specified.

Your Committee on Housing and Hawaiian Homes 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. 767-78 Legislative Management

Informing the Senate that Gov. Msg. Nos. 175 to 221, S.C.R. No. 128, S.R. Nos. 419 to 423 and Stand. Com. Rep. Nos. 768-78 to 781-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 768-78 Human Resources on S.C.R. No. 71

The purpose of this Senate Concurrent Resolution is to approve the final compensation plan for civil service employees as adjusted by the Public Employees Compensation Appeals Board and submitted to the Legislature by the Conference of Personnel Directors through the Office of the Governor.

Sections 77-4 and 77-5 of the Compensation Law require all Personnel Directors of the State, the Judiciary, and the several counties to meet in joint conference each odd-numbered year to review the pay plans for civil service employees, and to recommend a tentative compensation plan to the Public Employees Compensation Appeals Board (PECAB). The PECAB then conducts hearings for pricing appeals from affected persons and parties and makes final adjustments to this tentative compensation plan. The Conference of Personnel Directors is subsequently required to submit to the Legislature, through the Office of the Governor, a report setting forth the final compensation plan and the cost of implementing any adjustments thereto effective July 1, 1978.

Your Committee finds that the final compensation plan provides adjustments which support the concept of equal pay for equal work, and further finds that a significant number of employees are affected in a positive manner by the adjustments provided in the plan.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 71 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 769-78 Ways and Means on H.B. No. 3042-78

The purpose of this bill is to provide supplementary appropriations for witness expenses in criminal proceedings for fiscal years 1977-78 and 1978-79. The governor requests immediate passage of this bill.

Act 7, Special Session Laws of Hawaii 1977, designated the Department of Budget and Finance as the expending agency for witness expenses required by county prosecutors and the public defender in criminal proceedings. Expenditures for the first seven months of the current fiscal year indicate that the funds appropriated by Act 7 will be insufficient to pay witness expenses for the entire fiscal year if the current rate of expenditure continues.

Your Committee feels that the supplementary amounts provided for in this bill will be sufficient to pay witness expenses for the entire fiscal year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3042-78, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 770-78 Ways and Means on H.B. No. 3041-78

The purpose of this bill is to make an additional appropriation to the Department of Social Services and Housing to cover the deficit projected for its public assistance programs for the remainder of fiscal year 1977-78. The governor requests immediate passage of this bill.

Simply, the appropriation made during the Special Session of 1977 for the public assistance programs, which were based on optimistic estimates, are not sufficient. The deficit is caused by the increase in caseloads, payment levels and, in the case of medical assistance, frequency of medical attention.

The Department of Social Services and Housing estimates that the deficit will be \$11,899,051 for medical assistance and \$6,912,077 for money payments. Recent court rulings are expected to increase the money payment deficit by \$2,578,507. The total deficit is \$21,389,635, of which \$8,661,830 is to be assumed by federal funds and \$12,727,805 is to be assumed from the State's general fund. These are the amounts addressed by this bill.

Your Committee would like to reemphasize the point made by the House Committee on Finance to the Department that abusers of public assistance must be constantly pursued to contain costs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3041-78 and recommends that it pass Second Reading and be placed on the calendar

for Third Reading.

Signed by all members of the Committee.

SCRep. 771-78 Health on S.C.R. No. 24

The purpose of this concurrent resolution, recommended as one of a number of legislative proposals that comprise the Governor's Legislative Package for Selected Growth Management, is to affirm legislative support and provide encouragement, to the departments and agencies concerned, to maintain and expand family planning education and service programs through public and private resources.

Your Committee received testimony from the Department of Health that passage of this resolution will assist in generating more funding for family planning, particularly from federal sources which provide a 90/10 match. The Department of Social Services and Housing, the Governor's Growth Management Task Force, and the Hawaii Medical Association supported this resolution which affirms that personal decisions regarding family planning and fertility regulation are private and confidential matters which should be decided by the individual according to one's own values and social responsibilities and that the State's role should be to assure that all Hawaii residents, rich and poor, have access to a choice of safe, appropriate and acceptable reproductive health services.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 772-78 Health on S.C.R. No. 116

The purpose of this concurrent resolution is to form an Interim Committee composed of, but not limited to, members of the Senate and House Committees on Health to conduct an in-depth review of the County/State Hospital System. This Interim Committee is to report its findings and recommendations twenty days prior to the convening of the Regular Session of 1979. Particular emphasis should be placed on neighbor island hospitals in the following areas:

1. staff hiring procedures, including review of the criteria used by the Department of Health and the Department of Budget and Finance in assessing personnel needs,
2. procedures used by the Department of Health and the Department of Budget and Finance in preparing hospital budget requests and in appropriating and allocating funds for hospital operation and facility expansion,
3. matters relating to the interaction and coordination of the University of Hawaii System and private community health system with respect to training and continuing education of hospital personnel.

Your Committee finds that the staffing, equipping, cost recovery and other operational factors of the County/State Hospital System raise serious concerns which require concerted legislative and administrative attention.

The Department of Health concurs and supports S.C.R. No. 116 in recognizing legislative concerns surrounding the supplemental budget request for additional staffing for the County/State hospitals. The problems faced by the hospitals in the recruitment of nurses are also of deep concern to the Department of Health and its health care institutions.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 116 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 773-78 Higher Education on S.C.R. No. 112

The purpose of this concurrent resolution is to request the University of Hawaii to waive the tuition for 30 undergraduate students who are actively participating in the music department's orchestra program.

Testifying before your Committee, Ely Meyerson, Dean of Students, University of Hawaii at Manoa, stated that he thought it might be possible to grant these waivers. However, your Committee is aware that the University may have difficulty granting these tuition waivers out of the quota established in Section 304-4, Hawaii Revised Statutes, and therefore has amended the concurrent resolution to request the Board of Regents

to explore the possibility of expanding the quota by 30 in order to accommodate the necessary orchestra student waivers.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 112, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.C.R. No. 112, S.D. 1.

Signed by all members of the Committee except Senator Leopold.

SCRep. 774-78 Consumer Protection on S.R. No. 333

The purpose of this resolution is to request the Senate Committee on Consumer Protection, with the assistance of the Office of Legislative Reference Bureau, to conduct interim hearings on a proposal to regulate secondhand dealers, a measure which was considered during the Regular Session of 1978.

Your Committee conducted a hearing on February 17, 1978, on Senate Bill No. 2082-78 regarding the licensing and regulation of secondhand dealers. Although the proposals in S.B. No. 2082-78 make disposition of stolen property by thieves much more difficult, provides more severe penalties for violations of the provisions of the bill, and improves the chances of recovery by the police, the definition of "second-hand dealers" appeared to be overly broad to the point that numerous legitimate businesses would be unnecessarily burdened.

Your Committee finds that it is necessary to acquire additional input from the community and government agencies in order to redraft the proposal to regulate the operations of secondhand dealers so that there is a minimum impact on those legitimately conducting their business and hobby activities.

Your Committee has received testimony from the Honolulu Police Department, the Hawaii Insurance Association, and the Hawaii Antique Dealers Association indicating favorable support to this resolution and their willingness to participate in the interim hearings.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 333 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 775-78 Ecology, Environment and Recreation on S.C.R. No. 92

The purpose of this resolution is to indicate support for the efforts of the Department of Health in revising the existing water quality standards to include considerations for the protection of human health, water quality and water-based ecosystems.

Your Committee heard testimony from the Hawaiian Sugar Planters' Association and the Department of Health. Mr. Edward Lui, speaking for the Hawaiian Sugar Planters' Association, stated that the fifth, sixth and seventh WHEREAS' should be rephrased to indicate desired characteristics rather than conclusions, and further that the first RESOLVE should be deleted in that it endorses revisions that are yet to be written.

Dr. James S. Kumagai, Environmental Protection and Health Services Division, Department of Health, agreed with the Hawaiian Sugar Planters' Association that the standards revisions were indeed desired characteristics rather than the conclusions at the present time. Your Committee has, therefore, amended the concurrent resolution by deleting the first RESOLVE clause and by changing the references in the fifth, sixth and seventh WHEREAS clauses to indicate they are objectives rather than conclusions, as follows:

Fifth WHEREAS: Added the words "the objective of" after the first comma and the words "is to" after the word "revisions."

Sixth WHEREAS: Added the words "the objective of" after the first comma and the words "is to" after the word "revisions."

Seventh WHEREAS: Added the words "the objective of" after the first comma; deleted the word "will" and added the words "is to" after the word "revisions."

Your Committee has further reworded the second RESOLVE by deleting the third word, "FURTHER," and adding after the word, "RESOLVED," the following words: "that the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, does hereby."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by all members of the Committee.

SCRep. 776-78 Ecology, Environment and Recreation on S.R. No. 338

The purpose of this resolution is to indicate Senate support for the efforts of the Department of Health in revising the existing water quality standards to include considerations for the protection of human health, water quality and water-based ecosystems.

Your Committee heard testimony from the Hawaiian Sugar Planters' Association and the Department of Health. Mr. Edward Lui, speaking for the Hawaiian Sugar Planters' Association, stated that the fifth, sixth and seventh WHEREAS' should be rephrased to indicate desired characteristics rather than conclusions, and further that the first RESOLVE should be deleted in that it endorses revisions that are yet to be written.

Dr. James S. Kumagai, Environmental Protection and Health Services Division, Department of Health, agreed with the Hawaiian Sugar Planters' Association that the standards revisions were indeed desired characteristics rather than the conclusions at the present time. Your Committee has, therefore, amended the resolution by deleting the first RESOLVE clause and by changing the references in the fifth, sixth and seventh WHEREAS clauses to indicate they are objectives rather than conclusions, as follows:

Fifth WHEREAS: Added the words "the objective of" after the first comma and the words "is to" after the word "revisions."

Sixth WHEREAS: Added the words "the objective of" after the first comma and the words "is to" after the word "revisions."

Seventh WHEREAS: Added the words "the objective of" after the first comma; deleted the word "will" and added the words "is to" after the word "revisions."

Your Committee has further reworded the second RESOLVE by deleting the third word, "FURTHER," and adding after the word, "RESOLVED," the following words: "that the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, does hereby."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 338, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 338, S.D. 1.

Signed by all members of the Committee.

SCRep. 777-78 Ecology, Environment and Recreation on S.C.R. No. 99

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to develop a current general plan for the continuing restoration of the Iolani Palace complex and to submit the plan to the legislature prior to the convening of the Regular Session of 1979.

Your Committee heard favorable testimony from the Department of Land and Natural Resources.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 99 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 778-78 Ecology, Environment and Recreation on S.R. No. 348

The purpose of this resolution is to request the Department of Land and Natural Resources to develop a current general plan for the continuing restoration of the Iolani Palace complex and to submit the plan to the legislature prior to the convening of the Regular Session of 1979.

Your Committee heard favorable testimony from the Department of Land and Natural Resources.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 348 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 779-78 Ecology, Environment and Recreation on S.C.R. No. 103

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources to add to the master plan for the development, conservation and use of water, the quantity and quality of the natural water resources in the State on an island by island basis, the amount of water resources which has been developed, the amount remaining undeveloped, whether and to what extent sources currently being used are being depleted or degraded in quality, the amount of water development required annually to keep up with increasing demand, the cost of such development, and the adverse effects of further development upon existing water sources and uses and that this report, with supporting documentation, be submitted annually to the legislature twenty days prior to the convening of the regular sessions.

Your Committee heard supporting testimony from the Department of Land and Natural Resources, which stated that it is developing computer capability to facilitate compliance.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 103 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 780-78 Ecology, Environment and Recreation on S.R. No. 352

The purpose of this resolution is to request the Board of Land and Natural Resources to add to the master plan for the development, conservation and use of water, the quantity and quality of the natural water resources in the State on an island by island basis, the amount of water resources which has been developed, the amount remaining undeveloped, whether and to what extent sources currently being used are being depleted or degraded in quality, the amount of water development required annually to keep up with increasing demand, the cost of such development, and the adverse effects of further development upon existing water sources and uses and that this report, with supporting documentation, be submitted annually to the legislature twenty days prior to the convening of the regular sessions.

Your Committee heard supporting testimony from the Department of Land and Natural Resources, which stated that it is developing computer capability to facilitate compliance.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 352 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 781-78 Ecology, Environment and Recreation on S.R. No. 331

The purpose of this resolution is to request the Mayor and City Council of the City and County of Honolulu to expedite their efforts with regard to submitting a park development plan and making a financial commitment for the development of the 32-acre state parcel at the corner of Komo Mai Drive and Kaahumanu Drive for a city district park; to request the Governor of the State of Hawaii to promptly approve the transfer of the 32-acre state parcel to the city upon receipt and agreement with the city's Waiau park development plans and financial commitment; and to request a status report on the development of the proposed park from the Mayor and City Council and the Governor of the State of Hawaii to the Senate prior to the adjournment of the Regular Session of 1978.

Your Committee heard favorable testimony from the Pearl City Community Association, the Momilani Community Association and the Waiau District Park Ad Hoc Committee. The Department of Parks and Recreation, City and County of Honolulu testified that development of the Waiau park site has been delayed for a number of reasons, including the requirement of the Department of Land and Natural Resources that the site be subdivided into two lots - one for the fire station and the other for the proposed park. As a condition for transfer of land, the Department of Land and Natural Resources has requested schematic plans. The original master plan, previously approved by the community, is now being opposed by residents due to the location of tennis courts near their homes. A revised master plan, therefore, must be prepared for presentation to the community. The Department of Parks and Recreation further stated that although a sum of \$252,000 for planning and engineering was appropriated by the 1976 State Legislature, the Governor has not released these funds despite requests by the City and County of Honolulu.

After discussion, your Committee has amended the first RESOLVE clause by deleting the words "and financial agreement to fund" and added the word "for" following the

word "plan," and has included the community people in the planning by adding the words "working in conjunction with the Waiau District Park Ad Hoc Committee," before the word "expedite."

Further, your Committee has amended the second RESOLVE clause by calling upon the Mayor and the City Council of the City and County of Honolulu to provide 50% of the amount necessary for planning and engineering.

The third RESOLVE clause has been amended to request the Mayor and City Council and the Governor to submit a status report to the Senate 20 days prior to the convening of the Legislature, Regular Session of 1979, rather than prior to the adjournment of the Regular Session of 1978.

The final RESOLVE clause has been amended to add the Waiau District Park Ad Hoc Committee to the list of those who are to receive certified copies of this Resolution.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 331, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 331, S.D. 1.

Signed by all members of the Committee.

SCRep. 782-78 Legislative Management

Informing the Senate that S.R. Nos. 424 to 431 and Stand. Com. Rep. Nos. 783-78 to 802-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 783-78 Energy/Natural Resources on S.C.R. No. 91

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study to identify the state and county actions necessary to encourage the establishment of a manganese processing plant in Hawaii.

It is crucial that the major factors that the various consortia will consider in selection of Hawaii as a plant site be identified and developed if the industry is to benefit the people of Hawaii.

S.C.R. No. 91 further requests the Department of Planning and Economic Development to support the Legislative Reference Bureau study and conduct an analysis of the required infrastructure of the industry, coordinate efforts to attract the industry to the State by maintaining communication with consortia members, and providing a public information program as well as serving as a clearinghouse for industry information.

The University of Hawaii is requested to address other areas of the proposed establishment of the industry including environmental concerns, training programs and the commercial application or other uses of processing wastes.

Your Committee held a public hearing on S.C.R. No. 91 which indicated support of the need for such a study. Testimony from the Sierra Club offered the following changes:

1. Second "Whereas", insert in place of the word "would", "and related facilities could".
2. Second "Whereas", insert "nodule" after "year".
3. Third "Whereas", substitute "could" for "would".

Further, your Committee has deleted the following paragraph from page 3 of the resolution:

"BE IT FURTHER RESOLVED that the Office of the Legislative Reference Bureau may seek the release of funds for special legislative studies pursuant to the provisions of Act 1 of the Regular Session of 1978 in conducting its study, provided the request for funds is limited to \$5,000; and"

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.C.R. No. 91, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by all members of the Committee.

SCRep. 784-78 Energy/Natural Resources on S.R. No. 337

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study to identify the state and county actions necessary to encourage the establishment of a manganese processing plant in Hawaii.

It is crucial that the major factors that the various consortia will consider in selection of Hawaii as a plant site be identified and developed if the industry is to benefit the people of Hawaii.

S.R. No. 337 further requests the Department of Planning and Economic Development to support the Legislative Reference Bureau study and conduct an analysis of the required infrastructure of the industry, coordinate efforts to attract the industry to the State by maintaining communication with consortia members, and providing a public information program as well as serving as a clearinghouse for industry information.

The University of Hawaii is requested to address other areas of the proposed establishment of the industry including environmental concerns, training programs and the commercial application or other uses of processing wastes.

Your Committee held a public hearing on S.R. No. 337 which indicated support of the need for such a study. Testimony from the Sierra Club offered the following changes:

1. Second "Whereas", insert in place of the word "would", "and related facilities could".
2. Second "Whereas", insert "nodule" after "year".
3. Third "Whereas", substitute "could" for "would".

Further, your Committee has deleted the following paragraph from page 3 of the resolution:

"BE IT FURTHER RESOLVED that the Office of the Legislative Reference Bureau may seek the release of funds for special legislative studies pursuant to the provisions of Act 1 of the Regular Session of 1978 in conducting its study, provided the request for funds is limited to \$5,000; and"

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 337, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 337, S.D. 1.

Signed by all members of the Committee.

SCRep. 785-78 Energy/Natural Resources on S.C.R. No. 113

The purpose of this concurrent resolution is to provide strong legislative support for the development of a manganese nodule industry and related support activities in Hawaii, and to encourage and invite the various consortia exploring the potential of this industry to seriously consider the establishment of their manganese processing plant in Hawaii. Further, Hawaii's Congressional delegation is requested to actively support the passage of legislation which will provide viable economic incentives including the financial protection necessary to enhance the establishment of the manganese industry in Hawaii.

In the 1977 Regular Session, your Committee held an important hearing on S.R. No. 307 at which testimony was received from the "Father of Manganese Nodules" Dr. John Mero of California, and many of the most knowledgeable people in the field in Hawaii. Standing Committee Report No. 793 summarized the testimony at that hearing and set forth some positive actions which the State might undertake to fully demonstrate the value of the new industry to Hawaii.

Considerable progress has been made this past year in some of the areas outlined by your Committee's report. Some of the international consortia have conducted or are conducting ocean tests on their deep ocean mining systems, with favorable results indicated. Some of the consortia members have had representatives in Hawaii reviewing possible sites and related facilities for a processing plant. The Department of Planning and Economic Development completed a report in March entitled: "The Feasibility

and Potential Impact of Manganese Nodule Processing in Hawaii" which contains much valuable information. Further, if the Law of the Sea Conference currently underway by the United Nations fails to resolve the long impasse, the United States and other concerned nations of the world will probably proceed to enable members of the international consortia to commence mining operations in the near future.

Your Committee held a public hearing on this and three other Senate resolutions and Senate concurrent resolutions relating to the manganese nodule industry. All those testifying supported all four resolutions. They were: Hideto Kono, Department of Planning and Economic Development; Kenneth Kupchak, Sierra Club; Clarence Garcia, Hawaii County; Dr. James Andrews, oceanographer; Dr. John Craven, Marine Affairs Coordinator; Dr. Howard McKaughan, Graduate Division, University of Hawaii, Director of Research; L. R. Maurina, Brewer Chemical; Lloyd Jones, Dillingham Corporation, and the Construction Industry Legislative Organization.

A major concern expressed by many of those testifying is that the time table for decision making by the major consortia may come as early as 1979. Therefore, there is a need for a stronger mission oriented program in the State to secure the needed information for possible legislative action at the 1979 Session. The State's program to attract the manganese industry is necessary if Hawaii is to be chosen by one or more of the consortia for the location of their processing plant. A more thorough game plan must be charted with State, County of Hawaii and full industry participation. A critical path approach is suggested to ensure that all required actions are taken and information is secured for decision making.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.C.R. No. 113, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 113, S.D.-1.

Signed by all members of the Committee.

SCRep. 786-78 Energy/Natural Resources on S.R. No. 363

The purpose of this resolution is to provide strong legislative support for the development of a manganese nodule industry and related support activities in Hawaii, and to encourage and invite the various consortia exploring the potential of this industry to seriously consider the establishment of their manganese processing plant in Hawaii. Further, Hawaii's Congressional delegation is requested to actively support the passage of legislation which will provide viable economic incentives including the financial protection necessary to enhance the establishment of the manganese industry in Hawaii.

In the 1977 Regular Session, your Committee held an important hearing on S.R. No. 307 at which testimony was received from the "Father of Manganese Nodules" Dr. John Mero of California, and many of the most knowledgeable people in the field in Hawaii. Standing Committee Report No. 793 summarized the testimony at that hearing and set forth some positive actions which the State might undertake to fully demonstrate the value of the new industry to Hawaii.

Considerable progress has been made this past year in some of the areas outlined by your Committee's report. Some of the international consortia have conducted or are conducting ocean tests on their deep ocean mining systems, with favorable results indicated. Some of the consortia members have had representatives in Hawaii reviewing possible sites and related facilities for a processing plant. The Department of Planning and Economic Development completed a report in March entitled: "The Feasibility and Potential Impact of Manganese Nodule Processing in Hawaii" which contains much valuable information. Further, if the Law of the Sea Conference currently underway by the United Nations fails to resolve the long impasse, the United States and other concerned nations of the world will probably proceed to enable members of the international consortia to commence mining operations in the near future.

Your Committee held a public hearing on this and three other Senate resolutions and Senate concurrent resolutions relating to the manganese nodule industry. All those testifying supported all four resolutions. They were: Hideto Kono, Department of Planning and Economic Development; Kenneth Kupchak, Sierra Club; Clarence Garcia, Hawaii County; Dr. James Andrews, oceanographer; Dr. John Craven, Marine Affairs Coordinator; Dr. Howard McKaughan, Graduate Division, University of Hawaii, Director of Research; L. R. Maurina, Brewer Chemical; Lloyd Jones, Dillingham Corporation, and the Construction Industry Legislative Organization.

A major concern expressed by many of those testifying is that the time table for decision making by the major consortia may come as early as 1979. Therefore, there

is a need for a stronger mission oriented program in the State to secure the needed information for possible legislative action at the 1979 Session. The State's program to attract the manganese industry is necessary if Hawaii is to be chosen by one or more of the consortia for the location of their processing plant. A more thorough game plan must be charted with State, County of Hawaii and full industry participation. A critical path approach is suggested to ensure that all required actions are taken and information is secured for decision making.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 363, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 363, S.D. 1.

Signed by all members of the Committee.

SCRep. 787-78 Energy/Natural Resources on S.C.R. No. 117

The purpose of this concurrent resolution is to request the Governor to create as soon as possible, a Manganese Nodule Task Force to enhance Hawaii as a selection for a processing plant site.

Information needed for decision making to encourage the manganese nodule industry to locate their operations in Hawaii is needed prior to the 1979 Regular Session.

The task force will coordinate required actions of all public and private efforts in Hawaii related to attracting the industry to Hawaii and shall be composed of representatives of government agencies, the University of Hawaii, the Legislature and private industry. It would receive reports on each of the manganese related activities and the requirements of the various consortia and present recommendations for further action and submit a report to the Governor and the Legislature no later than 20 days before the convening of the Regular Session of 1979.

There was strong support in public testimony regarding S.C.R. No. 117 which was seen as crucial to attract the manganese nodule processing industry to Hawaii. Your Committee recommends, as a representative of environmental concerns, the addition of the Sierra Club as well as other private citizen input groups to the list of groups suggested for the Manganese Nodule Task Force.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.C.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by all members of the Committee.

SCRep. 788-78 Energy/Natural Resources on S.R. No. 370

The purpose of this resolution is to request the Governor to create as soon as possible, a Manganese Nodule Task Force to enhance Hawaii as a selection for a processing plant site.

Information needed for decision making to encourage the manganese nodule industry to locate their operations in Hawaii is needed prior to the 1979 Regular Session.

The task force will coordinate required actions of all public and private efforts in Hawaii related to attracting the industry to Hawaii and shall be composed of representatives of government agencies, the University of Hawaii, the Legislature and private industry. It would receive reports on each of the manganese related activities and the requirements of the various consortia and present recommendations for further action and submit a report to the Governor and the Legislature no later than 20 days before the convening of the Regular Session of 1979.

There was strong support in public testimony regarding S.R. No. 370 which was seen as crucial to attract the manganese nodule processing industry to Hawaii. Your Committee recommends, as a representative of environmental concerns, the addition of the Sierra Club as well as other private citizen input groups to the list of groups suggested for the Manganese Nodule Task Force.

Your Committee on Energy/Natural Resources concurs with the intent and purpose of S.R. No. 370, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 370, S.D. 1.

Signed by all members of the Committee.

SCRep. 789-78 Energy /Natural Resources on S.R. No. 316

The purpose of this resolution is to request the Department of Planning and Economic Development to conduct a feasibility study on the establishment of a foreign trade zone on the Big Island for locating manganese nodule processing plants and related industries.

There is great economic potential in the development of a manganese processing industry in Hawaii: Hawaii is located in convenient proximity to rich and vast beds of nodules 600 to 1000 miles southeast of the Hawaiian Islands and the exploitation of these nodules could create 2,400 permanent jobs and \$262 million in gross revenues.

If Hawaii is to benefit from the development of the industry here it must first promote itself and attract the various manganese consortia to the advantages of locating an industrial operation in Hawaii. The establishment of a foreign trade zone on the Big Island would further enhance its attractiveness as a site for development of the industry by the interested consortia including international groups representing Japan, Germany, France and other countries. The potential for the development of alternate energy resources currently makes the Big Island a competitive site for development.

Public testimony indicated strong support for S.R. No. 316. The following changes have been suggested by the Sierra Club:

- 1) Fifth "Whereas" on page 1, line 3, delete "vast" and insert "potential".
- 2) Last "Whereas" on page 2, line 3, insert "could" after "but".

Your Committee on Energy/Natural Resources is in accord with the intent and purpose of S.R. No. 316, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 316, S.D. 1

Signed by all members of the Committee.

SCRep. 790-78 Transportation on Gov. Msg. No. 1

Recommending that the Senate advise and consent to the nomination of RYOKICHI HIGASHIONNA, Ph. D., to the position of Director of Transportation, for term ending December 4, 1978.

Signed by all members of the Committee.

SCRep. 791-78 Human Resources on S.C.R. No. 86

The purpose of this concurrent resolution is to request the Office of the Legislative Reference Bureau to further study the concept of job-sharing and to submit a report of its findings to the Legislature.

Your Committee finds that pursuant to the adoption of Senate Resolution No. 335, S.D. 1 of 1978, the Office of the Legislative Reference Bureau undertook a study on the job-sharing concept and released a report entitled "THE FEASIBILITY OF JOB-SHARING BY PUBLIC EMPLOYEES IN HAWAII, Some Preliminary considerations." During the Regular Session of 1978, at least three bills namely Senate Bill No. 1717-78, House Bill Nos. 2459-78 and 2505-78 relating to the implementation of a job-sharing pilot project in one or more State departments were introduced. Your Committee finds that while substantial support for the job-sharing concept was reflected in the body of testimony submitted during various public hearings on these job-sharing bills, others testified that job-sharing could give rise to many personnel management and labor relations problems and cost issues, including but not limited to seniority, merit principle concepts, and other unanswered questions concerning retirement, insurance, employment security, fiscal implications, and other related matters.

Your Committee recognizes the benefits that can be derived from job-sharing but believes that further study of the concept is necessary. Your Committee is also aware that a three-year job-sharing pilot project in the Department of Education may become a reality with the passage of enabling legislation during this Regular Session of 1978.

Your Committee requests the Office of the Legislative Reference Bureau to be aware of the progress of this DOE job-sharing pilot project and to conduct the study as requested in this concurrent resolution with full consideration of the developments within this DOE job-sharing pilot project.

Your Committee has made technical amendments to this concurrent resolution without changing its substance.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 86 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 792-78 Human Resources on S.C.R. No. 115

The purpose of this Senate Concurrent Resolution is to request the Office of the Legislative Reference Bureau to undertake a study of the issues and problems associated with the provision of benefits to "permanently and totally disabled" workers receiving workers' compensation benefits.

Your Committee finds that there is great concern over the inadequacy of the cash benefits payable to injured workers who sustain work injuries which are statutorily defined as "permanent total disability", where the disabled employee has no reasonable prospect of finding regular employment of any type in the general labor market. Moreover, the benefits paid to these permanently disabled individuals are fixed at the rate applicable at the time of injury, and under current statutes, these individuals cannot receive an increase in their benefit amounts whenever workers' compensation benefit amounts are adjusted upward by law from time to time to generally keep pace with the rising cost of living. While your Committee is aware of the actual or potential financial hardships being experienced by these affected individuals, it is also mindful of the overall, long-range fiscal and related consequences of arbitrarily increasing workers' compensation benefits to such injured workers.

The underlying objective of this concurrent resolution is to request the Office of the Legislative Reference Bureau to consider the development of a State program to supplement the benefits paid under the current Workers' Compensation law to permanently and totally disabled workers. Accordingly, your Committee has amended this concurrent resolution to clarify this intent, and has included the participation of the Department of Social Services and Housing in assisting with the study. Your Committee has further amended this concurrent resolution to provide for the submittal of the "report" (as opposed to "progress report") prior to the convening of the 1979 session of the Legislature, but has retained the provision that the report may contain recommendations for a follow-up study which may be necessary to aid legislative decision-making.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 115, 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. 115, S.D. 1.

Signed by all members of the Committee.

SCRep. 793-78 Health on S.R. No. 67

The purpose of this resolution is to secure official State support to have the State's federal aid coordinator based in Washington, D.C., place priority on mental health matters and issues, in advocating Hawaii's mental health needs, and searching out all avenues of federal aid for mental health programs in Hawaii.

Your Committee on Health recognizes that the State's federal aid coordinator through the Governor's Office must balance the many needs of the State in setting priorities, however, your Committee further recognizes that Hawaii is one of the few jurisdictions in which the Community Mental Health Centers are funded almost entirely through State and federal funding, and for this reason your Committee draws special attention to the needs of the Mental Health Division of the Department of Health to maximize use of all available federal funds.

Your Committee on Health concurs with the intent and purpose of S.R. No. 67 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 794-78 Health on S.C.R. No. 81

The purpose of this concurrent resolution is to emphasize continued legislative support for the efforts of the State administration and Hawaii's Congressional delegation to obtain greater federal assistance for provision of health services and programs for Hawaii's immigrant population.

Your Committee on Health finds that a recent report of the Department of Health, Education and Welfare has identified Hawaii as one of the ten states experiencing the most disproportionate concentration of immigrants relative to total state population and that health care is one of the most needed and least sought social services for that population. Your Committee further finds that the barriers to and fears of seeking health care, coupled with economic and cultural constraints, are overwhelming for many immigrants thus necessitating innovative approaches to the provision of services.

The Director of the State Immigrant Services Center, in the Office of the Governor, testified that the adoption of this resolution "is not only appropriate but very timely to support the effort of the State administration in seeking more federal funds." Further, the Department of Health strongly supports its adoption. Supportive testimony was also received from the Interagency Council for Immigrant Services. This Council is composed of 50 public and private agencies.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 81 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 795-78 Health on S.R. No. 291

The purpose of this resolution is to emphasize continued legislative support for the efforts of the State administration and Hawaii's Congressional delegation to obtain greater federal assistance for provision of health services and programs for Hawaii's immigrant population.

Your Committee on Health finds that a recent report of the Department of Health, Education and Welfare has identified Hawaii as one of the ten states experiencing the most disproportionate concentration of immigrants relative to total state population and that health care is one of the most needed and least sought social services for that population. Your Committee further finds that the barriers to and fears of seeking health care, coupled with economic and cultural constraints, are overwhelming for many immigrants thus necessitating innovative approaches to the provision of services.

The Director of the State Immigrant Services Center, in the Office of the Governor, testified that the adoption of this resolution "is not only appropriate but very timely to support the effort of the State administration in seeking more federal funds." Further, the Department of Health strongly supports its adoption. Supportive testimony was also received from the Interagency Council for Immigrant Services. This Council is composed of 50 public and private agencies.

Your Committee on Health concurs with the intent and purpose of S.R. No. 291 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 796-78 Health on S.C.R. No. 94

The purpose of this concurrent resolution is to request funding for the Infant and Child Development Programs to be included in the 1979-1981 biennial budget as an on-going continuing service to those children of Hawaii requiring these vital services. The Director of the Department of Health is requested to report to the Legislature not later than twenty days prior to the convening of the Regular Session of 1979, the findings and recommendations regarding the status of the programs and funding requirements incorporated into the 1979-1981 biennial budget.

Your Committee finds that the Infant and Child Development Programs are essential components of the continuum of community-based services to the developmentally disabled. The program provides comprehensive developmental training for children who are developmentally disabled and/or delayed. Services include: development in the cognitive, gross and fine motor, language social-emotional and self-help areas. Work with parents is also stressed through group sessions, home visits and/or special counseling. It is vital that the children with developmental disabilities and/or delays receive training and stimulation as early as possible to prevent further handicapping conditions, to maximize their development and to maintain whatever skills they have acquired. Early intervention for the high risk, developmentally delayed child may make possible entrance into a regular school class rather than a special education class.

Your Committee further finds that services for the developmentally disabled/delayed pre-school children, as well as school age children excluded from the public schools

due to disabilities, were initiated as early as 1967 in a very limited way by the Children's Health Services Division of the Department of Health. Other centers throughout Oahu were initiated as funding became available through various Federal grants or specific State funds such as was the case at the Wahiawa Center. During fiscal year 1974, statewide services became possible when private organizations, such as the Easter Seals Association on neighbor islands, initiated the Infant and Child Development programs through Federal grants from the Developmental Disabilities Council.

Your Committee further finds that the Department of Health received a purchase of service contract from the Department of Social Services and Housing under Title XX. The developmental disabilities grant terminated during fiscal year 1975, and the private agencies continued the programs under the Title XX purchase of services agreement. Funding under Title XX programs has remained essentially the same throughout the years. With a Federal ceiling on Title XX funds, as well as the increasing demands for other services through the Department of Social Services and Housing, Title XX funding is being decreased for purchase of services. Eventually, this funding may not be available for services to children with developmental disabilities as it is a health related service and not pure social services. Presently, the programs are mainly dependent on the Title XX funding and CETA positions.

The program has served 811 children statewide during the fiscal year 1977, an increase of 35% over the previous year. Staffing has become a problem because of the high enrollment and the programs are now faced with the need to limit the services according to priorities.

Over the year, the Department of Education has taken over the school-aged children with developmental disabilities and they are now accepting the younger children from age 4. By 1980 when the Department of Education takes over the education of the handicapped children 3 and above, the Department of Health will concentrate on the younger children and the preschool children who are developmentally delayed but will not meet the handicapping criteria as determined by the Department of Education. The centers at the present time all prepare the children for eventual entrance into the Department of Education system.

Your Committee is very impressed with the fine work the Department of Health and the parents are doing in cooperatively seeking to achieve the highest potential for these children.

Your Committee agrees with the need for this concurrent resolution, however, your Committee has added that a certified copy of this concurrent resolution be sent to the Director of Budget and Finance.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 94, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by all members of the Committee.

SCRep. 797-78 Health on S.R. No. 341

The purpose of this resolution is to request funding for the Infant and Child Development Programs to be included in the 1979-1981 biennial budget as an on-going continuing service to those children of Hawaii requiring these vital services. The Director of the Department of Health is requested to report to the Legislature not later than twenty days prior to the convening of the Regular Session of 1979, the findings and recommendations regarding the status of the programs and funding requirements incorporated into the 1979-1981 biennial budget.

Your Committee finds that the Infant and Child Development Programs are essential components of the continuum of community-based services to the developmentally disabled. The program provides comprehensive developmental training for children who are developmentally disabled and/or delayed. Services include: development in the cognitive, gross and fine motor, language social-emotional and self-help areas. Work with parents is also stressed through group sessions, home visits and/or special counseling. It is vital that the children with developmental disabilities and/or delays receive training and stimulation as early as possible to prevent further handicapping conditions, to maximize their development and to maintain whatever skills they have acquired. Early intervention for the high risk, developmentally delayed child may make possible entrance into a regular school class rather than a special education class.

Your Committee further finds that services for the developmentally disabled/delayed pre-school children, as well as school age children excluded from the public schools due to disabilities, were initiated as early as 1967 in a very limited way by the Children's Health Services Division of the Department of Health. Other centers throughout Oahu were initiated as funding became available through various Federal grants or specific State funds such as was the case at the Wahiawa Center. During fiscal year 1974, statewide services became possible when private organizations, such as the Easter Seals Association on neighbor islands, initiated the Infant and Child Development programs through Federal grants from the Developmental Disabilities Council.

Your Committee further finds that the Department of Health received a purchase of service contract from the Department of Social Services and Housing under Title XX. The developmental disabilities grant terminated during fiscal year 1975, and the private agencies continued the programs under the Title XX purchase of services agreement. Funding under Title XX programs has remained essentially the same throughout the years. With a Federal ceiling on Title XX funds, as well as the increasing demands for other services through the Department of Social Services and Housing, Title XX funding is being decreased for purchase of services. Eventually, this funding may not be available for services to children with developmental disabilities as it is a health related service and not pure social services. Presently, the programs are mainly dependent on the Title XX funding and CETA positions.

The program has served 811 children statewide during the fiscal year 1977, an increase of 35% over the previous year. Staffing has become a problem because of the high enrollment and the programs are now faced with the need to limit the services according to priorities.

Over the year, the Department of Education has taken over the school-aged children with developmental disabilities and they are now accepting the younger children from age 4. By 1980 when the Department of Education takes over the education of the handicapped children 3 and above, the Department of Health will concentrate on the younger children and the preschool children who are developmentally delayed but will not meet the handicapping criteria as determined by the Department of Education. The centers at the present time all prepare the children for eventual entrance into the Department of Education system.

Your Committee is very impressed with the fine work the Department of Health and the parents are doing in cooperatively seeking to achieve the highest potential for these children.

Your Committee agrees with the need for this resolution, however, your Committee has added that a certified copy of this resolution be sent to the Director of Budget and Finance.

Your Committee on Health concurs with the intent and purpose of S.R. No. 341, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 341, S.D. 1.

Signed by all members of the Committee.

SCRep. 798-78 Health on S.C.R. No. 120

The purpose of this concurrent resolution is to request a study of the need for the licensure of psychotherapists and the establishment of a board to regulate psychotherapists or behavioral scientists. The study is to be done by the Legislative Reference Bureau in consultation with numerous governmental and private agencies.

Your Committee on Health recognizes the need for greater protection of the public in this expanding field of counseling and psychotherapy. The emphasis of this study should be on the need for regulation of certain clinical practitioners in the field of psychotherapy since psychologists and psychiatrists are currently licensed under Chapters 453 and 465 of the Hawaii Revised Statutes.

Your Committee has amended the resolution to focus on the single issue of licensure and regulation of psychotherapists and deleted references to possible reimbursement from insurance carriers for services from psychotherapists, other than psychiatrists and psychologists whose services are generally covered in insurance programs at the present time.

Your Committee has further amended the resolution by adding the Hawaii Psychiatric Association and the John A. Burns School of Medicine to the list of those with whom

the Legislative Reference Bureau should consult in the conduct of the study.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 120, 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. 120, S.D. 1.

Signed by all members of the Committee.

SCRep. 799-78 Health on S.R. No. 371

The purpose of this resolution is to request a study of the need for the licensure of psychotherapists and the establishment of a board to regulate psychotherapists or behavioral scientists. The study is to be done by the Legislative Reference Bureau in consultation with numerous governmental and private agencies.

Your Committee on Health recognizes the need for greater protection of the public in this expanding field of counseling and psychotherapy. The emphasis of this study should be on the need for regulation of certain clinical practitioners in the field of psychotherapy since psychologists and psychiatrists are currently licensed under Chapters 453 and 465 of the Hawaii Revised Statutes.

Your Committee has amended the resolution to focus on the single issue of licensure and regulation of psychotherapists and deleted references to possible reimbursement from insurance carriers for services from psychotherapists, other than psychiatrists and psychologists whose services are generally covered in insurance programs at the present time.

Your Committee has further amended the resolution by adding the Hawaii Psychiatric Association and the John A. Burns School of Medicine to the list of those with whom the Legislative Reference Bureau should consult in the conduct of the study.

Your Committee on Health concurs with the intent and purpose of S.R. No. 371, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 371, S.D. 1.

Signed by all members of the Committee.

SCRep. 800-78 Higher Education on S.R. No. 11

The purpose of this resolution is to request the Senate Committee on Higher Education to review the Master Plan for Postsecondary Education.

The State Postsecondary Education Commission prepared the Master Plan for Postsecondary Education in Hawaii in 1976 under the terms of a federal grant received through the Higher Education Act of 1965, as amended.

The Plan covers the following topics:

1. Definition of postsecondary education;
2. The State setting (population, economy, planning efforts, college-going rates);
3. Descriptions of the institutions included in the plan;
4. Postsecondary education goals and objectives;
5. Institutional self-assessments and commission recommendations; and
6. Planning for postsecondary education.

Testimony before your Committee stated that several aspects of the plan are still under consideration. Therefore, your Committee has amended the resolution to request the Committee to review the plan during the interim and report back to the Tenth Legislature.

Your Committee on Higher Education concurs 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.

SCRep. 801-78 Higher Education on S.R. No. 204

The purpose of this resolution is to request your Committee to hold a public hearing to determine the University of Hawaii's progress relative to compliance with the provisions of Title IX of the Education Amendments of 1972.

Dr. Peter T. Dyer, Academic Planner for the University of Hawaii reported that the University Administration considers the University in compliance with the provisions of Title IX. He further stated that the various units of the University have filed "Assurance of Compliance with Title IX" agreements with the Office for Civil Rights, Department of Health, Education and Welfare.

Dr. Dyer's testimony follows:

"The University of Hawaii is pleased to respond to the request of the Senate to report on its progress to date in complying with Title IX of the Education Amendments of 1972, relating to nondiscrimination on the basis of sex.

The University at both the policy level and the programmatic operations level has taken the several steps required to accomplish compliance with Title IX rules and regulations.

*The Board of Regents has adopted a policy on nondiscrimination and affirmative action and disseminated the same in various of its publications, catalogs, and admissions forms. The policy states:

It is the policy of the University of Hawaii to provide equity of opportunity in higher education, both in the educational mission and as an employer.

The University is committed to comply with all state and federal statutes, rules and regulations which prohibit discrimination in its policies and practices and direct affirmative action, including but not limited to Title VII of the Civil Rights Act of 1964, as amended, Title IX of the 1972 Education Amendments, the Equal Pay Act of 1963, and Executive Order 11246, as amended.

The University shall promote full realization of equal opportunity through a positive, continuing program on each campus.

*The President has appointed at the University Administration level and the Chancellors and Provosts at the Unit/campus level personnel to be responsible for coordinating the University effort at compliance with Title IX. In that regard the University has found it most effective to separate compliance for employment policies and practices from compliance for educational matters covered by Title IX, and to appoint different individuals to coordinate each area.

*The University has adopted and published student and employee grievance procedures for hearing any complaint covered under Title IX, and other laws relating to nondiscrimination.

*Each Unit of the University has conducted the required Institutional Self-Evaluation to determine if any of its policies and practices do not comply with Title IX. Remedial action has been taken where it was felt the practices of the Unit were not in compliance with that required under Title IX. Recently, the University Administration requested each Unit to review those areas where remedial action was found necessary to be sure that compliance was continued.

*The University of Hawaii at Manoa has recently highlighted for the Legislature the need for sufficient funds within the intercollegiate athletic budget of that Unit to support opportunities for members of both sexes to participate equally in athletics. Compliance by all Units having such programs is required by July 21, 1978.

*Finally, each Unit of the University has continued to update and follow the Affirmative Action Plans for each of the campuses, plans which parallel the provisions of Title IX relating to employment.

It is the opinion of the University Administration that the University is in compliance with the stated requirements of Title IX. This opinion is confirmed by the extremely few complaints registered over the past 18 months with any of Unit personnel whose assignment it is to receive and investigate complaints of discrimination under Title IX. Further, the Units of the University have attested to such compliance by the execution of "Assurance of Compliance with Title IX" agreements now filed with the Office for Civil Rights, Department of Health, Education, and Welfare."

Your Committee concurs that the University of Hawaii is in compliance with the provisions of Title IX and commends the University for its actions.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 204 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 802-78 Higher Education on S.R. No. 362

The purpose of this resolution is to request the University of Hawaii to waive the tuition for 30 undergraduate students who are actively participating in the music department's orchestra program.

Testifying before your Committee, Ely Meyerson, Dean of Students, University of Hawaii at Manoa, stated that he thought it might be possible to grant these waivers. However, your Committee is aware that the University may have difficulty granting these tuition waivers out of the quota established in Section 304-4, Hawaii Revised Statutes, and therefore has amended the resolution to request the Board of Regents to explore the possibility of expanding the quota by 30 in order to accommodate the necessary orchestra student waiver.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 362, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.R. No. 362, S.D. 1.

Signed by all members of the Committee.

SCRep. 803-78 Legislative Management

Informing the Senate that S.C.R. No. 129, S.R. Nos. 432 and 433 and Stand. Com. Rep. Nos. 804-78 to 826-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 804-78 Higher Education on S.C.R. No. 3

The purpose of this concurrent resolution is to request that the members of the 1978 Constitutional Convention consider an amendment to the State Constitution to permit public funds to be used for students attending private nonprofit institutions of higher education so they may remain eligible for participation in the State Student Incentive Grant Program.

Hawaii, through the State Postsecondary Education Commission, participates with the federal government in the Student Incentive Grant program on a one to one matching basis. The federal government requires that all independent institutions of higher education shall be eligible to participate in the program but our Constitution forbids the use of public funds for students attending private institutions.

While the federal government has permitted the commission to accept third party contributions such as those from the participating private institutions in lieu of public funds for matching purposes it does so only on a year to year basis. A more permanent solution is deemed necessary. An amendment to the Constitution will provide the more permanent solution.

Your Committee on Higher 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. 805-78 Higher Education on S.R. No. 12

The purpose of this resolution is to request that the members of the 1978 Constitutional Convention consider an amendment to the State Constitution to permit public funds to be used for students attending private nonprofit institutions of higher education so they may remain eligible for participation in the State Student Incentive Grant Program.

Hawaii, through the State Postsecondary Education Commission, participates with the federal government in the Student Incentive Grant program on a one to one matching basis. The federal government requires that all independent institutions of higher

education shall be eligible to participate in the program but our Constitution forbids the use of public funds for students attending private institutions.

While the federal government has permitted the commission to accept third party contributions such as those from the participating private institutions in lieu of public funds for matching purposes it does so only on a year to year basis. A more permanent solution is deemed necessary. An amendment to the Constitution will provide the more permanent solution.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 12 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 806-78 Higher Education on S.C.R. No. 101

The purpose of this concurrent resolution is to request a financial and management audit of the University of Hawaii Bookstore.

Audits such as those requested by this concurrent resolution can lead to more efficient operations and to better prices for students who patronize the bookstore. They can also satisfy the State, the University, and students that efficiency and fair prices are in existence.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 101 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 807-78 Higher Education on S.R. No. 350

The purpose of this resolution is to request a financial and management audit of the University of Hawaii Bookstore.

Audits such as those requested by this resolution can lead to more efficient operations and to better prices for students who patronize the bookstore. They can also satisfy the State, the University, and students that efficiency and fair prices are in existence.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 350 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 808-78 Intergovernmental Relations on S.C.R. No. 97

The purpose of this concurrent resolution is to request a review of the possible transfer of certain State parks to County jurisdiction by Executive Order.

Your Committee finds that the Commission on Organization of Government, in its report of February, 1977, proposed specific criteria to facilitate the recognition of functional differences between State and County parks, thus enabling State and County governments to improve upon deliverance of services to the public.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 97 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 809-78 Intergovernmental Relations on S.R. No. 345

The purpose of this resolution is to request a review of the possible transfer of certain State parks to County jurisdiction by Executive Order.

Your Committee finds that the Commission on Organization of Government, in its report of February, 1977, proposed specific criteria to facilitate the recognition of functional differences between State and County parks, thus enabling State and County governments to improve upon deliverance of services to the public.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 345 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 810-78 Intergovernmental Relations on S.C.R. No. 98

The purpose of this concurrent resolution is to request the City and County of Honolulu to change the title of its Health Department to reflect its present function of providing ambulance service and to arrange for physical examinations of government employees at Maluhia and Leahi Hospitals.

Your Committee heard testimony from the State Department of Health as to the limited medical personnel and facilities available at Maluhia and Leahi Hospitals to handle the substantial number of annual employee physicals performed by the City.

Your Committee finds that the primary concern caused by the presence of a "Health Department" in the City and County structure is the confusion which results at the federal level, as it creates the impression that Hawaii maintains public health agencies in state and county governments, although the City does not provide public health services.

Accordingly, your Committee has amended the concurrent resolution by deleting the request that arrangements be made for physical examinations of government employees at Maluhia and Leahi Hospitals. The amended concurrent resolution requests only that the City change the title of its Health Department to reflect its present functions of ambulance service and medical examinations.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 98, S.D. 1.

Signed by all members of the Committee.

SCRep. 811-78 Intergovernmental Relations on S.R. No. 346

The purpose of this resolution is to request the City and County of Honolulu to change the title of its Health Department to reflect its present function of providing ambulance service and to arrange for physical examinations of government employees at Maluhia and Leahi Hospitals.

Your Committee heard testimony from the State Department of Health as to the limited medical personnel and facilities available at Maluhia and Leahi Hospitals to handle the substantial number of annual employee physicals performed by the City.

Your Committee finds that the primary concern caused by the presence of a "Health Department" in the City and County structure is the confusion which results at the federal level, as it creates the impression that Hawaii maintains public health agencies in state and county governments, although the City does not provide public health services.

Accordingly, your Committee has amended the resolution by deleting the request that arrangements be made for physical examinations of government employees at Maluhia and Leahi Hospitals. The amended resolution requests only that the City change the title of its Health Department to reflect its present functions of ambulance service and medical examinations.

Your Committee on Intergovernmental Relations concurs with the intent and purpose of S.R. No. 346, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 346, S.D. 1.

Signed by all members of the Committee.

SCRep. 812-78 Economic Development on H.B. No. 145

The purpose of this bill is to extend the pilot project exploring the feasibility of establishing a control clearing office for hotel room reservations in the State until 1979.

Your Committee finds that an additional year for this pilot program will give the Department of Planning and Economic Development and the Legislature additional information concerning the day-to-day operations of hotel reservations in Hawaii.

Your Committee wishes to take precautionary measures to insure minimum over-booking incidents in Hawaii. Government leaders and members of the private sector in the visitor industry will be able to make sound decisions relating to this complex and unique sector of hotel operations based on the information gathered in this pilot

program.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 145, 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. 813-78 Economic Development on H.B. No. 1923-78

The purpose of this bill is to amend Section 523-17, Hawaii Revised Statutes, to authorize the Director of Finance to destroy or otherwise dispose of unclaimed property which is determined to be of no apparent commercial value.

Your Committee finds that since June, 1974, the unclaimed property program established under Chapter 523, Hawaii Revised Statutes, has been administered by the Department of Budget and Finance. Under this program, the State receives unclaimed properties and funds from banks and other institutions and retains these properties and funds until the rightful owner submits a claim for them. The non-monetary items are appraised and subsequently sold at public auction.

Your Committee further finds that under Chapter 523, Hawaii Revised Statutes, there are no provisions regarding the disposition of property that has no value and therefore cannot be sold. The amendment in this bill would correct this omission in the law by authorizing the Director of Finance to destroy or otherwise dispose of unclaimed property which is determined to be of no apparent commercial value.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1923-78, 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. 814-78 Economic Development on H.B. No. 2416-78

The purpose of this bill is to strengthen the damages for breach of contracts by members of agricultural cooperative associations by allowing for removal from membership and forfeiture of all rights and privileges of membership of the party in default.

Your Committee finds that in order for a cooperative association to work efficiently and effectively, its basic long-term goals must not be subverted for individual short-term gains. Farmers in Hawaii have historically been "rice takers" and many indulge in price cutting tactics, which have adversely affected other members of the cooperative associations.

Your Committee further finds that the provisions of this bill, which are similar to some existing cooperative constitutions and by-laws, constitute a major step towards strengthening diversified agriculture and agricultural cooperatives in the State.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2416-78, 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. 815-78 Economic Development on H.B. No. 2570-78

The purpose of this bill is to amend Section 363-4, Hawaii Revised Statutes, to include Lanai under the provisions of this section.

Your Committee finds that the establishment of a veterans cemetery on Lanai has great merit and provides a means of honoring those who served in the armed forces of the United States. Under this provision the Department of Land and Natural Resources would acquire the property, which would then be developed and maintained by the County of Maui.

Your Committee would like to recommend that preference be given to incorporating a cemetery for veterans on Lanai into an already existing cemetery rather than expending funds for the acquisition of land in a new area.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2570-78 and recommends that it pass Second Reading and be placed on

the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 816-78 Economic Development on H.B. No. 2837-78

The purpose of this bill is to amend Section 171-36, Hawaii Revised Statutes, to expressly include aquaculture and mariculture among the agricultural activities over which the Board of Land and Natural Resources can exercise flexibility in its decisions concerning the extension of the terms of the leased public lands.

Your Committee finds that this bill would assist aquaculturists and mariculturists in obtaining loans from a number of lending institutions who would otherwise be reluctant to extend loans when the former have short-term leases.

The Aquaculture Planning Program, in its assessment of land suitable for aquaculture, identified 135,220 acres of primary lands and 515,740 acres of secondary lands that can be appropriately used in aquafarming. Although a precise accounting of the number of acres under the State's ownership is not yet completed, it is estimated that many thousands of suitable acres are public lands. For these reasons, public lands are expected to play a major role in the expansion of aquaculture.

Your Committee finds that this bill would contribute to the development of new aquaculture and mariculture industries and, subsequently, increase business activity, employment, and revenues for the State.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2837-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 817-78 Health on S.R. No. 60

The purpose of this resolution is to have the Mental Health Division of the Department of Health develop a training program for each of the eight mental health centers which includes program consultation, community education, research and training of therapists in women's mental health.

Your Committee on Health finds that there is a particular need for this training program because of the numbers of women who are in crises situations due to role changes and interpersonal relationship difficulties and who are increasingly seeking professional help from mental health professionals in coping with these problems. Your Committee further finds that many traditional training programs of therapists have failed to fully recognize the creative potential of women to be independent, contributing members of not only the family but the larger society as well. Your Committee further finds that the Department of Health is in support of this request.

Your Committee on Health concurs with the intent and purpose of S.R. No. 60 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 818-78 Human Resources on S.C.R. No. 114

The purpose of this concurrent resolution is to request the personnel directors of the State, the Judiciary, and the several counties to review possible inequities in the compensation plan covering the secretarial classes of the civil service of the State of Hawaii, and to submit a report thereof to the Legislature.

Your Committee finds that the compensation plans required under the provisions of sections 77-4 and 77-5 of the Compensation Law, covering classes of positions within the State, the Judiciary, and county governments, typically provide for two pay range differentials between class levels within clerical and technical series of such compensation plans. Furthermore, the approved compensation plans covering the school secretarial classes of the State Department of Education provides for a pattern of two pay range differentials between class levels of such secretarial series; and the approved compensation plan covering the secretarial classes of public employees within the civil service of the City and County of Honolulu provides for a one pay range differential between class levels Secretary I and Secretary II and for a two pay range differential between class levels Secretary II and Secretary III. Your Committee finds, however, that the approved

compensation plans covering the secretarial classes of public employees within the civil service of the State of Hawaii and Judiciary provide for a one pay range differential between class levels Secretary I to Secretary IV, and for a two pay range differential only between class level IV and class level V.

Your Committee believes that this deviation from the typical pattern of two pay range differentials insofar as State civil service secretaries are concerned may be inequitable in that it may not conform to the basic concept of "equal pay for equal work" among public employees.

Your Committee has made several technical amendments to this concurrent resolution without changing the substance.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 114, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 114, S.D. 1.

Signed by all members of the Committee.

SCRep. 819-78 Education on S.C.R. No. 88

The purpose of this resolution is to express the support of this legislature for the Act IV education programs for the children of native Hawaiians and to urge their continued funding and application.

Your Committee finds through testimony presented before it that significant educational benefits are being realized by the recipients of these educational efforts. Your Committee has further learned that the programs do indeed contribute toward the achievement of equal educational opportunity for these children. Your Committee therefore finds that these programs should continue to be made available.

Your Committee on Education to which was referred S.C.R. No. 88 concurs with its intent and purpose and recommends its adoption.

Signed by all members of the Committee.

SCRep. 820-78 Education on S.R. No. 324

The purpose of this resolution is to express the support of this legislature for the Act IV education programs for children of native Hawaiians and to urge their continued funding and application.

Your Committee finds through testimony presented before it that significant educational benefits are being realized by the recipients of these educational efforts. Your Committee has further learned that the programs do indeed contribute toward the achievement of equal educational opportunity for these children. Your Committee therefore finds that these programs should continue to be made available.

Your Committee on Education to which was referred S.R. No. 324 concurs with its intent and purpose and recommends its adoption.

Signed by all members of the Committee.

SCRep. 821-78 Education on S.C.R. No. 100

The purpose of this concurrent resolution is to request the cooperative efforts of the Governor and the Marine Affairs Coordinator in the development of a marine education plan that would offer opportunities to the people of this State to become knowledgeable about marine affairs. The concurrent resolution also requests that formulation of the marine education plan be done in accordance with the recommendations of the Marine Affairs Coordinator's Ad Hoc Marine Education Committee, which proposes that the plan include:

1. Articulation with other planning documents that project Hawaii's marine future;
2. A set of short six year objectives and statements of long term goals and objectives for the year 2000;
3. Provisions of a continuing marine educational experience from keiki through pau hana years that accounts for the recreational and aesthetic, as well as the vocational and intellectual.

Your Committee believes that the future of this State is closely tied to the wise use of its marine surroundings. This will only be achieved through the efforts of an educated citizenry. Thus, the development of an educational plan to achieve an educated citizenry is the objective that this concurrent resolution seeks to accomplish.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 100, S.D. 1.

Signed by all members of the Committee.

SCRep. 822-78 Education on S.R. No. 349

The purpose of this resolution is to request the cooperative efforts of the Governor and the Marine Affairs Coordinator in the development of a marine education plan that would offer opportunities to the people of this State to become knowledgeable about marine affairs. The resolution also request that formulation of the marine education plan be done in accordance with the recommendations of the Marine Affairs Coordinator's Ad Hoc Marine Education Committee, which proposes that the plan include:

1. Articulation with other planning documents that project Hawaii's marine future;
2. A set of short six year objectives and statements of long term goals and objectives for the year 2000;
3. Provisions of a continuing marine educational experience from keiki through pau hana years that accounts for the recreational and aesthetic, as well as the vocational and intellectual.

Your Committee believes that the future of this State is closely tied to the wise use of its marine surroundings. This will only be achieved through the efforts of an educated citizenry. Thus, the development of an educational plan to achieve an educated citizenry is the objective that this resolution seeks to accomplish.

Your Committee has learned no further progress on the development of a plan can be accomplished until the Governor releases the funds that have been appropriated for this project. Your Committee therefore respectfully requests that the Governor move to release these funds in the very near future.

Your Committee has made minor grammatical changes to the text of the resolution.

Your Committee on Education concurs with the intent and purpose of S.R. No. 349, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 349, S.D. 1.

Signed by all members of the Committee.

SCRep. 823-78 Education on H.C.R. No. 43

The purpose of this concurrent resolution is to express the support of the legislature for favorable action on the part of the U.S. Department of Health, Education and Welfare on an application for a community education grant under the Community Education Act.

The grant proposal states the following objectives:

1. To develop general knowledge, awareness and acceptance of community education;
2. To provide training and technical assistance related to community education to districts, schools, community agencies and the general public;
3. To design, develop and pilot test a statewide systematic procedure for identifying and documenting community needs; and
4. To develop a long-range State plan for incorporating community education into the existing organizational structure of the Hawaii Department of Education.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 43 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 824-78 (Joint) Education and Health on S.C.R. No. 93

The purpose of this concurrent resolution is to request the Departments of Health and Education to establish an orthopedic unit within the Leeward-Central Oahu area that would provide services to the orthopedically and other health impaired children similar to those services provided by the orthopedic unit at the Jefferson School in the Honolulu School District.

Your Committees have broadened the scope of the resolution to make such orthopedic units available to all school districts that do not presently have them by amending the resolution's title to include the names of the districts and by amending the text to incorporate references to other school districts.

Your Committees find that children must presently travel great distances if they wish to avail themselves of the services offered at Jefferson School. For example, children from the Leeward and Central districts are presently being bused to Jefferson School in Honolulu. These buses are on the highways at peak traffic periods of the day and the length of the trip is of considerable duration. Your Committees further find that a considerable number of students requiring such services presently reside outside of the Honolulu school district.

Your Committees on Education and Health concur with the intent and purpose of S.C.R. No. 93, as amended herein, and recommend that it be referred to the Committee on Ways and Means in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by all members of the Committees .

SCRep. 825-78 (Joint) Education and Health on S.R. No. 340

The purpose of this resolution is to request the Departments of Health and Education to establish an orthopedic unit within the Leeward-Central Oahu area that would provide services to the orthopedically and other health impaired children similar to those services provided by the orthopedic unit at the Jefferson School in the Honolulu School District.

Your Committees have broadened the scope of the resolution to make such orthopedic units available to all school districts that do not presently have them by amending the resolution's title to include the names of the districts and by amending the text to incorporate references to other school districts.

Your Committees find that children must presently travel great distances if they wish to avail themselves of the services offered at Jefferson School. For example, children from the Leeward and Central districts are presently being bused to Jefferson School in Honolulu. These buses are on the highways at peak traffic periods of the day and the length of the trip is of considerable duration. Your Committees further find that a considerable number of students requiring such services presently reside outside of the Honolulu school district.

Your Committees on Education and Health concur with the intent and purpose of S.R. No. 340, as amended herein, and recommend that it be referred to the Committee on Ways and Means in the form attached hereto as S.R. No. 340, S.D. 1.

Signed by all members of the Committees.

SCRep. 826-78 Economic Development on S.C.R. No. 32

The purpose of this concurrent resolution is to adopt priority directions for the implementation of the State's comprehensive long-range goals, objectives and policies, comprising the Hawaii State Plan.

Your Committee finds that the Concurrent Resolution on Priority Directions complements the Hawaii State Plan and constitutes one component of the statewide planning structure to implement the State Plan. This document contains major policies drawn from the State Plan which are highlighted due to their significance. Priority Directions indicate major areas toward which State and County agencies should focus their immediate efforts. Priority Directions will also serve as a mechanism for coordinating State and County plans and actions.

Your Committee finds that these Priority Directions are intended to exist under the economic realities of today. The four major areas of difficulty for the State today are identified as unemployment, the economy, population growth, and allocation of land and water resources. These priorities do not mean to indicate that, for example, social and cultural advancement or life style are not important issues in our State, but that the major areas of focus today

are those highlighted in the Priority Directions. The Priority Directions are relevant only to that point in time in which they were drafted. For example, if unemployment were reduced to 3 percent, these Priority Directions would be changed; similarly, if unemployment rose to 12 percent, the Priority Directions would also be amended to reflect this change.

Your Committee has given particular consideration to those recommended actions intended to implement major policies with regard to agricultural land use. The experiences of Kohala and Kahuku should provide the State with invaluable guidance in future decisions regarding the use of agricultural land. When the sugar plantations at Kohala and Kahuku closed, the State was unable to find a comparable agricultural enterprise to take up the land. Numerous attempts have been made to introduce economically viable operations on these lands with minimal success.

Your Committee finds that the State has to look at preserving agricultural lands in terms of the direction and needs of diversified agriculture. If, for example, Oahu Sugar Company closed, what would become of the 18,000 or so acres currently in sugar production? The difficulties of diversified agriculture must be considered when determining the future use of these lands. If a major parcel of land, such as those in sugar or pineapple, is taken out of production, the State should be encouraged to assist in the development of water resources and transportation systems to assist diversified agriculture. The State cannot take one approach to our agricultural land problems. If lands currently in agricultural production are preserved for agricultural use in perpetuity, then the successful transformation of Kahuku, to include a shopping mall, could not have taken place.

Your Committee has amended this concurrent resolution based upon testimony received from the Department of Planning and Economic Development and other interested groups.

1. The fourth Whereas clause on page 1 has been amended to read:

"WHEREAS, the major problems facing Hawaii today include high unemployment; a potentially unstable economy; problems in population growth; and proper allocation of land, water and energy resources; and"

2. The second and third major policies with regard to Hawaii's economy on page 2 have been amended to read:

"Promote the growth of promising economic activities while maintaining the economic health of sugar, pineapple, and the visitor industry. This growth should be at a level necessary to provide employment opportunities for all Hawaii's residents without stimulating unnecessary in-migration."

"Establish the means to achieve a stable and diversified economy."

3. The second recommended action to implement the policies with regard to Hawaii's economy on page 2 has been amended to read:

"(2) Maintain high standards for resort and hotel developments and take into account the social and environmental effects of development."

4. The third recommended action on page 2 has been amended to read:

"(3) Assist in maintaining and improving major visitor attractions and guide development of visitor facilities so that capacities of Hawaii's natural resources are not exceeded."

5. The fourth recommended action on page 2 was deleted and replaced with:

"(4) Maintain and encourage high operating standards for all segments of the visitor industry to insure high visitor satisfaction."

6. A new recommended action has been added on page 2:

"(5) Provide tax incentives to encourage existing hotel owners to upgrade, repair and maintain visitor facilities."

7. The fifth recommended action, now numbered (6) on page 2, has been amended to read:

"(6) Provide more comprehensive and extensive education and training to residents for tourism jobs at all levels in order to reduce the need to import labor. Training for tourist related jobs should be geared toward jobs with professional status."

8. The sixth recommended action, now number (7) on page 2, has been amended to read:

"(7) Encourage visitor industry to hire or promote qualified residents before seeking out-of-state personnel to fill vacancies."

9. A new recommended action has been added:

"(9) Foster a social environment which enhances the Aloha Spirit by minimizing inconveniences to Hawaii's people and visitors."

10. A new recommended action has been added under this section on page 2:

"(10) Foster a recognition of the contribution of the visitor industry to Hawaii's economy and the need to perpetuate the Aloha Spirit."

11. The first recommended action on page 3 to implement the major policies for the economy has been amended to read:

"(1) If a major parcel of agricultural land is taken out of production by private action, the State shall encourage the use of such land for diversified agriculture through an affirmative and comprehensive program such as agricultural parks with state assisted water and transportation delivery systems."

12. The first recommended action on page 4 has been amended to read:

"(1) Promote the economic viability of sugar and pineapple production by assuring adequate agricultural lands."

13. The second recommended action on page 4 to implement the major policies under section (d) has been amended to read:

"(2) Encourage the development of the motion picture, television and recording industries in Hawaii."

14. The third recommended action under this section has been amended to read:

"(3) Encourage more effective career counseling and guidance in high schools, community colleges and other post secondary institutions, to inform students of present and future career opportunities."

15. The fifth recommended action under this section has been amended to read:

"(5) Promote Hawaii as an attractive market for investment activities that benefit Hawaii's residents."

16. The second recommended action under section (e) on page 5 has been amended to read:

"(2) Explore feasible measures to better pace tourism growth."

17. The third recommended action has been deleted and replaced with:

"(3) The State should coordinate and encourage industry participation in the coordination of training programs and employment needs in the construction industry."

18. There is a new recommended action under this section:

"(4) Encourage the streamlining of the building development permit and review process."

19. There is a new major policy in the area of Hawaii's population under section 2 on page 5:

"Manage population growth rates throughout the State consistent with available and planned resource capacities."

20. The third and seventh recommended actions under major policies for Hawaii's population have been deleted and a new policy added:

"(6) Manage a growth rate for Hawaii's economy that will parallel future employment

needs for residents."

21. The first recommended action to implement the major policies on land resources for urban development on page 7 has been amended to read:

"(1) Direct urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures. Secondly, direct urban growth away from areas where other important benefits are present, such as protection of valuable agricultural land or preservation of life styles."

22. The second recommended action under this section has been amended to read:

"(2) Initiate redevelopment activities in appropriate urban areas to enable greater intensity of use of existing urban land."

23. The third recommended action under this section has been amended to read:

"(3) In order to preserve green belts, give priority to state capital expenditures that encourage locating urban development within existing urban areas in accordance with the following: funding for transportation activities that serve the needs of existing urban areas; allocation of water for urban uses to areas within urban areas; and wherever possible, locate state buildings and facilities within urban centers close to public transportation; except where compelling public interest dictates development of a non-contiguous new urban core."

24. The fifth recommended action under this section on page 8 has been amended to read:

"(5) Encourage new industrial development to locations that would reinforce existing urban patterns."

25. The ninth recommended action under this section on page 8 has been amended to read:

"(9) Through county general plans or development plans, the counties shall identify all areas within their respective jurisdictions where priority should be given to preserving rural character and life style."

26. The second recommended action under major policies on land resources of agricultural lands has been amended on page 9 to read:

"(2) When the need for the urbanization of lands within a region is firmly established, lands in that region that are either not in active agricultural use or not classified as "A" or "B" lands as identified by the U.S. Department of Agriculture's Soil Conservation Service, should be utilized for urban use before consideration is given to using active agricultural lands classified as "A" and "B" lands."

27. The fifth recommended action under this section on page 10 has been deleted.

28. The new fifth recommended action under this section has been amended to read:

"(5) Promote agricultural development of those lands classified as "A" and "B" lands."

29. The first recommended action to implement major policies on land resources for the shoreline has been deleted and the new policies (2) and (3) on page 10 have been amended to read:

"(2) Require all major shoreline developments to provide adequate access to the ocean for the general public."

"(3) Concentrate coastal dependent development necessary to the State in areas presently designated for such use, and encourage for their necessary growth within these areas. Allow their expansion outside of these designated areas only under critical and compelling circumstances."

30. There is a new BE IT FURTHER RESOLVED clause on page 12:

"BE IT FURTHER RESOLVED that this Concurrent Resolution take effect May 1, 1979; and"

Your Committee has included this last amendment based on testimony received from the

county planning directors who expressed their concern that the Priority Directions have not had sufficient public input or review by the Advisory Council. By deferring the effective date of the Priority Directions until May 1, 1979, these Priority Directions will have more time for review and comment. If, upon completion of the regular session of the 1979 legislature, there has been no subsequent action taken on the Priority Directions, there will be in existence the Priority Directions developed by the 1978 legislative session to complement the Hawaii State Plan.

Your Committee on Economic Development concurs with the intent and purpose of S.C.R. No. 32, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 32, S.D. 2.

Signed by all members of the Committee except Senator Saiki.

SCRep. 827-78 Legislative Management

Informing the Senate that Gov. Msg. Nos. 224 to 250 and 252, S.C.R. No. 130, S.R. Nos. 434 to 444 and Stand. Com. Rep. Nos. 828-78 to 831-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 828-78 (Joint) Ecology, Environment and Recreation and Economic Development on S.C.R. No. 45

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau not restrict itself to examples found in the United States, but to explore strategies used throughout the world when investigating methods of controlling growth for various jurisdictional areas. The Legislative Reference Bureau is further requested to report back to the legislature twenty days prior to the convening of the Regular Session of 1979 with a comprehensive plan for legislation.

Your Committees received written testimony on this concurrent resolution from the Sierra Club and the Department of Budget and Finance in support of this matter.

Your Committees on Ecology, Environment and Recreation and Economic Development concur with the intent and purpose of S.C.R. No. 45 and recommend its adoption.

Signed by all members of the Committees except Senator Saiki.

SCRep. 829-78 (Joint) Ecology, Environment and Recreation and Economic Development on S.R. No. 166

The purpose of this resolution is to request that the Legislative Reference Bureau not restrict itself to examples found in the United States, but to explore strategies used throughout the world when investigating methods of controlling growth for various jurisdictional areas. The Legislative Reference Bureau is further requested to report back to the legislature twenty days prior to the convening of the Regular Session of 1979 with a comprehensive plan for legislation.

Your Committees received written testimony on this resolution from the Sierra Club and the Department of Budget and Finance in support of this matter.

Your Committees on Ecology, Environment and Recreation and Economic Development concur with the intent and purpose of S.R. No. 166 and recommend its adoption.

Signed by all members of the Committees except Senator Saiki.

SCRep. 830-78 (Joint) Ecology, Environment and Recreation and Economic Development on S.C.R. No. 96

The purpose of this Concurrent Resolution is to request that legislative amendments to Act 188 should not be considered during the Regular Session of 1978 and that the department of planning and economic development, the county planning departments, and the department of land utilization of the city and county of Honolulu are requested to jointly investigate and formulate, if necessary, any legislative recommendations for consideration by the 1979 Legislature. The Resolution further requests that the Hawaii Coastal Zone Management Program be submitted as soon as possible for federal review and approval.

Your Committees received written testimony from Dave Raney, Vice-Chairman of the Statewide Citizens' Forum for the Hawaii Coastal Zone Management Program for Aaron

Levine, Chairman; the department of planning and economic development; and Toshio Ishikawa, planning director, county of Maui. Oral testimony was received from Toshio Ishikawa; Carl Smith, department of land utilization, city and county of Honolulu; and the department of planning and economic development.

Your Committees have amended this Concurrent Resolution based on testimony received to include the following:

1. The fifth paragraph on page 2 is amended to read:

"BE IT FURTHER RESOLVED that the Hawaii coastal zone management program should be formally submitted as soon as possible for federal review and approval to both better manage the Hawaii coastal zone management program and to assure Hawaii a fair share of the implementation funds to carry out the provisions of the management program; and"

2. The sixth paragraph on page 2 is amended by deleting the phrase beginning on the fifth line, "unless there are specific revisions to office and management and budget circular A-95 which require changes to this relationship or their respective responsibilities, or unless the federal office of coastal zone management specifically determines in writing ..." to the end of this paragraph on page 3.

3. A new paragraph has been inserted on page 3 before the last BE IT FURTHER RESOLVED clause to read:

"BE IT FURTHER RESOLVED that the provisions of the Hawaii coastal zone management program which it may be determined are not consistent with Act 188 are not endorsed by the adoption of this Concurrent Resolution, and are subject to review and consideration during the 1979 session of the state legislature; and"

Your Committees recognize that the Administrative Boundary as proposed in the 306 Submission Document is not necessarily the permanent CZM boundary and that the Legislature will be reviewing the CZM program during the 1978 session.

Your Committees also recognize that a conflict exists between the counties of Hawaii, Kauai and Maui, and the state regarding the use of an Administrative Boundary and its consistency with Act 188. The city and county of Honolulu testified that they have no strong objections to the use of an Administrative Boundary in the 306 Submission Document. The department of planning and economic development testified that the Administrative Boundary which is the entire State of Hawaii, except for the forest reserve areas, was not necessarily the permanent CZM boundary, but would remain in effect until the criteria for permanent CZM boundaries are developed and the permanent boundaries adopted.

Your Committees on Ecology, Environment and Recreation and Economic Development concur with the intent and purpose of S.C.R. No. 96, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 96, S.D. 1.

Signed by all members of the Committees except Senator Saiki.

SCRep. 831-78 (Joint) Ecology, Environment and Recreation and Economic Development
on S.R. No. 344

The purpose of this Resolution is to request that legislative amendments to Act 188 should not be considered during the Regular Session of 1978 and that the department of planning and economic development, the county planning departments, and the department of land utilization of the city and county of Honolulu are requested to jointly investigate and formulate, if necessary, any legislative recommendations for consideration by the 1979 Legislature. The Resolution further requests that the Hawaii Coastal Zone Management Program be submitted as soon as possible for federal review and approval.

Your Committees received written testimony from Dave Raney, Vice-Chairman of the Statewide Citizens' Forum for the Hawaii Coastal Zone Management Program for Aaron Levine, Chairman; the department of planning and economic development; and Toshio Ishikawa, planning director, county of Maui. Oral testimony was received from Toshio Ishikawa; Carl Smith, department of land utilization, city and county of Honolulu; and the department of planning and economic development.

Your Committees have amended this Resolution based on testimony received to include the following:

1. The fifth paragraph on page 2 is amended to read:

"BE IT FURTHER RESOLVED that the Hawaii coastal zone management program should be formally submitted as soon as possible for federal review and approval to both better manage the Hawaii coastal zone management program and to assure Hawaii a fair share of the implementation funds to carry out the provisions of the management program; and"

2. The sixth paragraph on page 2 is amended by deleting the phrase beginning on the fifth line, "unless there are specific revisions to office and management and budget circular A-95 which require changes to this relationship or their respective responsibilities, or unless the federal office of coastal zone management specifically determines in writing ..." to the end of this paragraph on page 3.

3. A new paragraph has been inserted on page 3 before the last BE IT FURTHER RESOLVED clause to read:

"BE IT FURTHER RESOLVED that the provisions of the Hawaii coastal zone management program which it may be determined are not consistent with Act 188 are not endorsed by the adoption of this Concurrent Resolution, and are subject to review and consideration during the 1979 session of the state legislature; and"

Your Committees recognize that the Administrative Boundary as proposed in the 306 Submission Document is not necessarily the permanent CZM boundary and that the Legislature will be reviewing the CZM program during the 1978 session.

Your Committees also recognize that a conflict exists between the counties of Hawaii, Kauai and Maui, and the state regarding the use of an Administrative Boundary and its consistency with Act 188. The city and county of Honolulu testified that they have no strong objections to the use of an Administrative Boundary in the 306 Submission Document. The department of planning and economic development testified that the Administrative Boundary which is the entire State of Hawaii, except for the forest reserve areas, was not necessarily the permanent CZM boundary, but would remain in effect until the criteria for permanent CZM boundaries are developed and the permanent boundaries adopted.

Your Committees on Ecology, Environment and Recreation and Economic Development concur with the intent and purpose of S.R. No. 344, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 344, S.D. 1.

Signed by all members of the Committees except Senator Saiki.

SCRep. 832-78 Legislative Management

Informing the Senate that S.R. Nos. 445 to 453, Conf. Com. Rep. No. 1-78 and Stand. Com. Rep. Nos. 833-78 to 888-78 have been printed and are ready for distribution.

Signed by all members of the Committee except Senator Taira.

SCRep. 833-78 Ways and Means on H.B. No. 1769-78

The purpose of this bill is to appropriate moneys for the purpose of compensating persons pursuant to chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Act.

The compensation to be paid pursuant to this bill totals \$226,868.55 for 158 victims, 16 attorneys, 8 doctors, 7 hospitals, 7 medical clinics, 3 providers of miscellaneous medical services, and 4 funeral homes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1769-78, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 834-78 Ways and Means on H.B. No. 3051-78

The purpose of this bill is to amend sections 93 and 93A of Act 195, Session Laws of Hawaii 1975, to authorize the substitution of airport and harbor revenue bonds in lieu of reimbursable general obligation bonds authorized by Act 195, Session Laws of Hawaii 1975, as amended by Act 226, Session Laws of Hawaii 1976, and Act 110, Session Laws of Hawaii 1977.

This bill authorizes the use of revenue bonds to fund certain essential capital improvement projects which Act 110, Session Laws of Hawaii 1977, failed to include but which were authorized

under Act 226, Session Laws of Hawaii 1976. This bill corrects that omission.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3051-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 835-78 Ways and Means on H.B. No. 1909-78

The purpose of this bill is to increase from 2 per cent to 8 per cent the rate of interest on the refund of taxes paid under protest.

Under the present provisions of section 40-35, Hawaii Revised Statutes, a taxpayer is permitted to make payment under protest and to file for recovery within 30 days after payment. If the appeal decision is in favor of the protesting taxpayer, interest on the recovery of the protested amount is limited to 2 per cent annual interest. In contrast, a taxpayer filing a successful appeal to the tax appeal court or the boards of review under other provisions of the law such as sections 235-114, 237-42, 238-8, or 239-7 receives 8 per cent on the disputed amount.

This bill amends section 40-35 by referring to section 231-23 and allowing an 8 per cent rate of interest on the overpayment of taxes. This amendment will make interest rates more uniform on tax refunds and is supported by the Department of Taxation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1909-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 836-78 Ways and Means on H.B. No. 1918-78

The purpose of this bill is to revise the statutory reporting requirements for moneys not deposited in the state treasury by state agencies.

Testimony submitted by the department of accounting and general services indicated that the amendments contained in this bill are necessary in furtherance of the improvements currently being made to the State's financial accounting and reporting procedures. Specifically, the results of the recommended amendments to section 40-81, Hawaii Revised Statutes, are anticipated to be improved quarterly financial reporting, and a more reasonable time for those agencies required to report on their moneys outside the state treasury.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1918-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 837-78 Ways and Means on H.B. No. 1926-78

The purpose of this bill is to permit the director of finance to charge interest on moneys used in financing reimbursable general obligation bond fund projects which are in the bond fund prior to the issuance of bonds.

Under present practice, reimbursable general obligation fund projects are assessed debt service charges only to the extent bond sale proceeds are allocated to the projects. When funds are expended for projects in excess of bond proceed allocations, the excess portion of bond fund expenditures is not assessed a debt service charge until such time as proceeds for subsequent bond sales are allocated.

Testimony from the director of finance indicates that this practice is viewed as an interest-free loan to reimbursable general obligation bond projects during the period between bond sales.

Your Committee feels that conversion of the "interest-free loan" situation to an interest-earning one is necessary to maximize the revenues of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1926-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 838-78 Ways and Means on H.B. No. 1927-78

The purpose of this bill is to allow the Department of Budget and Finance the option of funding the "plan" cost element and the "equipment and furnishings" cost element from either the general revenue fund or the general obligation bond fund in the case of general fund projects and the options of funding these cost elements from the special fund, the revenue bond fund, or from the reimbursable general obligation bond fund in the case of special fund projects.

This bill amends certain definitions in section 37-62, Hawaii Revised Statutes, to expand the cost element for capital investment purposes to include the cost element for "plan" and the cost element for "equipment and furnishing". The cost elements for capital investment purposes are presently limited to "land acquisition", "design", and "construction". Also, equipment included in "construction costs" will be limited to "built-in equipment".

The addition of the cost elements "plan" and "equipment and furnishings" will allow a more precise accounting of expenditures for capital investment purposes. More importantly, it would allow for the funding of these cost elements from cash sources, if available, rather than exclusively from bond fund sources as is presently the case.

Under the present cost classification, "plan" is treated as "design" cost item and "equipment and furnishings" are included as a "construction" cost item. Capital investment outlays are predominantly funded from bond fund sources, and understandably so, because of the long-life duration of such capital improvement projects whose benefits extend far into the future.

In some instances, however, it may be preferable to fund "plan" cost items which could include general planning, master planning, preliminary planning, advance planning, feasibility studies, and the "equipment and furnishings" cost element from cash sources, because these items do not have the long life expectation which we usually associate with long term bond financing.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1927-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 839-78 Ways and Means on H.B. No. 1931-78

The purpose of this bill is to conform the signing and issuance of state warrants drawn against the state mortgage insurance guarantee fund with present practice.

The provisions of section 359G-12, Hawaii Revised Statutes, require that all disbursements from the state mortgage guarantee fund shall be on warrants signed by the director of finance. This requirement for warrants to be signed by the director of finance does not conform to the general law incorporated in section 40-51, which prescribes that warrants shall be signed by the comptroller or the comptroller's deputy.

Your Committee agrees that there appears to be no compelling reason for requiring the director of finance to sign warrants for disbursements from the fund which is not in accordance with sound internal control practices. Under current operating practice, the comptroller is responsible for determining that all financial expenditures conform to legal requirements and the preparation and issuance of the warrants. This proposal will conform to that practice.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1931-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 840-78 Ways and Means on H.B. No. 1940-78

The purpose of this bill is to authorize the stadium authority to set up a special account into which all receipts collected from the sale of admission tickets for events held at the stadium, including any money deposited by stadium users to assure the payment of charges for the use of the stadium shall be deposited. Money in the account shall be kept in a depository and disbursed in accordance with procedures adopted by the stadium authority

and approved by the director of finance. This arrangement shall enable the stadium authority to make immediate disbursement of moneys due to stadium users.

Currently, receipts of stadium users are deposited into the state treasury. Thus, money due to stadium users after events held must be processed through regular state disbursing channels. Users must normally wait from four to seven days before receiving their moneys. This creates unnecessary financial hardship because stadium users normally make financial settlements on the night of the event.

Your Committee finds that current procedures are detrimental to the interest of stadium users and act as a potential deterrent for use of the stadium.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1940-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 841-78 Ways and Means on H.B. No. 2098-78

The purpose of this bill is to make two amendments to chapter 39 of the Hawaii Revised Statutes.

The first, amends section 39-5, Hawaii Revised Statutes, to provide that general obligation bonds shall bear interest "at a coupon or stated rate" instead of simply "at a rate". This amendment is merely for clarification purposes because the interest rate of general obligation bonds, depending on whether the bonds are registered or unregistered, is commonly termed to be the coupon or stated rate.

The second amendment expressly allows the Director of Finance to award bond sales on the basis of computing the interest of the bids for the bonds by utilizing the true interest cost (TIC) method as well as the net interest cost (NIC) method. Currently, the State awards its bond sales on the basis of computing the net interest cost of the bids submitted. That is, the interest cost of the bid is computed as the average of interest payments over the life of the bonds. In testimony, the Director of Finance indicated that although NIC is sensitive to the aggregate amount of interest payments, it is not sensitive to the timing of the payments. Thus, the varying valuation of the dollar over time is not considered. Peat, Marwick, Mitchell and Company, in the report A Review and Evaluation of the State of Hawaii Debt Program, recommends that the State adopt the true interest cost (TIC) method in computing interest for the purpose of evaluating bids on its sales of general obligation bonds. TIC computes the interest rate as a correlation of present value to the time value of debt service payment. It provides a means of valuing a series of cash payments spread over time on the basis of present value. Although the Bond Counsel has advised that the present law regarding interest cost is broad enough to encompass both TIC and NIC, the statute does not expressly provide that the basis for awarding the bond issue is totally at the discretion of the Director of Finance and Governor. Thus, the Bond Counsel suggested the explicit language to present statute which are made by this bill.

Your Committee agrees with the Director of Finance who, in testimony, stated that the use of the TIC "...method in determining the winning bid may result in higher interest cost in terms of absolute dollars, but since the increase is a result of some future payments, the State may benefit in terms of present worth". This bill allows the Director of Finance to utilize TIC or NIC in awarding bond sales. At this point, your Committee emphasizes that the bill does not mandate, but allows the Director of Finance to utilize the TIC method.

Your Committee also considered similar amendments to the statutes relating to revenue bonds. The Bond Counsel, however, stated that the existing statutes were adequate for the use of TIC with revenue bonds.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2098-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 842-78 Consumer Protection on S.R. No. 290

The purpose of this resolution is to request the Office of Consumer Protection, Office of the Governor, to perform a study as to what programs and measures, including statutory remedies, would effectively address the problem of merchandise inventory shrinkage due to shoplifting and employee thefts in Hawaii.

Your Committee finds that the net effect in Hawaii of merchandise inventory shrinkage caused by shoplifting and employee thefts includes (1) the loss of several millions of public tax dollars stemming largely from the loss of the four per cent general excise tax; (2) the increased costs to merchants; and (3) the inevitable increases in the cost of merchandise to the consuming public.

Your Committee further finds that there is little the retail merchant can do in the case of merchandise shrinkage except to increase his prices to offset losses and to pay for the protection he deems are necessary. Your Committee feels that a study on merchandise shrinkage is necessary so that more precise details will be available to assist all concerned in efforts to reduce the impact of shrinkage on the business community in Hawaii.

Your Committee further amended the resolution by substituting the Office of Legislative Reference Bureau to perform the study called for rather than the Office of Consumer Protection. Your Committee finds that the Office of Consumer Protection deals with matters that are civil in nature and that merchandise shrinkage due to shoplifting and employee thefts are criminal in nature and therefore, should not be placed in that office for study.

The resolution is also amended to state that the Office of Legislative Reference Bureau may call upon the Hawaii Crime Commission, and the Office of Consumer Protection in performing selected aspects of the requested study.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 290 as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. 290, S.D. 1.

Signed by all members of the Committee.

SCRep. 843-78 Transportation on S.C.R. No. 34

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to:

(1) Conduct a comparative study of the economics, effectiveness, and efficiency of Hawaii's passenger motor vehicle inspection systems; and

(2) Consider the possibility of developing a county-operated passenger motor vehicle safety inspection system utilizing equipment specially designed for that purpose, including possible capital and operating improvements of such a system.

Your Committee finds that many questions have been raised concerning the effectiveness of the current passenger motor vehicle safety inspection systems utilized by the counties.

Your Committee further finds that the State of Hawaii has an interest in assuring the public that only those passenger motor vehicles which are safe are allowed on highways and roads, and the study requested by this concurrent resolution is needed.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 34 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 844-78 Transportation on S.R. No. 116

The purpose of this resolution is to request the Legislative Reference Bureau to:

(1) Conduct a comparative study of the economics, effectiveness, and efficiency of Hawaii's passenger motor vehicle inspection systems; and

(2) Consider the possibility of developing a county-operated passenger motor vehicle safety inspection system utilizing equipment specially designed for that purpose, including possible capital and operating improvements of such a system.

Your Committee finds that many questions have been raised concerning the effectiveness of the current passenger motor vehicle safety inspection systems utilized by the counties.

Your Committee further finds that the State of Hawaii has an interest in assuring the public that only those passenger motor vehicles which are safe are allowed on highways and roads, and the study requested by this resolution is needed.

Your Committee on Transportation concurs with the intent and purpose of S.R. No.

116 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 845-78 Transportation on S.C.R. No. 38

The purpose of this concurrent resolution is to request the State Department of Transportation to study the hazardous conditions and implement or propose solutions to curtail traffic accidents at the intersection of Kula Kolea Drive and Likelike Highway.

Your Committee finds that from 1975 through 1977, 22 accidents occurred at the Likelike Highway and Kula Kolea Drive intersection, resulting in the loss of human life and property damage which could possibly have been prevented by the installation of a series of warning lights mauka of the intersection and by cutting back of the embankment to permit an earlier view of the existing traffic signal.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 38 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 846-78 Transportation on S.R. No. 133

The purpose of this resolution is to request the State Department of Transportation to study the hazardous conditions and implement or propose solutions to curtail traffic accidents at the intersection of Kula Kolea Drive and Likelike Highway.

Your Committee finds that from 1975 through 1977, 22 accidents occurred at the Likelike Highway and Kula Kolea Drive intersection, resulting in the loss of human life and property damage which could possibly have been prevented by the installation of a series of warning lights mauka of the intersection and by cutting back of the embankment to permit an earlier view of the existing traffic signal.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 133 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 847-78 Transportation on S.C.R. No. 56

The purpose of this concurrent resolution is to request the Departments of Agriculture, Transportation, and Planning and Economic Development and the Public Utilities Commission to jointly contract with a qualified transportation consultant to undertake a comprehensive analysis of:

- (1) The existing means and modes of inter-island transportation of freight; and
- (2) The present unmet needs and the anticipated future needs of shippers of inter-island freight.

Your Committee finds that there is a need for an economical and reliable means of transporting goods interisland.

Your Committee further finds that diversified agriculture is an important part of Hawaii's economy, with a great potential for local and overseas markets. Testimony received from the State Board of Agriculture indicates that the shipment of certain diversified agricultural products such as lettuce, tomatoes, onions, papayas, and flowers from the neighbor islands to the Honolulu market has always been a major problem.

Concurrently, the neighbor islands must daily depend on air freight for delivery of such bulky items as fresh bread, other grocery items, and newspapers.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 848-78 Transportation on S.R. No. 210

The purpose of this resolution is to request the Departments of Agriculture, Transportation, and Planning and Economic Development and the Public Utilities Commission to jointly contract

with a qualified transportation consultant to undertake a comprehensive analysis of:

- (1) The existing means and modes of inter-island transportation of freight; and
- (2) The present unmet needs and the anticipated future needs of shippers of inter-island freight.

Your Committee finds that there is a need for an economical and reliable means of transporting goods interisland.

Your Committee further finds that diversified agriculture is an important part of Hawaii's economy, with a great potential for local and overseas markets. Testimony received from the State Board of Agriculture indicates that the shipment of certain diversified agricultural products such as lettuce, tomatoes, onions, papayas, and flowers from the neighbor islands to the Honolulu market has always been a major problem.

Concurrently, the neighbor islands must daily depend on air freight for delivery of such bulky items as fresh bread, other grocery items, and newspapers.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 210 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 849-78 Transportation on S.C.R. No. 69

The purpose of this concurrent resolution, as referred, is to request the Statewide Transportation Council to study the proposal that the counties assume highway maintenance functions for state and federal-aid highways.

Your Committee finds that there may be state and county duplications in the administration, operation, and maintenance of the highway system.

Your Committee further finds that the physical intermingling of state and county roads, often as segments of the same highway, is not supportive of: (1) public accountability for the operating conditions of highways; or (2) provision of maintenance activities at the lowest possible cost; and that an investigation of a transfer of highway maintenance to the counties is in the best interests of the State.

Testimony from the State Department of Transportation indicates that it would be impractical to have the Statewide Transportation Council conduct the study, due to the high cost of airfare to transport neighbor island members of the council to and from Honolulu. Your Committee has therefore adopted in part the recommendation of the Department of Transportation and has amended this resolution to request that the Legislative Reference Bureau do the study. Your Committee has also amended the title of this resolution accordingly.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 69 as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by all members of the Committee.

SCRep. 850-78 Transportation on S.R. No. 262

The purpose of this resolution, as referred, is to request the Statewide Transportation Council to study the proposal that the counties assume highway maintenance functions for state and federal-aid highways.

Your Committee finds that there may be state and county duplications in the administration, operation, and maintenance of the highway system.

Your Committee further finds that the physical intermingling of state and county roads, often as segments of the same highway, is not supportive of: (1) public accountability for the operating conditions of highways; or (2) provision of maintenance activities at the lowest possible cost; and that an investigation of a transfer of highway maintenance to the counties is in the best interests of the State.

Testimony from the State Department of Transportation indicates that it would be impractical to have the Statewide Transportation Council conduct the study, due to the high cost of airfare to transport neighbor island members of the council to and from Honolulu. Your Committee has therefore adopted in part the recommendation of the Department of Transpor-

tation and has amended this resolution to request that the Legislative Reference Bureau do the study. Your Committee has also amended the title of this resolution accordingly.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 262 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 262, S.D. 1.

Signed by all members of the Committee.

SCRep. 851-78 Transportation on S.C.R. No. 75

The purpose of this concurrent resolution is to request the State Department of Transportation to conduct a study on the implementation of an infrared emissions test program for Hawaii.

Your Committee finds that infrared emissions tests are an efficient means of determining whether a vehicle is achieving maximum fuel efficiency and minimizing air pollution.

Your Committee further finds that an infrared emissions test program would reduce air pollution and result in mass participation in energy conservation and the stimulation of the automobile repair and parts industry.

Your Committee has received testimony from the State Department of Transportation supporting this concurrent resolution.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 75 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 852-78 Transportation on S.R. No. 279

The purpose of this resolution is to request the State Department of Transportation to conduct a study on the implementation of an infrared emissions test program for Hawaii.

Your Committee finds that infrared emissions tests are an efficient means of determining whether a vehicle is achieving maximum fuel efficiency and minimizing air pollution.

Your Committee further finds that an infrared emissions test program would reduce air pollution and result in mass participation in energy conservation and the stimulation of the automobile repair and parts industry.

Your Committee has received testimony from the State Department of Transportation supporting this resolution.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 279 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 853-78 Transportation on S.C.R.No. 70

The purpose of this concurrent resolution, as received, is to direct the State Department of Transportation to provide a document security program for driver's licenses.

Your Committee finds that falsification of driver's licenses permits the unlawful sale of alcoholic beverages and other forms of fraud, and is thus a serious social problem.

Your Committee further finds that the Hawaii State driver's license has come to be used as a state identification card as well, and that it is possible to alter our present type of driver's license in such a way as to be almost impossible to detect.

Your Committee has amended this concurrent resolution to direct the State Department of Transportation to adopt a system of material procurement for driver's licenses which would provide maximum security against falsification. The title of the concurrent resolution has also been amended to reflect this amendment.

The purpose of this amendment is to clarify the Legislature's request to the Department of Transportation.

In addition, your Committee has made technical, nonsubstantive changes to conform

the original version with official style.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 70, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 70, S.D. 1.

Signed by all members of the Committee.

SCRep. 854-78 (Majority) Human Resources on S.C.R. No. 41

The purpose of this concurrent resolution is to request the United States Congress to create more public service employment as a means of counteracting recession and unemployment.

Your Committee finds that the most effective method to create more jobs and to boost the Nation's economy is the direct funding by Congress of public service employment programs.

Currently, there are approximately 3,000 positions throughout the State funded under the Comprehensive Employment and Training Act (CETA) Public Service Employment program. This has meant a major increase during the past year as part of the Carter Administration's attempt to fill 725,000 positions throughout the nation. Undoubtedly this major fiscal effort has had an impact on the level of unemployment throughout the country and in the State of Hawaii. More importantly, it has meant immediate jobs to individuals in need who have been unemployed for considerable lengths of time. Recent public service employment efforts have been targeted to employ individuals who have been unemployed for longer than 15 weeks and are economically disadvantaged.

Your Committee further finds that there are approximately 25,200 people in the State of Hawaii who are currently unemployed. A significant number of these people may be eligible to participate in an expanded (CETA) Public Service Employment program, which would help to reduce unemployment in the State.

Your Committee further recognizes the need for Congress to work towards the strengthening of CETA and to recommend to the President the continued operation and expansion of this program and other similar programs.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 41 and recommends its adoption.

Signed by all members of the Committee.
Senators Anderson and Soares did not concur.

SCRep. 855-78 Human Resources on S.C.R. No. 53

The purpose of this concurrent resolution is to urge labor unions and employers to cooperate in the development and implementation of safety training systems and programs in conjunction with government efforts to coordinate such training.

Your Committee finds that the achievement of significantly lower levels of employee injury in the course of employment cannot be accomplished solely through the enactment of safety standards, for there must be complementing individual knowledge of safety factors and practices, to ensure the pragmatic implementation of safety standards, and moreover, to ensure minimization of the occurrence of injury. Hence, the cooperation of employers and labor unions in a systematic program of safety training is vital to assure maximum reduction of injury levels and of the potential levels of injury.

In relation to the importance of training and education and concerted action, your Committee further finds that the Assistant Secretary of Labor for OSHA recently announced plans to embark on a new competency training program. This program includes grants to labor organizations, trade associations, and academic institutions who are willing to embark on programs to train in occupational safety and health fields. There is an amount of \$4.9 million included in the OSHA FY 1979 budget.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 53 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 856-78 Human Resources on S.C.R. No. 54

The purpose of this concurrent resolution is to request the Department of Labor and

Industrial Relations to coordinate with workers' compensation insurers in effectuating a system of safety training for the insured.

Your Committee finds that the enactment by the State and the federal government of occupational safety and health laws constitutes affirmative efforts to secure reasonably safe working conditions for employees so that unreasonable risks to the safety of the employees are substantially diminished. Awareness of safety techniques and systems on an individual basis will diminish further the level of occupational injuries resulting from unsafe practices.

Your Committee further finds that the training of individuals in safety will augment the capacity and ability of both the employee and employer to avoid untoward incidence of occupational safety and health hazards and injuries. The creation and optimizing of safe and healthful working environments may induce productivity, enhance morale, while generally improving the conditions of work of employees.

Your Committee has amended this concurrent resolution as follows:

1) The term "safety consultation services" is used instead of "safety training classes" in paragraphs 7 and 9 because insurers provide safety consultation services to insured employers rather than assuming responsibility for the direct safety training of the insureds' employees.

2) The first "WHEREAS" paragraph is deleted for technical purposes.

3) Self-insured employers are named along with insurers wherever applicable in order to clarify the intent of this concurrent resolution.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 54, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 54, S.D. 1.

Signed by all members of the Committee.

SCRep. 857-78 Health on Gov. Msg. No. 8

Recommending that the Senate advise and consent to the nominations to the Central Oahu Subarea Health Planning Council, as follows: RALPH NAKAMOTO, for term ending December 31, 1981; DAVID PARSONS, for term ending December 31, 1980; RUSSELL F. SOWERS, for term ending December 31, 1979; and INGRID M. CABUNOC, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 858-78 Health on Gov. Msg. No. 75

Recommending that the Senate advise and consent to the nominations to the Board of dental Examiners, as follows: DR. JAMES E. KAHOE and DR. MASARU KURASHIMA, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 859-78 Health on Gov. Msg. No. 76

Recommending that the Senate advise and consent to the nominations to the Board of Health, as follows: DORIS AHANA, SHERIDAN P. CACERES and ADELINO P. COITO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 860-78 Health on Gov. Msg. No. 77

Recommending that the Senate advise and consent to the nominations to the County Hospital Management Advisory Committee, City and County of Honolulu, as follows: WILLIAM W. L. DANG, M.D. and CONRAD W. HEWITT, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 861-78 Health on Gov. Msg. No. 78

Recommending that the Senate advise and consent to the nominations to the Board of

Medical Examiners, as follows: MARION L. HANLON, M.D., JOHN M. OHTANI, M.D. and KENNETH N. SUMIMOTO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 862-78 Health on Gov. Msg. No. 81

Recommending that the Senate advise and consent to the nominations to the Board of Speech Pathology and Audiology, as follows: CAROLYN U. CANUBIDA, GENE W. DOO, M.D. and EVALYN K. S. INN, for terms ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 863-78 Health on Gov. Msg. No. 131

Recommending that the Senate advise and consent to the nominations to the Kauai County Hospital Management Advisory Committee, as follows: YUKICHI GUSHIKEN, for term ending December 31, 1981; PETER M. KIM, M.D., for term ending December 31, 1981; MANUEL MORENO, for term ending December 31, 1979; and BURT O. WADE, M.D., for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 864-78 Health on Gov. Msg. No. 132

Recommending that the Senate advise and consent to the nominations to the State Board of Nursing, as follows: MARIAN E. OLSON, PH.D., for term ending December 31, 1979; JUNE S. NAKASHIMA, R.N., for term ending December 31, 1980; and LOUISE F. SAMUEL, L.P.N., for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 865-78 Health on Gov. Msg. No. 179

Recommending that the Senate advise and consent to the nominations to the State Planning and Advisory Council on Developmental Disabilities, as follows: DAVID E. KAHOOHANOHANO, for term ending December 31, 1978; CAROL F. NAKAYA, for term ending December 31, 1979; IAN W. J. M. EVANS, PH.D., for term ending December 31, 1981; RENE S. NISHIKAWA, for term ending December 31, 1981; ELDON W. MORRIS, for term ending December 31, 1981; KUNIJII SAGAWA, for term ending December 31, 1981; E. EVELYN LAURETA, for term ending December 31, 1981; SHIRLEY J. KOLLMAYER, for term ending December 31, 1981; and VINCENT H. YANO, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 866-78 Health on Gov. Msg. No. 180

Recommending that the Senate advise and consent to the nominations to the County Hospital Management Advisory Committee, Hawaii County, as follows: WALTER YOSHISHIGE, RENEE M. BITLE and PAUL J. MATSUMOTO, M.D., for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 867-78 Health on Gov. Msg. No. 181

Recommending that the Senate advise and consent to the nominations to the Medical Advisory Board, as follows: RONALD M. YAMAOKA, M.D., EDWARD L. CHESNE and DENNIS M. KUWABARA, O.D., for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 868-78 Health on Gov. Msg. No. 182

Recommending that the Senate advise and consent to the nominations to the Board of Examiners of Nursing Home Administrators, as follows: EARL H. BAXENDALE and JAMES K. HIRANO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 869-78 Health on Gov. Msg. No. 209

Recommending that the Senate advise and consent to the nominations to the Statewide

Health Coordinating Council, as follows: RONALD W. B. WYATT, for term ending December 31, 1980; CYNTHIA G. AIU, for term ending December 31, 1981; DOROTHY L. DEVEREUX, for term ending December 31, 1981; RUBY L. HARGRAVE, for term ending December 31, 1981; REV. DAVID K. KENNEDY, for term ending December 31, 1981; HENRY E. K. LEE, for term ending December 31, 1981; HELEN S. PERCY, M.D., for term ending December 31, 1981; REIKO IGA, for term ending December 31, 1981; and REV. DAVID J. HARADA, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 870-78 Health on Gov. Msg. No. 210

Recommending that the Senate advise and consent to the nominations to the East Honolulu Subarea Health Planning Council, as follows: CLAUDIA ANN SHAY, for term ending December 31, 1981; LEONARD P. PARESA, SR., for term ending December 31, 1981; JOHN HURRELL, for term ending December 31, 1981; KELVIN H. SUNADA, for term ending December 31, 1981; FERN V. CLARK, for term ending December 31, 1979; JEAN L. J. LUM, Ph.D., for term ending December 31, 1981; and RICHARD V. STENSON, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 871-78 Health on Gov. Msg. No. 211

Recommending that the Senate advise and consent to the nominations to the West Honolulu Subarea Health Planning Council, as follows: ELSIE K. Y. HO, for term ending December 31, 1981; RONALD F. M. LEE, for term ending December 31, 1979; JOHN C. SWINDLE, for term ending December 31, 1981; CAROL JOAN WOOD, for term ending December 31, 1981; VERNA M. K. KEYES, for term ending December 31, 1980; and JOE K. KUWAMOTO, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 872-78 Health on Gov. Msg. No. 212

Recommending that the Senate advise and consent to the nominations to the Central Oahu Subarea Health Planning Council, as follows: MONICA R. AYONON, for term ending December 31, 1981; SALLY AMANTIAD, for term ending December 31, 1981; DORIS BULOSAN, for term ending December 31, 1981; ARNULFO MANANGAN, for term ending December 31, 1981; CMDR. DONALD R. FERGUSON, for term ending December 31, 1980; and SERGIO N. DOMONDON, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 873-78 Health on Gov. Msg. No. 213

Recommending that the Senate advise and consent to the nominations to the Windward Oahu Subarea Health Planning Council, as follows: GERALD S. YOSHIKANE, for term ending December 31, 1981; KAPUA K. SPROAT, for term ending December 31, 1981; HENRY E. K. LEE, for term ending December 31, 1981; VIOLET VAN EPPS, for term ending December 31, 1981; ANNA M. WAGNER, for term ending December 31, 1981; REV. DR. CLAUDE F. DU TEIL, for term ending December 31, 1979; and ROBERT G. CARMEN, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 874-78 Health on Gov. Msg. No. 214

Recommending that the Senate advise and consent to the nominations to the Waianae Coast Subarea Health Planning Council, as follows: BILLIE J. HAUGE, for term ending December 31, 1981; OLLNEY K. HOOPAI, for term ending December 31, 1981; TOMMY TOMIMBANG, for term ending December 31, 1981; SALLY WON, for term ending December 31, 1981; MARCOS BELASCO, for term ending December 31, 1981; LEVY SCHEIDT, for term ending December 31, 1979; and MARY D. OJERIO, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 875-78 Health on Gov. Msg. No. 215

Recommending that the Senate advise and consent to the nominations to the Hawaii County Subarea Health Planning Council, as follows: ALFREDO I. PADAYAO, for term ending

December 31, 1981; MARK SPERRY, for term ending December 31, 1981; ISABELLE A. TAGABI, for term ending December 31, 1981; GEORGE T. INOUE, for term ending December 31, 1979; LESLIE WUNG, for term ending December 31, 1981; and RUTH A. KUNIMURA, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 876-78 Health on Gov. Msg. No. 216

Recommending that the Senate advise and consent to the nominations to the Kauai County Subarea Health Planning Council, as follows: ULU BREEN, for term ending December 31, 1979; KELVIN L. KAI, for term ending December 31, 1981; SUZANNE K. KASHIWAEDA, for term ending December 31, 1981; THATCHER MAGOUN, M. D., for term ending December 31, 1981; ROBERT J. MELTON, M. D., for term ending December 31, 1981; and WENDY WISWELL, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 877-78 Health on Gov. Msg. No. 217

Recommending that the Senate advise and consent to the nominations to the Maui County Subarea Health Planning Council, as follows: RONALD R. TAKATSUKA, PAUL G. STEVENS, M.D., H. EILEEN MacHENRY, HELEN S. PERCY, M. D., and JOSEPH M. SOUKI, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 878-78 Ways and Means on Gov. Msg. No. 86

Recommending that the Senate advise and consent to the nomination of SHUNICHI HATADA to the Credit Union Review Board, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 879-78 Ways and Means on Gov. Msg. No. 87

Recommending that the Senate advise and consent to the nomination of FRANK Y. ZANE to the Board of Taxation Review, Second Taxation District, Maui, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 880-78 Ways and Means on S.R. No. 307

The purpose of this resolution is to request the department of taxation to study the application of section 237-37(b)(3), Hawaii Revised Statutes, relating to an exception from excise tax exemptions, for activities the primary purpose of which is to produce income, even if the income is meant to further the activities of an exempt organization and to determine:

- (1) What organizations it applies to;
- (2) The amounts of revenues gained therefrom;
- (3) Whether such revenues offset the enforcement costs of applying the law;
- (4) Exactly what types of activities are being taxed;
- (5) Whether an activity that is engaged in once a year, even though recurring annually, is truly in competition with for-profit, business concerns or whether such an activity should be better considered a casual sale type of activity and not be taxed; and
- (6) If the tax is continued whether or not the smaller T-shirt sale and the like should be exempted as opposed to the bigger revenue producer, such as school carnivals, by inserting a dollar amount in the law below which there would be no excise tax imposed.

Your Committee finds that there may be a possible contradiction in taxing income producing activities even though this income is used to further the tax-exempt activities of the organization. Your Committee also finds that enforcement of section 237-23(b)(3), Hawaii Revised Statutes, is difficult and therefore appears to be sporadic. Your Committee finds that a study in this area is necessary.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 307 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 881-78 Consumer Protection on S.R. No. 332

The purpose of this resolution is to request the Department of Taxation to review and amend its tax appeal procedures to minimize the problems faced by the public in appealing real property tax assessments, and to take all possible measures to assist the public through the steps of filing and taking an appeal through to the final decision. These measures include, but are not limited to the following:

- 1) Necessary information on filing and keeping an appeal active
- 2) Simple explanation of the tax appeals process in language which the average lay person can understand, emphasizing the steps and time limits in appeals procedure which the taxpayer must take, either then or at some future time, including steps which are necessary for judicial review
- 3) Aid in filing necessary papers, etc. in taking and maintaining an appeal
- 4) Such other information and assistance which are necessary to take the taxpayer through the steps in filing and taking an appeal, and
- 5) Establishing an information center and distributing such information and availability of assistance to the public

Your Committee heard testimony on the resolution from Mr. David Rolf of Mililani Town who cited specific problems in his tax appeal. Mr. Rolf related that the error in assessment resulted in an overcharge of \$130.00 in real property taxes that year, and that it took more than two and one-half years through the appeal process, including a hearing in the tax court to finally settle the case. Your Committee finds that the Rolf case was the only one of more than 800 tax appeals by others in the Mililani community which was carried to conclusion. Those other cases, due to a purported misunderstanding by the appellants, were not appealed to the tax court, and were thus terminated because of the statute of limitations.

Mr. Rolf provided specific commentary on the procedures for appealing real property tax assessments, citing areas where improvements should be made. Some of these are:

- 1) Ambiguities in the "Notice of Property Assessment", a card sent to the taxpayer showing the amount of assessment (Form P2).
- 2) The amount of time available to the taxpayer to file an appeal of the assessment, 25 calendar days.
- 3) Delay of more than two years in many cases from date of filing to hearing date.
- 4) Requirement by the Board of Review that the appellant or his representative personally appear at the hearing which is held during work day hours. This means a day off work and loss of income or vacation time for the appellant.
- 5) The hearing procedure is not structured. In the Rolf case, the Board of Review made no comment nor invited discussion by the appellant or the Department of Taxation when the case was heard. The decision of the Board was not made until a month later and then there was no basis or findings of fact regarding the decision.

Members of your Committee have received numerous telephone calls from agitated taxpayers who had appealed their property tax assessments. A variety of complaints were heard, the majority of which concerned the difficulties encountered in preparing for their hearing. Some complainants cited as "cavalier" attitude by personnel in the department when the taxpayer questioned the methodology and/or rationale employed in determining property assessments. Others objected to the continuing annual increases in assessments in some areas, while assessments in other areas do not increase on an annual basis, or the increases are much smaller.

Following the hearing, your Committee discussed the substance of this resolution informally with Mr. Gordon Y. H. Wong, Director of the Department of Taxation. Mr. Wong indicated that the Department of Taxation was in accord with the intent of the resolution. However, he stated that fiscal constraints and manpower limitations will affect the progress

of such review, and further, that some statutory changes will be required if appeal procedures are to be modified.

Your Committee acknowledges that changes in the appeal procedures will require certain expenditures of manpower and funds. The Department of Taxation is requested to identify and describe in its report to the Senate specific requirements, including proposed statutory amendments to implement improvements to the tax assessment appeal procedures.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 332 and recommends that it be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 882-78 (Joint) Health and Human Resources on S.C.R. No. 30

The purpose of this concurrent resolution is to request the Department of Health, in cooperation with the Hawaii public employees health fund, to conduct a study of a comprehensive preventive health care benefit plan for public employees to include family planning services. This recommendation is one of a number of legislative proposals that comprise the Governor's Legislative Package for Selected Growth Management.

The Department of Health recommended passage of this concurrent resolution and testified that "the results of this study could benefit nearly 30,000 public employees, and ultimately as many as 435,000 or more people in the private sector. The costs of preventive health services are almost uniformly less than the costs of curative services. Immunizations cost little, yet treating preventable diseases such as polio, or attempting to repair the damage done by rubella, can be prohibitive. A Pap smear costs but a few dollars, and the early treatment of pathology it can detect costs considerably less in every way than the cost of treating far-advanced disease. Family planning services cost between \$50 to \$100 per patient per year; prenatal care and delivery alone cost at least twelve times that amount, and the figure is multiplied manifold for the costs of raising a child."

The Department of Health further testified that "although 'health' insurance plans have long focused merely on coping with the costs and risks of diseases when it unluckily occurs, it is widely recognized now days that it is in the best interest of the individual and of the community as a whole to prevent the human and economic costs of illness. It is important to recognize family planning as one of the essential components of good quality, comprehensive family health care."

Your Committees on Health and Human Resources concurs with the intent and purpose of S.C.R. No. 30 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 883-78 Health on Gov. Msg. No. 79

Recommending that the Senate advise and consent to the nomination of ROBERT T. OSHIRO, N. D., to the Board of Examiners in Naturopathy, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 884-78 Health on Gov. Msg. No. 80

Recommending that the Senate advise and consent to the nomination of JAMES I. KURATA, to the Board of Pharmacy, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 885-78 Health on Gov. Msg. No. 170

Recommending that the Senate advise and consent to the nomination of CAROL M. STRAIT, to the Advisory Commission on Drug Abuse and Controlled Substances, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 886-78 Health on Gov. Msg. No. 171

Recommending that the Senate advise and consent to the nomination JAMES LUMENG, M. D.,

to the Advisory Commission on Drug Abuse and Controlled Substances, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 887-78 Human Resources on S.C.R. No. 51

The purpose of the concurrent resolution is to request Hawaii's congressional delegation to actively support passage of the revised Humphrey-Hawkins Full Employment and Balanced Growth Bill.

Your Committee finds that the Humphrey-Hawkins bill affirms in law the right of every American willing and able to work, to useful employment at decent wages. The Humphrey-Hawkins bill further establishes the framework and processes for the rational development and coordination of national economic, fiscal, and monetary goals and policies to guide the nation toward goals of reducing high levels of unemployment to full employment levels through the creation of a viable, fully operating economy. Your Committee believes that mandated national commitment to the goals and purposes of the bill can but result in benefits to all strata of American society.

Your Committee further finds that in presenting testimony on the Act, the late Senator Hubert H. Humphrey stated "The Humphrey-Hawkins bill is not a panacea for an ailing economy. It is no miracle cure. However, I am convinced that the principles, commitments, policies, and processes that it establishes will help immeasurably in moving our Nation toward a new era of full employment, vigorous economic growth, and relatively stable prices."

Your Committee notes that the late Senator Hubert H. Humphrey served our great Nation and its great people as a public servant for over thirty years. During his tenure as a public servant and statesman of the highest order, a massive list of landmark legislation which has strengthened the growth, stability, and viability of not only the United States but other nations and peoples as well, has grown and this can be attributed to the dedicated and vigorous work of this great American. Your Committee believes that the Congress of the United States and our President should, as a final and firm gesture of respect for and in honor of one of America's great personages, enact without delay, the revised Humphrey-Hawkins Full Employment and Balanced Growth Act of 1977.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 51 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 888-78 Human Resources on S.C.R. No. 79

The purpose of this concurrent resolution is to request the Executive Office on Aging, Office of the Governor, to continue efforts to seek federal support for purposes relating to a comprehensive feasibility study concerning income requirements of the State's needy elderly.

Your Committee finds that active implementation of recommendations as have been advanced in the various studies and reports on the financial plight of a significant number of the State's elderly calls for substantial outlays of public funds to meet the income and related economic needs of our elderly. However, while there appears to be consensus as to the clear need to provide further income support for the needy elderly, the amounts, methods of financing, methods of administration, and other allied concerns have yet to be agreed upon.

In relation to this problem, your Committee is pleased to learn that the Executive Office on Aging, Office of the Governor, has submitted an application for federal assistance to the United States Department of Health, Education and Welfare (DHEW). The application for federal assistance, still undergoing formal review by the DHEW, is seeking federal assistance with the basic objective being "To conduct an evaluation of the proposed 'Hawaii Income Assurance System Program' (HIAS) and other alternatives by assessment of existing programs and current and future needs for income supplementation, design of alternative systems, and determination of feasibility relative to legal, economic, and operational impact."

Your Committee further finds that the application presents among its justifications, the belief that the performance of the evaluation of the HIAS may well serve to provide clarification and direction as to the implications and impact such an income support project would portend for other states, counties, and cities faced with similar problems.

Therefore, your Committee finds that there is a need for the Executive Office on Aging to continue to aggressively pursue federal assistance, including federal funding and technical assistance to enable the generation of the basic data necessary to initiate firm program proposals for consideration by the State's Executive and Legislative branches.

Your Committee has amended this concurrent resolution to correct typographical errors.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 79, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 79, S.D. 1.

Signed by all members of the Committee.

SCRep. 889-78 Judiciary on S.C.R. No. 26

The purpose of this concurrent resolution is to request the Department of Regulatory Agencies to conduct a review and study of occupational licensing practices, including the practices of other states, with a view towards insuring that existing licenses fully assure the competency of practitioners and to determine if licensing can reasonably be extended to other practices.

Your Committee concurs with the intent and purpose of S.C.R. No. 26 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 890-78 Judiciary on S.C.R. No. 83

The purpose of this concurrent resolution is to request the Department of Regulatory Agencies to study: (1) the use of binders, certificates of insurance and other devices which have the apparent effect of avoiding the Hawaii Insurance Law; (2) the effect of such practices on the consuming public as well as on insurers, general agents and solicitors; and (3) the effect of such practices on premium tax revenues collected by the State.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 83 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 891-78 Judiciary on S.C.R. No. 64

The purpose of this concurrent resolution is to advise the United States Senate and House of Representatives that the State of Hawaii opposes federal legislation on national no-fault insurance and wishes to continue to develop its own no-fault laws to best serve the interest of its citizens.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 64 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 892-78 Judiciary on S.R. No. 251

The purpose of this resolution is to advise the United States Senate and the House of Representatives that the State of Hawaii opposes federal legislation on national no-fault insurance and wishes to continue to develop its own no-fault laws to best serve the interest of its citizens.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 251 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 893-78 Judiciary on S.C.R. No. 95

The purpose of this concurrent resolution is to provide for the formation, organization and operation of a committee to study governmental tort liability during the interim between the adjournment of the Regular Session of 1978 and the convening of the Regular Session of 1979.

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

Signed by all members of the Committee except Senator F. Wong.

SCRep. 894-78 Judiciary on S.R. No. 342

The purpose of this resolution is to provide for the formation, organization and operation of a committee to study governmental tort liability during the interim between the adjournment of the Regular Session of 1978 and the convening of the Regular Session of 1979.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 342 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 895-78 Judiciary on S.C.R. No. 119

The purpose of this concurrent resolution is to request a review of laws relating to guardianship, civil commitment, and protective services by a task force composed of the voluntary representatives of private agencies advocating and speaking for the interests of mentally and physically handicapped persons.

Your Committee amended the resolution by providing that the task force include one representative from the Office of the Attorney General who shall serve as the temporary chairman until the task force is organized.

Your Committee further amended the resolution by including the Public Defender in the list of individuals or agencies that are requested to assist and cooperate with the task force because the Public Defender is frequently involved with civil commitment cases.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 119, S.D. 1.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 896-78 Judiciary on S.C.R. No. 63

The purpose of this concurrent resolution is to request the State Ethics Commission to undertake a review of the regulatory boards and commissions within the Department of Regulatory Agencies to determine whether members of said boards and commissions who are also engaged in the profession or occupation being regulated deliberate and act in a manner favoring their own interest to the detriment of the public interest.

Your Committee held a hearing on this resolution and received testimony in favor of the objective of the resolution. The State Ethics Commission stated that it was ready and willing to undertake the study request contained in the resolution.

It may be noted that the Commission has interpreted the conflicts of interest section of the ethics code, Section 84-14(a), Hawaii Revised Statutes, to accord with the legislative intent that regulatory boards and commissions have as members persons who are representative of the professions, trades, and businesses that are regulated. Section 84-14(a), Hawaii Revised Statutes, prohibits a state employee from taking action which directly affects a business in which he or she holds a substantial financial interest. The strict application of this language would prevent expert board and commission members from taking action on most of the matters that would come before them. Accordingly, the State Ethics Commission has taken the position and advised these expert members that while they may not take action that directly and specifically affects their own business in a manner that is different from the industry as a whole, they may nevertheless take action which broadly affects the industry that they represent.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 63 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 897-78 Judiciary on S.C.R. No. 102

The purpose of this concurrent resolution is to declare that travel agents who merely offer to lease, rent or offers to rent transient type accommodations, which includes

but is not limited to condominiums, properly licensed and zoned in accordance with county laws, need not be licensed as a real estate broker or salesman in the State of Hawaii in order to collect a fee for their services.

Your Committee amended this concurrent resolution by deleting the second be it resolved clause in its entirety and substituting in lieu thereof the following:

"BE IT FURTHER RESOLVED that other states be encouraged to take all necessary steps, including legislation, to provide an exemption to travel agents, and similar organizations from the requirements of real estate licensing when arranging transient accommodations for a fee; and"

Your Committee on Judiciary concurs with the intent and purpose of S. C. R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S. C. R. No. 102, S. D. 1.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 898-78 Economic Development on S.C.R. No. 90

The purpose of this concurrent resolution is to request the State Department of Agriculture to give the highest priority in its product promotion program and activities to make possible the creation and utilization of a logo.

Your Committee finds that creating a higher market demand is one of the most effective ways to stimulate greater local farm production and to revitalize the State's agricultural economy. This would be an important step in stemming the ever-increasing outflow of dollars from this State for the purchase of food products that can be economically produced in Hawaii.

Your Committee finds that a logo, when created, can be used on posters, newspaper inserts, and other advertising and marketing locations and programs, including the possibility of use of the logo on the wrapping or container of the commodity itself. The creation of an appropriate logo would be a first step towards a continuing consumer education program which would instill in all our citizens acceptance of and pride in buying Hawaii grown products. A healthy market is as essential as high farm productivity in maintaining the viability of our agricultural industry.

Your Committee on Economic Development concurs with the intent and purpose of S.C.R. No. 90 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 899-78 (Majority) Economic Development on S.C.R. No. 105

The purpose of this concurrent resolution is to request the Senate to oppose legislation pending before the U.S. Congress that would place approximately 302,435 acres of the State of Hawaii into a National Wilderness Preservation System.

Your Committee finds that the Leeward Islands of the State of Hawaii are defined as those islands stretching from Nihoa Island northwesterly to and including Kure Island, together with their appurtenant reefs and territorial waters. (The Midway Islands are not included.) The State of Hawaii has never relinquished its valid prior existing right to the aforesaid islets and reefs in the Leeward Islands, despite the contentions of the U.S. Department of the Interior that the Department has jurisdiction over the aforesaid islets and reefs. The State of Hawaii has, in the past, entered into good-faith negotiations with the U.S. Department of the Interior to define the respecting jurisdictions of the State and the federal government in the Leeward Islands, but such negotiations have not met with successful conclusions.

Aside from the unresolved legal questions involving Federal-State jurisdictions, your Committee finds that environmental and economic questions are yet unresolved. A major study is currently underway by the U.S. Department of the Interior, the U.S. Department of Commerce, and the State of Hawaii on the resources and ecosystem of the Leeward Islands. This study will look into the effects that fishing might have on the total ecosystem. Passage of H.R. 1907 before the U.S. Congress would declare over 300,000 acres of the best fishing grounds in the Leeward Islands, a Wilderness Area, preventing all actions except scientific research. It appears prudent that the U.S. Congress should not rush ahead and effectively institute prohibitions on fishing; it should await completion of the study.

Your Committee finds that Section 1 (a.) 17 of the Congressional Bill No. H.R. 1907 is unacceptable because it transmits jurisdiction--without complete justification--of 302,435 acres of State submerged lands and appurtenant waters in the Northwestern Hawaiian Islands to the U.S. Department of the Interior, and is tantamount to the federal government's confiscation of the Northwestern Hawaiian Islands' natural resources and their uses that belong to the residents of this State. These resources and potential uses are crucial to future diversification of the State's economy and recreational and aesthetic pursuits.

Your Committee on Economic Development concurs with the intent and purpose of S.C.R. No. 105 and recommends its adoption.

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

SCRep. 900-78 Transportation on S.C.R. No. 111

The purpose of this concurrent resolution is:

- (1) To recognize that the people of this State are aware of the past contributions of Seaflyte;
- (2) To express the peoples' appreciation for the present endeavors to resume the Seaflyte operations between the islands of this State;
- (3) To reaffirm the people's commitment to Seaflyte's maintenance of a viable interisland marine transportation system; and
- (4) To request the various State and federal regulatory agencies and the departments which would be involved to assist with the reestablishment and maintenance of this alternative interisland transportation system.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. 111 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 901-78 Transportation on S.C.R. No. 77

The purpose of this concurrent resolution is to request the Secretary of Defense to assign the twin engine Blackhawk UH-60A helicopters to the 68th Medical Detachment of the 25th Infantry Division. This assignment, if made, will broaden the scope of the 68th Medical Detachment's Military Assistance to Safety and Traffic (MAST) program to communities without Oahu.

The 68th Medical Detachment, a unit of the 25th Infantry Division, operates the MAST program which provides emergency medical, evacuation, rescue, and transportation services to the civilian population. This service is provided through the utilization of helicopters and is interfaced with civilian emergency and medical services. Since its inception in 1974, more than five hundred emergency missions have been flown.

Unfortunately, the type of helicopter used currently, the single engine UH-1, is limited in its flight operations over water. Thus, no MAST services are being provided on the neighbor islands.

There is, however, a newly developed Blackhawk UH-60A twin engine helicopter which may be used over water with relative safety. Utilization of this helicopter under the MAST program will afford service capabilities to neighbor islands.

Your Committee has amended the concurrent resolution by inserting a new "WHEREAS" clause after the sixth "WHEREAS" to indicate that the neighbor island emergency medical systems are doing commendable work, but that they must be supplemented.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by all members of the Committee.

SCRep. 902-78 Legislative Management

Informing the Senate that Gov. Msg. Nos. 254 and 255, S.C.R. No. 131, S.R. Nos.

454 to 460, Conf. Com. Rep. Nos. 2 and 3 and Stand. Com. Rep. Nos. 883-78 to 901-78 and 903-78 to 918-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 903-78 Health on Gov. Msg. No. 242

Recommending that the Senate advise and consent to the nomination of MONTA M. KINNEY to the Advisory Commission on Drug Abuse and Controlled Substances, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 904-78 Health on Gov. Msg. No. 243

Recommending that the Senate advise and consent to the nominations of BETSY S. ERDMAN, GEORGE K. SANO and YUKIE UEOKA, to the Maui County Hospital Management Advisory Committee, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 905-78 Health on Gov. Msg. No. 244

Recommending that the Senate advise and consent to the nominations to the Kauai County Hospital Management Advisory Committee, as follows: DONNA M. SCHULZE, for term ending December 31, 1981; and MYRNA P. KAI, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 906-78 Consumer Protection on S.R. No. 220

The purpose of this resolution is to request the Senate Committee on Consumer Protection to conduct a public hearing to determine whether regulations should be adopted concerning the practices of persons designing, selling, installing, and maintaining solar energy water-heating systems.

Your Committee finds that the use of solar energy water-heating systems has become increasingly popular in Hawaii and as a result, the emergence of many new solar energy products, vendors and solar installers have become available to interested consumers. Your Committee further finds that several complaints on solar energy water heating systems have been received by the Office of Consumer Protection.

Your Committee heard testimony from the Office of Consumer Protection and from the Hawaii Solar Energy Association, Incorporated, indicating their support to the resolution and their willingness to assist in a study that would help to control those solar energy water heating systems that are inadequately designed, misrepresented or improperly installed and maintained. The Department of Regulatory Agencies further testified on the resolution indicating that an impact statement required under the "sunset" analysis called for by Act 70, Session Laws of Hawaii, 1977, should be accomplished prior to any study for the enactment of legislation to license and regulate the designing, selling or maintaining of these solar water-heating systems.

As a result of a public hearing conducted by your Committee, your Committee has amended this resolution to state that the Office of the Legislative Reference Bureau is requested to further conduct a study of the need for controls in the solar energy water-heating systems industry. The requested study should identify those requirements for regulation and the development of an impact statement as required under the "Sunset Law" of Act 70, Session Laws of Hawaii, 1977.

The resolution is further amended to require the Office of the Legislative Reference Bureau to submit its findings and recommendations to the Legislature not later than twenty days prior to the convening of the Regular Session of 1979.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 220 as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 220, S.D. 1.

Signed by all members of the Committee.

SCRep. 907-78 Judiciary on S.R. No. 75

The purpose of this resolution is to request various State and county agencies as well as public and private agencies closely involved with the problem of spouse abuse to evaluate the laws relating to spouse abuse.

Your Committee finds that there is very little documented information and statistics on spouse abuse in this State, but realizes that it is a problem.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 75 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 908-78 Judiciary on S.R. No. 78

The purpose of this resolution is to request support from members of the Hawaii's Congressional delegation of federal legislation to aid states providing programs relating to spouse abuse.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 78 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 909-78 Judiciary on S.R. No. 247

The purpose of this resolution is to request the State Ethics Commission to undertake a review of the regulatory boards and commissions within the Department of Regulatory Agencies to determine whether members of said boards and commissions who are also engaged in the profession or occupation being regulated deliberate and act in a manner favoring their own interest to the detriment of the public interest.

Your Committee held a hearing on this resolution and received testimony in favor of the objective of the resolution. The State Ethics Commission stated that it was ready and willing to undertake the study request contained in the resolution.

It may be noted that the Commission has interpreted the conflicts of interest section of the ethics code, Section 84-14(a), Hawaii Revised Statutes, to accord with the legislative intent that regulatory boards and commissions have as members persons who are representative of the professions, trades, and businesses that are regulated. Section 84-14(a), Hawaii Revised Statutes, prohibits a state employee from taking action which directly affects a business in which he or she holds a substantial financial interest. The strict application of this language would prevent expert board and commission members from taking action on most of the matters that would come before them. Accordingly, the State Ethics Commission has taken the position and advised these expert members that while they may not take action that directly and specifically affects their own business in a manner that is different from the industry as a whole, they may nevertheless take action which broadly affects the industry that they represent.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 247 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 910-78 Judiciary on S.R. No. 308

The purpose of this resolution is to request the Department of Regulatory Agencies to study: (1) the use of binders, certificates of insurance and other devices which have the apparent effect of avoiding the Hawaii Insurance Law; (2) the effect of such practices on the consuming public as well as on insurers, general agents and solicitors; and (3) the effect of such practices on premium tax revenues collected by the State.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 308 and recommends its adoption.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 911-78 Ecology, Environment and Recreation on Gov. Msg. No. 120

Recommending that the Senate advise and consent to the nominations of STANLEY M. AKITA,

and THOMAS M. W. LEE, to the Fish and Wildlife Advisory Committee, City and County of Honolulu, for terms ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 912-78 Ecology, Environment and Recreation on Gov. Msg. No. 121

Recommending that the Senate advise and consent to the nominations to the Fish and Wildlife Advisory Committee, County of Maui, as follows: ADOLPH H. DESHA, JOHN PERREIRA, JR., and EDWARD H. TAMURA, for terms ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 913-78 Ecology, Environment and Recreation on Gov. Msg. No. 150

Recommending that the Senate advise and consent to the nominations to the Natural Area Reserves System Commission, as follows: DR. DERRAL HERBST and DR. AUGUSTINE S. FURUMOTO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 914-78 Ecology, Environment and Recreation on Gov. Msg. No. 177

Recommending that the Senate advise and consent to the nominations to the Animal Species Advisory Commission, as follows: DR. ROBERT B. TESH, as mammalogist, for term ending December 31, 1981; KENNETH M. NAGATA, as botanist, for term ending December 31, 1980; DR. SPENCER R. MALECHA, as ichthyologist, for term ending December 31, 1981; and DR. E. ELMO HARDY, as entomologist, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 915-78 Ecology, Environment and Recreation on Gov. Msg. No. 178

Recommending that the Senate advise and consent to the nomination of RICHARD L. O'CONNELL, as Director of Environmental Quality Control, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 916-78 Ecology, Environment and Recreation on S.R. No. 384

The purpose of the resolution is to request the Board of Land and Natural Resources to prepare park plans for the Kakaako Waterfront Park; encourage the Department of Transportation and the Department of Planning and Economic Development to set aside land for strip shoreline recreational area at the makai end of the Fort Armstrong Container Yard; and recommend three phases of development including construction through landscaping, planned access and acquisition by the Board of Land and Natural Resources of other properties, private, state and federal, makai of Ala Moana Boulevard from Koula Street to and including the U.S. Immigration Office which will enhance the Kakaako Waterfront Park and provide visual and actual access from Ala Moana Boulevard.

Your Committee heard favorable testimony from the Department of Land and Natural Resources and the Department of Planning and Economic Development and received written supporting testimony from The Outdoor Circle.

The Department of Transportation submitted written testimony, indicating the need for adequate access between the proposed strip park and the makai ends of the existing container freight station buildings and also mentioned the proposed construction of a sewer force main in the area of the proposed strip park over the next few years, which would make immediate usage of the area impossible. The Department of Planning and Economic Development, represented by Deputy Director Frank Skrivanek, said he had talked to the Department of Transportation about the contemplated sewer force main which will cut across part of the container yard, and does not think it would interfere with the phased development of the strip makai park.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 384 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 917-78 Ecology, Environment and Recreation on S.R. No. 403

The purpose of this resolution is to request the Senate Committee on Ecology, Environment and Recreation to make an interim study on the recommendation of the Commission on Organization of Government for a new Department of Environmental Affairs and Natural Resources and report its findings to the Senate twenty days prior to the convening of the Legislature, Regular Session of 1979.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 403 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 918-78 Ecology, Environment and Recreation on S.R. No. 395

The purpose of this resolution is to request the Department of Land and Natural Resources to study the feasibility of acquiring and developing a shoreline tidal pool park at Kapoho, Puna, Hawaii to preserve this wild shoreline from urban encroachment and destruction of unidentified historic and unique ecological values.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 395 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 919-78 Legislative Management

Informing the Senate that S.C.R. No. 132, S.R. Nos. 461 to 469, Conf. Com. Rep. Nos. 4-78 to 57-78 and Stand. Com. Rep. Nos. 920-78 to 992-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 920-78 Judiciary on S.R. No. 76

The purpose of this resolution is to request the Senate Committee on Judiciary to review the treatment of female status offenders in the justice system, particularly with regard to consideration of the question of possible disproportionate adjudication of female status offenders under the law.

Your Committee feels that disparities in the treatment of male and female juvenile offenders should be eliminated and accordingly finds that a review of the treatment of female status offenders in the justice system is appropriate. Your Committee amended this resolution by changing the date the findings and recommendations of the Senate Committee on Judiciary must be submitted to the legislature to ten days after the convening of the Regular Session of 1979.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 76, S.D. 1.

Signed by all members of the Committee except Senator F. Wong.

SCRep. 921-78 Judiciary on S.R. No. 414

The purpose of this resolution is to request the Legislative Auditor and the Legislative Reference Bureau to study and review the Juvenile Justice System and the problems of juvenile delinquency and to propose strategies for reducing juvenile delinquency in Hawaii.

Your Committee finds that there have been many occurrences of violence, vandalism and arson at schools and feels that there is a great need to study and review the Juvenile Justice System and the problems and solutions to juvenile delinquency.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 414 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 922-78 Judiciary on Gov. Msg. No. 6

Recommending that the Senate advise and consent to the nominations to the Hawaii Commission on Crime, as follows: RAFAEL P. ACOBA, GENE A. ALBANO, REVEREND JOHN D. BECK, MAGGIE BUNSON, A. VAN HORN DIAMOND, ALWYN KAKUDA, THOMAS T. OSHIRO, BORIC PEROFF, ANSON O. REGO, FRANK P. WHITE, JR., AND NAPUA STEVENS POIRE, all terms ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 923-78 Judiciary on Gov. Msg. Nos. 9, 127 and 192

Recommending that the Senate advise and consent to the nominations to the Board of Radiologic Technologists, as follows: JAMES R. WILLIAMS, M.D., for term ending December 31, 1980; ROLAND W. CLEMENTS, for term ending December 31, 1981; FRANKLIN V. GAMUNDOY, for term ending December 31, 1981; and PAUL A. DeMARE, M.D., for term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 924-78 Judiciary on Gov. Msg. No. 65

Recommending that the Senate advise and consent to the nomination of ROBERT CISCO and HOWARD K. HIROKI, to the Board of Public Accountancy, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 925-78 Judiciary on Gov. Msg. No. 66

Recommending that the Senate advise and consent to the nomination of BENJAMIN A. QUERUBIN, to the Board of Barbers, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 926-78 Judiciary on Gov. Msg. No. 67

Recommending that the Senate advise and consent to the nominations to the Contractors License Board, as follows: GEORGE V. CLARK, LARRY S. ISEMOTO and MASAYUKI YAMAMOTO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 927-78 Judiciary on Gov. Msg. No. 68

Recommending that the Senate advise and consent to the nomination of YOSHIE O. UNG to the Board of Cosmetology, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 928-78 Judiciary on Gov. Msg. No. 69

Recommending that the Senate advise and consent to the nomination of ALEXANDER D. JAMLE, to the Criminal Injuries Compensation Commission, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 929-78 Judiciary on Gov. Msg. Nos. 70 and 189

Recommending that the Senate advise and consent to the nominations to the Motor Vehicle Repair Industry Board, as follows: JESSE W. BAKER, JR., for term ending December 31, 1981; PEGGY M. S. PRIEST, for term ending December 31, 1981; and NELSON N. NISHIDA, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 930-78 Judiciary on Gov. Msg. No. 71

Recommending that the Senate advise and consent to the nomination of DUKE SILVA to the Board of Registration, Island of Hawaii, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 931-78 Judiciary on Gov. Msg. No. 72

Recommending that the Senate advise and consent to the nomination of CAMILLE Y. YAMAMOTO, to the Board of Registration, Island of Oahu, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 932-78 Judiciary on Gov. Msg. No. 73

Recommending that the Senate advise and consent to the nomination of SOZEN YOGI to the Board of Registration, Maui, Molokai, Lanai and Kahoolawe, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 933-78 Judiciary on Gov. Msg. No. 74

Recommending that the Senate advise and consent to the nomination of WILLIAM C. BERGIN, D.V.M., to the Board of Veterinary Examiners, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 934-78 Judiciary on Gov. Msg. No. 122

Recommending that the Senate advise and consent to the nomination of EDWARD Y. HIRASHIMA, D.D.S., to the Boxing Commission, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 935-78 Judiciary on Gov. Msg. No. 123

Recommending that the Senate advise and consent to the nominations to the CATV Advisory Committee, as follows: CARMEN K. L. NAKASONE and ANTONE C. CACATIAN, SR., for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 936-78 Judiciary on Gov. Msg. No. 124

Recommending that the Senate advise and consent to the nomination of WILSON P. CANNON, JR., to the Commission for Judicial Qualification, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 937-78 Judiciary on Gov. Msg. No. 125

Recommending that the Senate advise and consent to the nomination of DAVID S. DE LUZ, SR., to the Motor Vehicle Industry Licensing Board, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 938-78 Judiciary on Gov. Msg. No. 126

Recommending that the Senate advise and consent to the nominations to the Hawaii Public Broadcasting Authority, as follows: ALVIN T. HARRINGTON, TERUO IHARA, PH.D., and WILLA F. SHACKLEY, for terms ending December 31, 1983.

Signed by all members of the Committee.

SCRep. 939-78 Judiciary on Gov. Msg. No. 128

Recommending that the Senate advise and consent to the nominations to the Real Estate Commission, as follows: TADAYOSHI ISHIZU and TORU KAWAKAMI, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 940-78 Judiciary on Gov. Msg. No. 129

Recommending that the Senate advise and consent to the nominations to the Commission to Promote Uniform Legislation, as follows: JOHN A. CHANIN, ESQ., for term ending December 31, 1981; and ROBERT S. TOYOFUKU, ESQ., for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 941-78 Judiciary on Gov. Msg. No. 153

Recommending that the Senate advise and consent to the nominations to the Board of Certification for Practicing Psychologists, as follows: JAYNE G. GARSIDE, PH.D., and JANIS ISHIHARA OBARA, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 942-78 (Majority) Judiciary on Gov. Msg. No. 154

Recommending that the Senate advise and consent to the nominations to the Board of Electricians and Plumbers, as follows: RAYMOND C. THOMAS and MARIO A. SELVAGGIO, for terms ending December 31, 1981.

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

SCRep. 943-78 Judiciary on Gov. Msg. No. 155

Recommending that the Senate advise and consent to the nomination of MIKE M. HASHIMOTO to the Board of Massage, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 944-78 Judiciary on Gov. Msg. No. 156

Recommending that the Senate advise and consent to the nomination of JOHN S. SAN DIEGO, SR., to the Board of Private Detectives and Guards, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 945-78 Judiciary on Gov. Msg. No. 157

Recommending that the Senate advise and consent to the nominations to the Cemetery and Mortuary Board, as follows: R. GREGG HALL and LINDA B. CRAVALHO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 946-78 Judiciary on Gov. Msg. No. 158

Recommending that the Senate advise and consent to the nominations to the Collection Agency Board, as follows: RICARDO E. OLEGARIO, for term ending December 31, 1980; DORIS E. IKEDA, for term ending December 31, 1981; and JOSEPH G. LEWIS, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 947-78 Judiciary on Gov. Msg. No. 187

Recommending that the Senate advise and consent to the nomination of KWANLIN L. K. WONG, D.C., to the Board of Chiropractic Examiners, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 948-78 Judiciary on Gov. Msg. No. 188

Recommending that the Senate advise and consent to the nominations to the Elevator Mechanics Licensing Board, as follows: ALBERT K. WAGNER, for term ending December 31, 1980; JOSEPH S. DURANTE, for term ending December 31, 1981; and FRANCIS Y. YAMASHIRO, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 949-78 Judiciary on Gov. Msg. No. 190

Recommending that the Senate advise and consent to the nomination of JAMES J. KORSTAD, to the Board of Dispensing Opticians, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 950-78 Judiciary on Gov. Msg. No. 191

Recommending that the Senate advise and consent to the nomination of JAMES H. SAKAMOTO, O.D., to the Board of Examiners in Optometry, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 951-78 Judiciary on Gov. Msg. Nos. 193, 194, 195, 196, 197, 198, 199, 200 and 201

Recommending that the Senate advise and consent to the nominations to the Commission on the Status of Women, as follows: NORMA JEAN CHINA, for term ending December 31, 1978; ROSITA VILLANUEVA, for term ending December 31, 1981; MARY CHARLES, for term ending December 31, 1981; COBEY BLACK, for term ending December 31, 1981; DIANE DeBRUNO COX, for term ending December 31, 1981; ORETTA MAPU TOGAFU, for term ending December 31, 1981; SHARON Y. MORIWAKI, Ph.D., for term ending December 31, 1981; CLARA J. TEXEIRA, for term ending December 31, 1981; and LYN A. HEMINGS, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 952-78 Judiciary on Gov. Msg. No. 219

Recommending that the Senate advise and consent to the nominations to the Board of Registration of Professional Engineers, Architects, Land Surveyors and Landscape Architects, as follows: WILLIAM B. C. HEE, KENNETH C. W. KWOCK, MELVIN S. KURAOKA, and DENNIS T. TOYOMURA, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 953-78 Judiciary on Gov. Msg. No. 220

Recommending that the Senate advise and consent to the nomination of JOAN H. YAMAMOTO, to the Board of Registration - Kauai and Niihau, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 954-78 Judiciary on Gov. Msg. No. 246

Recommending that the Senate advise and consent to the nominations to the Board of Acupuncture, as follows: RANDY K. D. CHUN and DUANE M. MURRAY, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 955-78 Education on Gov. Msg. No. 206

Recommending that the Senate advise and consent to the nominations to the Library Advisory Commission, City and County of Honolulu, as follows: PATRICIA W. BUCKMAN, AMY S. HINAZUMI and THOMAS L. PICKARD, JR., for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 956-78 Education on Gov. Msg. No. 207

Recommending that the Senate advise and consent to the nominations to the Library Advisory Commission, County of Hawaii, as follows: EMMALINE P. NAVARRO, DIANE MAE MIYAJI and MARY JANE HASHIMOTO, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 957-78 Education on Gov. Msg. No. 208

Recommending that the Senate advise and consent to the nominations to the Library Advisory Commission, County of Kauai, as follows: ELEANOR L. D. TAMURA, KATHLEEN

A. KOERTE, DANITA M. AIU, RICHARD C. P. CHUN, ROSE MARIE SWANEY, and MARGARET R. O'LEARY, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 958-78 Ecology, Environment and Recreation on H.C.R. No. 55

The purpose of this concurrent resolution is to request Congress to actively address and seek solutions to the problem of disposal of plastic waste and the possible recycling of plastic waste, utilization of plastic waste for energy recovery and, if necessary, to devise a program to assist the individual states in disposing of their plastic waste.

Your Committee heard testimony from Mr. G.A. "Red" Morris speaking in behalf of the Society of the Plastics Industry, Inc. that of the 4.5 billion tons of solid waste in the nation, 125 million tons was municipal solid waste of which paper was 39.6%, glass 10.3%, Metals 9.9% and all plastic 4.1%. He objected to plastic being singled out, stating that any study of plastic waste should only be considered along with other types of waste. He also stated the industry itself was seeking solutions to the problems of disposal of plastic, including recycling.

After discussion, your Committee has amended the Concurrent Resolution to commend the plastic industry for its research efforts to seek solutions to the problems of disposing of a product which does not biodegrade, and to urge them to intensify such efforts.

Your Committee, accordingly, has amended the title of the Concurrent Resolution to read: "HOUSE CONCURRENT RESOLUTION REGARDING PLASTIC INDUSTRY RESEARCH TO PRODUCTIVELY SOLVE PROBLEMS OF PLASTIC WASTE."

Your Committee has further amended the Concurrent Resolution by deleting the fifth and seventh WHEREAS clauses which state, "WHEREAS, the disposal of plastic waste is usually accomplished by incineration and, although it is said that plastic, as fuel, produces heat that could be used as an energy source, the resultant pollution may neutralize this advantage; and" and "WHEREAS, disposal techniques cannot use plastic waste, and if the plastic is mixed with other solid wastes, the separation process would be time-consuming and prove to make these techniques economically unsound; and."

Your Committee has amended the eighth WHEREAS clause by adding the words "without adequate disposal" after the word "that" in the first line, deleting those words from the second line.

Your Committee has deleted the original three RESOLVE clauses and replaced them with the following:

"BE IT RESOLVED by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, the Senate concurring, that the plastic industry be commended for its research efforts to find ways to productively dispose of plastic waste, including recycling, and is urged to intensify such efforts; and

"BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the President of the Society of the Plastics Industry, Inc. and to Mr. G.A. "Red" Morris."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 55, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 55, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 959-78 Judiciary on H.B. No. 1948-78

The purpose of this bill is to establish a certificate of presumptive death in cases where there has been a judicial finding and declaration by a court of record that a person is dead.

Under existing law the next of kin may file a standard death certificate "when there has been a judicial finding and declaration by a court of record that a person is dead." In such instances, a copy of the court order is attached to the death certificate filed with the Department of Health. This bill establishes a certificate of presumptive death which contains information that currently appears on two separate documents and eliminates space for information presently on the standard death certificate that is not applicable in this type of case.

Your Committee finds that by establishing a certificate of presumptive death, all relevant information will be furnished to the Department of Health. This bill will result in standardizing the presumptive death cases certificate forms.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1948-78 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 960-78 Judiciary on H.B. No. 2192-78

The purpose of this bill is to include within the operation of Section 294-5.2, Hawaii Revised Statutes, the situation where a motor vehicle is brought into a licensed motor vehicle dealer or to a licensed repair shop for "servicing". Under the present statutory scheme, the priority of no-fault policies is apparently set forth only in the case of "repair". This bill would dispel any doubt or confusion that the priorities are applicable whether the motor vehicle is brought in for "repairs" or for "servicing".

Your Committee concurs with the findings of your Committee on Consumer Protection as expressed in Standing Committee Report No. 558-78.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2192-78, H. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 961-78 Judiciary on H.B. No. 2252-78

The purpose of this bill is to include frivolous claims as one of the circumstances under which attorney's fees and costs of suits may be awarded to a no-fault insurer or self-insurer.

Your Committee finds that under existing law a no-fault insurer or a self-insurer may be awarded attorney's fees and costs of suits only upon a determination by a court that a claim brought against such insurer or self-insurer was fraudulent. This bill will expand the scope of the existing law by including frivolous claims as one of the grounds upon which attorney's fees and costs of suits may be awarded.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2252-78, H. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 962-78 Judiciary on H.B. No. 2385-78

The purpose of this bill is to continue the regulation of the practice of naturopathy by extending the repeal date of Chapter 455, Hawaii Revised Statutes, from December 31, 1978 to December 31, 1984.

Act 70, Session Laws of Hawaii 1977, repealed Chapter 455, Hawaii Revised Statutes, effective December 31, 1978, which deregulated the practice of naturopathy as of that date. This bill will extend the effective repeal date to December 31, 1984.

Your Committee, having heard testimony from a member of the Board of Naturopathy and public citizens who were treated by naturopathic physicians, feels that extending the repeal date of said Chapter 455 is justifiable. It will insure that naturopathic doctors practicing in Hawaii are qualified physicians and not unethical individuals trying to capitalize on the growing interest in naturopathy.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2385-78, H. D. 2 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 963-78 Judiciary on H.B. No. 2388-78

The purpose of this bill is to continue the regulation of the practice of podiatry by extending the repeal date of Chapter 463E, Hawaii Revised Statutes, from December 31, 1978 to December 31, 1984. This bill also authorizes the Board of Medical Examiners to delegate a part of its duties under said Chapter 463E to a committee of not less than three podiatrists appointed by the Board; provided that the Board ratify the action taken by the committee.

Act 70, Sessions Laws of Hawaii 1977, repealed Chapter 463E, Hawaii Revised Statutes, effective December 31, 1978, which deregulated the practice of podiatry as of that date. This bill will extend the effective repeal date to December 31, 1984.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2388-78, H. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 964-78 Judiciary on H.B. No. 3047-78

The purposes of this bill are to: (1) limit the responsibility of licensed motor vehicle dealers for the acts of their employees and agents, (2) increase the bonding requirements for new and used motor vehicle dealers on the neighbor islands, (3) authorize the Motor Vehicle Licensing Board to levy fines against licensees who violate the licensing laws and rules, and (4) limit the liability of licensed motor vehicle dealers who properly effectuate the transfer of motor vehicle documents on behalf of their customers.

The existing law specifies that motor vehicle dealers "shall be held strictly responsible" for the conduct of their agents and employees in all transactions within the Motor Vehicle Licensing Board's jurisdiction. Your Committee agrees with testimony it received that such a broad provision of responsibility, which would conceivably make an employer liable for actions of an agent or employee outside the course and scope of his employment, is unfair and inequitable and that responsibility should be limited to generally accepted principles of agency.

With respect to increasing the bonding requirements for new and used motor vehicle dealers on the neighbor islands, your Committee finds that there is an incongruity in the existing law in that a higher bond is required of a neighbor island used car salesman than for his dealer-employer, and that the bonding requirement of neighbor island dealers is inordinately low both in absolute figures and relative to Oahu dealers.

This bill will increase the neighbor island new motor vehicle dealer's bond requirement from \$3,000 to \$15,000 and the used motor vehicle dealer's bond from \$2,000 to \$10,000. Your Committee feels that this would effectively eliminate the incongruities in the existing law.

With respect to authorizing the Motor Vehicle Licensing Board to levy fines against licensees who violate the licensing laws, your Committee finds that under existing law the Board is only authorized to suspend or revoke a license or seek criminal penalties against the offending licensee. This bill will permit the Board, in addition thereto, to fine respondents from \$100 to \$1,000 for violations, or in lieu thereof, order restitution. Your Committee feels that the monetary sanctions contained in this bill will give the Board a more flexible and possibly more potent deterrent to illegal actions.

With respect to limiting the liability of licensed motor vehicle dealers who properly effectuate the transfer of motor vehicle documents on behalf of their customers, under existing law such dealers are not afforded the protection from civil and criminal liability afforded individual owners of motor vehicles who sell or otherwise transfer their vehicles in compliance with statutory procedures. This bill will afford dealers the same protection. Your Committee sees no reason why the same rationale for limiting the liability of individuals should not apply to dealers transferring motor vehicle documents on behalf of customers.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 3047-78, H. D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 965-78 Judiciary on H.B. No. 64

The purpose of this bill is to require the Director of Social Services and Housing to establish vocational training, educational and health programs at the Hawaii youth correctional facility including community correctional centers.

Presently the programs offered to youth are limited in scope. Testimony submitted by the Department of Social Services and Housing strongly indicated a need for programs for committed juveniles.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 64, 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. 966-78 Judiciary on H.B. No. 1430

The purpose of this bill is to amend existing law relating to criminal appeals by giving the court the discretion to decide whether an oral notice of appeal would operate as a stay of execution, suspending the operation of any sentence or order of probation.

Under existing law filing of a notice of appeal operates as an automatic stay of execution of all sentences. Orally noting an appeal is effective up to the time of filing the written appeal. The automatic stay encourages the use of appeals to delay the day of reckoning. This bill provides that the filing of a notice of appeal or giving oral notice of appeal in open court may operate as a stay in the discretion of the court. The court could set up conditions under which the stay would be granted. In addition, a stay granted upon oral notice could not be operative beyond the time within which an appeal could be taken, although if an appeal was thereafter properly filed, the stay would continue in effect. This bill also provides that the court could revoke the stay of execution or amend the conditions for the stay if the defendant violated the conditions imposed on granting the stay.

Your Committee feels that the matter of staying execution should be within the discretion of the trial court.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1430 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 967-78 Judiciary on H.B. No. 1539

The purpose of this bill is to provide some relief to those who have become sureties for the appearance of persons accused of crimes. The bill allows sureties to discharge themselves if, within 90 days following the entry of default for nonappearance, the accused is surrendered to any sheriff or chief of police or authorized subordinate.

Those who have posted bail and who have not appeared as required must have a reasonable excuse or face a probability that they will lose the amount of bail posted. Whether or not the surety loses property depends upon the reasonableness of the accused's failure to appear, not on what efforts the surety has expended.

In practice, it is not the accused but rather a family member or friend who must ultimately bear the loss of a bail forfeiture. In the usual instance, the bondsman acting as surety will protect his business by having a family member or friend co-sign a note or by pledging collateral. In most cases, it is not the bondsman who loses, but rather the family and friends of the bail jumper.

Your Committee further notes that presently when a person does not appear in court, the surety becomes liable for payment to the State of the amount of bail whether or not the person is returned. This forfeiture seems to be a disincentive for the surety to attempt to find the accused since it would involve additional expenses and risk. By allowing a portion of the bail to be returned upon surrender of the accused, the surety would be more likely to seek return of the accused.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1539, 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. 968-78 Judiciary on H.B. No. 1877-78

The purpose of this bill is to amend the Statewide Traffic Code to prescribe procedures for traffic arrests, including the issuance of summons or citations for traffic offenses and for illegally parked vehicles. The bill also provides for issuance of warrants in cases where a person fails to comply with a penal summons, or if a person fails or refuses to deposit required bail. The bill also provides sections on "interpretation" and "severability" for the traffic code; prescribes additional penalties for moving violations; and provides for payment of fines and forfeitures to the State Director of Finance.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1877-78, 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. 969-78 Judiciary on H.B. No. 1878-78

The purpose of this bill is to clarify the requirement that notice of proceedings for the appointment of a guardian of the person of a minor shall be served personally upon any affected minor who is fourteen years of age or older.

Sections 560: 5-309 and 560: 5-405, Hawaii Revised Statutes, relating to guardianship proceedings for incapacitated persons require personal service of the notice upon the incapacitated person. Your Committee feels that minors fourteen years of age or older should be made aware of and be given the opportunity to participate in the guardianship proceedings, and accordingly, feels that the same kind of notice given to incapacitated persons should be given to such minors.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1878-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 970-78 Judiciary on H.B. No. 1881-78

The purpose of this bill is to confer concurrent jurisdiction upon the district courts to hear and determine certain claims against the State which are within the jurisdictional limits of the district court.

Your Committee finds that extending original jurisdiction in such cases to district courts will better serve the public, especially those in rural areas for whom the district court is the closest court.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1881-78, 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. 971-78 Judiciary on H.B. No. 1882-78

The purpose of this bill is to allow the Family Court to appoint as guardian of a minor or incapacitated person, any competent person whose selection would be in the best interest of the minor or incapacitated person.

Your Committee finds that under existing law the Family Court may appoint, as guardian of a minor or incompetent person, a resident of the State of Hawaii or a nonresident who is nominated by the will of the parent. The bill changes the existing law by providing that any competent person whose appointment would be in the best interest of the minor or incompetent person may be appointed by the Court. An exception is provided for an appointment of any competent person by a minor fourteen years of age or older, which would have priority over any other appointment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1882-78, 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. 972-78 Judiciary on H.B. No. 1949-78

The purpose of this bill is to specifically provide that persons getting married under the laws of Hawaii and the person performing the marriage ceremony must all be physically present in Hawaii at the same place and time for the marriage ceremony. This bill will prevent marriages by telephone or by proxy.

The bill further eliminates the proscription against marriage by persons affected with leprosy since leprosy is no longer treated as a ground for annulment. Your Committee feels that a person affected by leprosy should not be prohibited from marrying.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1949-78, 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. 973-78 Judiciary on H.B. No. 1963-78

The purpose of this bill is to bring the provisions dealing with group life insurance and credit life insurance into conformity with each other.

Your Committee finds that under existing law a conflict exists between the sections in the Hawaii Revised Statutes dealing with group life insurance and credit life and disability insurance. Under Section 431-573, Hawaii Revised Statutes, (group life), the amount of insurance on the life of a debtor whose indebtedness is repayable in equal installments cannot exceed the amount owed by him. However, under Section 435-4, Hawaii Revised Statutes, (credit life and disability), the amount of insurance on the life of a debtor whose indebtedness is repayable in equal installments can be the scheduled amount or the actual amount of the unpaid indebtedness, whichever is greater. This conflict could be detrimental to the consumer. This bill therefore amends Section 431-573 (group life) to conform with Section 435-4 (credit life and disability).

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 1963-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 974-78 (Majority) Judiciary on H.B. No. 1970-78

The purpose of this bill is to authorize the court, except as provided in Section 706-606, Hawaii Revised Statutes, to sentence a person convicted of a crime to perform community services where certain criteria are met.

Your Committee finds that punitive sentences such as incarceration and the payment of fines under certain circumstances have a counterproductive effect. Your Committee feels that under the circumstances set forth in the bill, a sentence to perform community services may be more beneficial to both the offender and society.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1970-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 975-78 Judiciary on H.B. No. 2105-78

The purposes of this bill are to broaden the scope of offenses for which proof of financial responsibility is required under Section 287-20, Hawaii Revised Statutes, to update the language of said Section 287-20, and to more accurately reflect the provision under which a minor's license may be suspended or revoked.

Section 287-20, Hawaii Revised Statutes, presently requires proof of financial responsibility of drivers convicted of offenses covered by Sections 291-1 (reckless driving or reckless riding of animals) and 291-12 (inattention to driving), Hawaii Revised Statutes. The descriptions and penalties of these offenses indicate that said Section 287-20 is intended to pertain to the more serious and life threatening traffic offenses. A reckless driving offense provides for the maximum misdemeanor penalty of a \$1,000 fine or a one year imprisonment or both. An inattention to driving offense provides for a maximum penalty of a \$500 fine or a six months imprisonment or both.

Although a violation of any of the provisions of Chapter 291C (Statewide Traffic Code), Hawaii Revised Statutes, is a misdemeanor, the maximum fine possible for a conviction of a first offense under said Chapter 291C is a fine of not more than \$100 or imprisonment of not more than ten days; for conviction of a second offense committed within one year after the date of the first offense, the person shall be fined not more than \$200 or imprisoned not more than twenty days, or both fine and imprisonment; for conviction of a third or subsequent offense committed within one year after the date of the first offense, the person shall be fined not more than \$500 or imprisoned not more than six months, or both fine and imprisonment.

The penalties for driving under the influence of liquor (Section 291-4) and driving under the influence of drugs (Section 291-7) are listed with reckless driving and inattention to driving under Part I of Chapter 291, Hawaii Revised Statutes. Both of these offenses

carry the maximum misdemeanor penalty. Furthermore, in Section 286-128, Hawaii Revised Statutes, which established a point system for evaluating driver records based upon a graduated scale of points assessing relative value to the various traffic violations, driving while under the influence of intoxicating liquor is at the top of the list.

In regard to the second purpose of the bill, in 1975, Section 291-1, Hawaii Revised Statutes, contained the words "heedless", "careless" and "reckless". The terms "heedless" and "careless" were subsequently dropped. Since said Sections 291-1 and 287-20 refer to the same offense, the possibility of confusion will be avoided if both Sections have the same wording.

The modification of the reference of Section 571-11(1), Hawaii Revised Statutes, was suggested by the Office of the Attorney General. Said Section 571-11(1) does not refer to adjudication of a minor but only to the jurisdiction of family court. The suggested revision accurately reflects the provision under which a minor's license may be suspended or revoked.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2105-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 976-78 Judiciary on H.B. No. 2242-78

The purpose of this bill is to amend present laws relating to theft in the third degree by shoplifting by providing for a mandatory fine of not more than \$50 nor more than \$500 for adults and a discretionary fine or the performance of public services in lieu of the fine for minors.

Your committee is well aware of the shoplifting problem and the costs involved and finds that an assessment of a fine may serve as a deterrent to shoplifting in the case of adults. With respect to minors, your Committee believes that the court should be given the discretion to impose fines or require the minor to perform community services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2242-78, 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. 977-78 Judiciary on H.B. No. 2303-78

The purpose of this bill is to authorize the attorney general to commission notaries public to act statewide.

Under existing law notaries are appointed to act only in their respective judicial circuits. This bill allows notaries to act throughout the State. In addition, the surety bond for a notary public is increased from \$500 to \$1,000. This bill requires the bond to be filed with the clerk of the circuit court of the judicial circuit in which the notary resides.

This bill requires notaries to report any change in residence to the Attorney General. This bill also provides that the notary's commission may be revoked after a hearing when the residence of a notary changes.

This bill deletes the requirement of delivery of the seal to the Attorney General for destruction or defacement upon a change of residence from the circuit for which the notary was appointed. This bill also provides for the filing of copies of commissions, impressions of seals and specimens of official signatures with the clerks of all circuit courts, and to allow any clerk to certify as to the authority of the notary. Notaries are also required to deposit notarial records with the clerk of the circuit court of the judicial circuit in which they reside.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2303-78, 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. 978-78 Judiciary on H.B. No. 2305-78

The purpose of this bill is to amend Section 851-10(b), Hawaii Revised Statutes, by making offenses subject to said Section 851-10(b) Class C felonies.

Your Committee has heard testimony that there has been a distinct increase in the number of complaints by retailers regarding dishonored credit voucher reimbursements thus reflecting a corresponding increase in credit card offenses. Your Committee finds that under existing law the penalty provided is inadequate to deter these crimes.

Your Committee further finds that a more severe penalty would have a greater deterrent effect on would-be offenders and would more accurately reflect the seriousness of the crime.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2305-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 979-78 Judiciary on H.B. No. 2306-78

The purpose of this bill is to place responsibility for payment of the costs incurred in transporting defendants pursuant to court order, bench warrant or other valid order under Chapter 704, Hawaii Revised Statutes. Present law does not define responsibility for such costs, and each of the circuits handles the problem differently.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2306-78, 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. 980-78 Judiciary on H.B. No. 2394-78

The purpose of this bill is to amend Section 448E-4, Hawaii Revised Statutes, by explicitly specifying that the "powers" of the Board of Electricians and Plumbers include its "duties".

Said Section 448E-4 presently enumerates the "powers" which such Board shall have. By including the word "duties", this bill expressly recognizes that the Board's powers granted in said Section 448E-4 are also the Board's duties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2394-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 981-78 Judiciary on H.B. No. 2400-78

The purpose of this bill is to permit industrial loan companies to collect from the borrowers certain charges associated with real estate loans and reasonable attorneys' fee incurred in the preparation of loan documents.

The existing law is silent as to whether industrial loan companies may pass on to borrowers certain costs incurred in making real estate loans. This bill will allow such companies to charge borrowers for the cost of title insurance, to charge not more than \$10 for any partial or complete release, discharge, or satisfaction of judgment, mortgage, lien or other encumbrances, or upon any of such conveyances of any real or personal property which constitutes all or a portion of the security on a contract, and to collect reasonable attorney's fees incurred in the preparation of loan documents.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2400-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 982-78 Judiciary on H.B. No. 2432-78

The purpose of this bill is to limit the garnishment of a person's income to that portion remaining after the deductions required by law.

Under existing law a prescribed percentage of an individual's gross income is subject to garnishment. This bill would limit the application of the percentages to the individual's net income. In effect, it allows the debtor to retain a larger portion of his monthly spendable

income.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2432-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 983-78 (Majority) Judiciary on H.B. No. 2434-78

The purpose of this bill is to authorize court-approved wiretapping of telephone conversations in limited circumstances to assist law enforcement agencies in their efforts to prosecute organized crime figures in Hawaii. The bill seeks to make available to the police this sophisticated and valuable law enforcement technique, following the lead of 24 other states, while incorporating a number of important safeguards to protect the privacy of innocent citizens.

This bill resembles the federal eavesdropping legislation found in 18 U.S. Code Sections 2510-2520. However, this bill incorporates added safeguards against unwarranted invasions of privacy, the most important of which is the prohibition of bugging, that is, the use of microphones to intercept conversations. This bill authorizes only the wiretapping of telephone conversations pursuant to a court order based on probable cause. In addition, this bill goes beyond the federal statutes in providing for an appointed attorney to oppose the wiretap application, and in limiting wiretap orders to several very serious crimes and to other crimes only when the involvement of organized crime is shown in the application.

In 1976 the National Commission for the Review of Federal and State Laws Relating to Electronic Surveillance reaffirmed the previous finding of Congress that electronic surveillance is an indispensable aid to law enforcement in combatting organized crime, and recommended that states which have a significant rate of organized crime enact wiretap legislation. In similar vein, the Hawaii Commission on Crime, in January, 1978, issued a report on wiretapping and proposed a model statute "designed to allow court-ordered wiretapping to fight organized crime in Hawaii, while protecting privacy to the fullest extent possible without crippling law enforcement efforts." Wiretapping Report at 122. Several members of your Committee have expressed concern that this bill lacks several important privacy safeguards specifically recommended by the Crime Commission. It may be that this concern can be minimized by calling for strict judicial construction of this law and strict judicial construction of this law and strict judicial supervision of wiretap orders.

Article I, Section 5, of the Hawaii Constitution provides that "no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized or the communications sought to be intercepted." (Emphasis added.) This provision was written to provide explicit constitutional authorization for court-approved electronic surveillance. See II Proceedings of the Constitutional Convention of Hawaii of 1968, pp. 4-9 (1972).

Wiretapping by local law enforcement agencies is currently prohibited in Hawaii by Section 711-1111, Hawaii Revised Statutes, entitled "Violation of Privacy". Current wiretap operations are carried out only in conjunction with federal law enforcement agencies acting under the federal legislation. This bill, although containing safeguards not found in the federal legislation, does not prohibit electronic eavesdropping authorized by federal law, in order to avoid State interference in matters of federal supremacy.

Since the primary purpose of this bill is to fight organized crime, wiretapping is limited to situations where:

There is probable cause for belief that an individual is committing, has committed, or is about to commit murder, kidnapping, or felony criminal property damage involving the danger of serious bodily injury or that an individual is committing, has committed, or is about to commit one of the other offenses specified in Section 803-44, Hawaii Revised Statutes, (extortion; criminal coercion; bribery of a juror, of a witness, or of a police officer; receiving stolen property; gambling; and sales of dangerous, harmful or detrimental drugs) and that organized crime is involved. (Emphasis added.)

In addition, the court, prior to approval of a wiretap application, must find probable cause "for belief that particular communications concerning that offense will be obtained through such interception". The organized crime limitation is a feature not found in the federal wiretap statutes; the bill, however, defines "organized crime" simply as "any combination or conspiracy to engage in criminal activity".

The attorney general and the chief prosecuting attorney for each county may apply for wiretap orders. This bill requires that these persons personally make the application,

and provides that a designated deputy attorney general or a designated deputy prosecuting attorney may apply only in the event of his superior's "absence or incapacity". Applications are to be made to a circuit court judge specially designated for this purpose by the chief justice of the Hawaii supreme court. Each application must specify the particular offense committed, a description of "the type of communications sought to be intercepted," the identity or description of the persons committing the offense, and, where appropriate, the involvement of organized crime, among other particulars.

A unique feature of this bill is its requirement of an adversary hearing on the application, coupled with the appointment of an attorney to oppose the application. This is the so-called "challenger" provision, and it is designed to ensure an informed judicial decision on the probable cause requirement. If the court finds that probable cause exists, it may issue the wiretap order for a maximum of thirty days. Extensions of fifteen days are possible; provided that new showings of probable cause are made.

This bill also provides that every wiretap order "shall contain a provision that the authorization to intercept... shall be conducted in such a way as to minimize the interception of communications not otherwise subject to interception under this part, and shall terminate upon attainment of the authorized objective". Several committee members voiced concern about the deletion of the provision, recommended by the Crime Commission, that would have prohibited interception of conversations in which none of the participants is named in the court order. It is your Committee's belief that judges issuing wiretap orders will restore this desirable limitation in appropriate cases to avoid possible constitutional problems in the operation of the wiretap law.

This bill also directs the court to require periodic progress reports on the operation of the wiretap. This bill does not contain the provision recommended by the Crime Commission that immediate reports be made to the court whenever incriminating conversations are intercepted, so that the court can determine whether the wiretap should be terminated. Your Committee suggests that judges issuing orders under this bill will feel free to effect this type of immediate reporting without a specific requirement.

This bill requires that notice be given within 90 days after the wiretap to all persons whose conversations were intercepted and to all persons named in the wiretap order. The period may be extended by the judge because organized crime prosecutions may be complex and may require additional investigation after termination of the wiretap. The bill further requires immediate notice upon the arrest or indictment of a person for an offense about which wiretap evidence was obtained.

This bill makes disclosure of the wiretap mandatory upon request of any person whose conversation was intercepted. The disclosure must be made at least thirty days before trial but the period may be shortened or waived if the court finds that it was not possible to furnish the information and that the party will not be prejudiced by the delay.

This bill provides for an appeal by the applicant following denial of a wiretap application, and by the prosecution following granting of a motion to suppress wiretap evidence. Motions to suppress wiretap evidence are required to be made before trial, and persons moving to suppress are entitled to inspect the conversations they seek to suppress. Evidence obtained as the result of an illegal wiretap would be excluded at the criminal trial.

This bill makes criminal the unauthorized interception, use, or disclosure of private conversations and the possession, manufacture, or distribution of wiretap or bugging devices. A good-faith reliance upon a court order is made a complete defense to any criminal charge or civil suit, and this bill also provides for civil suits to redress unauthorized eavesdropping.

This bill requires that applicants and judges hearing applications report to the Administrative Director of the Courts and the Administrative Office of the U.S. Courts annually. The Administrative Director will in turn report to the legislature.

This bill contains a "sunset" provision which terminates the act after six years. This provision, it is hoped, will ensure that wiretapping will not continue in Hawaii unless there is substantial evidence, after a six-year trial period, of its efficacy as an organized crime measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2434-78, 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 Chong did not concur.

SCRep. 984-78 Judiciary on H.B. No. 2612-78

The purpose of this bill is to amend Section 403-65, Hawaii Revised Statutes, by increasing the loan amount which must be reported to the board of directors of a bank for its review from \$50,000 to \$100,000. The existing law provides that every loan and investment which exceeds in amount one-half of one per cent of the capital and surplus of the bank or \$50,000, whichever is the lesser, must be reported to the board of directors.

The existing \$50,000 limitation was established eleven years ago by the legislature. Your Committee finds that with the rising costs of homes, boards of directors are being overwhelmed by the increasing number of ordinary home loans requiring review. Estimates provided by the Hawaii Bankers Association indicate that the ratio of home mortgages exceeding \$50,000 as compared to the total mortgage portfolio has risen from seven per cent in 1970 to fifty-seven per cent in 1977.

Your Committee finds that the \$50,000 limit is outdated and fails to reflect the effects of inflation. The net result is that, as boards of directors must review a greater number of loans, the consumer suffers a proportionately longer delay. Your Committee feels that this bill will greatly alleviate the practical difficulties created by the outdated \$50,000 loan limitation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2612-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 985-78 Judiciary on H.B. No. 2693-78

The purpose of this bill is to authorize the Revisor of Statutes, in printing any acts enacted by the legislature, to omit any brackets, bracketed material or underscoring which may have been included in the acts as a matter of drafting style. This bill would eliminate the need for including such instructions in bills which are introduced which involve amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2693-78, 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. 986-78 Judiciary on H.B. No. 2784-78

The purpose of this bill is to clarify and confirm the right of a limited partnership to hold title to property in its own name.

Under existing law the right of a limited partnership to hold title to property in its own name is ambiguously stated. To avoid possible misinterpretation of the intent of the legislature, this bill clarifies the existing law by specifying how property, and title thereto, may be acquired or conveyed by a limited partnership. The bill also provides that property acquired with limited partnership funds is property of the limited partnership, unless a contrary intention appears.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2784-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 987-78 Judiciary on H.B. No. 2814-78

The purpose of this bill is to change the composition of the advisory committee on degree granting institutions established by Section 446D-7, Hawaii Revised Statutes.

Under existing law the advisory committee is comprised of presidents or chief administrative officers of all licensed degree granting institutions in the State. Consequently, whenever an institution is licensed, its chief executive officer automatically becomes a member of the committee.

Your Committee finds that the existing law fails to insure public membership on a licensing board which the Department of Regulatory Agencies strongly advocates. With the increased

number of newly licensed institutions, the advisory committee has increased to an unworkable size (sixteen members have been added within the last six years and the committee now numbers seventeen).

This bill will limit the committee to nine members appointed by the Governor with two of the members appointed from the public at large. The President of the University of Hawaii will serve as the ex-officio chairman.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2814-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 988-78 Judiciary on H.B. No. 2845-78

The purpose of this bill is to change the designation of State security officers to State law enforcement officers.

Your Committee finds that State security officers have the same powers as regular police officers including the power of arrest. They are also authorized to carry firearms. However, because of their designation as security officers, LEAA funds have not been made available for training and equipment purchases. The redesignation of the security officers to State law enforcement officers may make said officers eligible for LEAA funding.

Your Committee specifically notes that it is not the intent of this bill to qualify the security officers for the same retirement privileges available to county policemen.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2845-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 989-78 Judiciary on H.B. No. 3054-78

The purpose of this bill is to amend the existing law by making it unlawful for any person to exercise control over a vessel or other property that is under legal custody, seizure, or detention by the Department of Transportation, with the intent to defeat the custody, seizure, or detention, or impede, oppose, or defeat the process whereby the vessel or property is under custody, seizure, or detention.

Your Committee was informed that on occasion, it was necessary for the Department of Transportation to take derelict vessels, abandoned vessels, freight when charges due are not paid, and other articles into custody pursuant to Chapter 266 or 267A, Hawaii Revised Statutes. The Department of Transportation had experienced problems recently in obtaining legal action when the owners or others have, without authority, removed the vessels or other property in custody from the area where stored. In the past, such actions were treated as violations of Section 740-8, Hawaii Revised Statutes. However, said Section 740-8 was repealed when the Hawaii Penal Code was enacted.

This bill adds a new Section to said Chapter 266. The penalty provisions of Section 266-25, Hawaii Revised Statutes, will be applicable to violations of the new Section.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3054-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 990-78 Human Resources on H.B. No. 599

The purpose of this bill is to insure that the health care benefits provided to employees in a collective bargaining agreement are as favorable as the benefits provided by the Prepaid Health Care Law.

Under the present law, employees are free to bargain collectively for different prepaid health care coverage. However, there are no provisions to guarantee that the protection provided by the negotiated plan will be equivalent to or more favorable than the protection provided by the present Prepaid Health Care Law standards.

Testimony of the Department of Labor and Industrial Relations indicates that a number of collectively bargained health care plans are deficient in such areas as (1) providing less than the stipulated 120 days of hospital confinement; (2) excluding from coverage or providing less than adequate coverage with respect to room accommodations, use of operating rooms, surgical supplies, anaesthesia services and supplies, drugs, etc.; (3) not paying for the first visit; or (4) excluding maternal benefits.

Your Committee on Human Resources is in agreement that upgrading health care plans as provided in this bill will significantly alleviate the employees financial burden of meeting the spiraling costs of hospital and medical care.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 599, 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. 991-78 Human Resources on H.B. No. 645

The purpose of this bill is to require all plans which entitle employees to temporary disability benefits, whether the plan is extended or modified by a collectively bargained agreement to be at least as favorable as the benefits required by Chapter 392, Temporary Disability Insurance.

Under present law, a plan satisfies coverage requirements if the employer provides benefits under a "statutory plan" or an "equivalent plan". The statutory plan requires a seven-day waiting period and pays benefits equal to 55% of the employee's average weekly wage not to exceed a prescribed maximum, and for the duration of 26 weeks. The equivalent plan requires a review by the Department of Labor and Industrial Relations to determine whether benefits paid from such plan are at least as favorable as the statutory plan.

The redefinition of "benefits at least as favorable as the disability benefits required by this chapter" proposed under this bill, would prohibit employers from providing benefits under an equivalent plan below certain minimum requirements.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 645, 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. 992-78 Economic Development on H.B. No. 2402-78

The purpose of this bill is to permit the taking of small quantities of baitfish for recreational purposes in the Waikiki reclamation canal (Ala Wai Canal).

Your Committee finds that present statutes unreasonably prohibit the taking of tabai, mosquito fish, o'opu or tilapia with a small net for recreational purposes.

Your Committee finds that the primary purpose of the existing statute is to prohibit commercial fishing in our State's canals and bays which provide essential nursery grounds for desirable game fish and food fish species. The Department of Land and Natural Resources, in written testimony, expressed the belief that "the non-commercial taking of small quantities of tabai, mosquito fish, o'opu akupa, or tilapia from the Ala Wai Canal would pose no threat to the estuarine fishery resources and furthermore, would promote optimal use of the Canal for recreational fishing, especially with our senior citizens and children."

Your Committee finds that while the continued control of commercial activity to prevent a depletion of these young fish stocks is desirable, limited recreational fishing in the Ala Wai Canal will pose no threat to the resource.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 2402-78, 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. 993-78 Legislative Management

Informing the Senate that Gov. Msg. Nos. 256 to 258, S.R. Nos. 470 to 476, Conf. Com.

Rep. No. 58-78 and Stand. Com. Rep. Nos. 994-78 to 1092-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 994-78 Economic Development on H.C.R. No. 8

The purpose of this concurrent resolution is to urge the United States Environmental Protection Agency to authorize the continued use of ethylene dibromide as a fumigant in papaya production.

Your Committee finds that since there is no alternate chemical treatment available for the disinfection of papaya, the use of ethylene dibromide as a fumigant in papaya production is recommended. Despite the commitment of intensive research activities through a cooperative effort between the United States Department of Agriculture and the College of Tropical Agriculture of the University of Hawaii, an adequate alternative fumigant to ethylene dibromide has not yet been developed. Should the Federal Environmental Protection Agency withdraw authorization for the use of EDB, Hawaii's papaya producers stand to lose a minimum of \$10,000,000 through loss of export opportunity.

Your Committee finds that ethylene dibromide is indeed vital, if not critical, to the viability, stability and growth of not only the State's papaya industry, but pineapple and other subindustries in Hawaiian agriculture. Ethylene dibromide is among the few brominated fumigants which has proven effective as a nematocide in controlling nematodes in Hawaii's pineapple production.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 8, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 995-78 Economic Development on H.C.R. No. 10

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development to submit a report on the status of the capital infusion promotion program including recommendations for legislative action to facilitate the department's efforts in this program.

Your Committee received testimony from the Department of Planning and Economic Development which concurs with the overall intent of this concurrent resolution to submit a report on the status of the capital infusion promotion program to include recommendations for legislative action to facilitate the Department's efforts in this program.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 996-78 Economic Development on H.C.R. No. 26

The purpose of this concurrent resolution is to urge the Board of Land and Natural Resources to exercise its powers to employ methods of agricultural land disposition other than by public auction.

Your Committee finds that one of the concerns of farmers in Hawaii, especially young farmers, is the acquisition of land at a reasonable cost. The State is in possession of lands which we believe could be put to productive agricultural use if it could be made available to qualified farmers at a reasonable cost. A carefully conceived plan whereby qualified farmers would be allowed to acquire such lands under a lease from the State would serve to encourage more of our young people to enter the agricultural fields. Such an opportunity to expand operations would also broaden the base of the agricultural industry in the State.

Your Committee heard testimony from the Department of Land and Natural Resources which stated that the Board has, in fact, been pursuing such a course of action. Agricultural park dispositions can be made by negotiation or drawing. It is the intention of the Board to make the dispositions by either of the two methods. The concurrent resolution would encourage the continuation of such activity on the part of the Board.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 26 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 997-78 Economic Development on H.C.R. No. 30

The purpose of this concurrent resolution is to request the appropriate state agencies and Hawaii's congressional delegation to assist the sugar industry with its problems in meeting the standards of the U.S. Environmental Protection Agency.

Your Committee finds that without some relief from the enforcement of the standards of the U.S. Environmental Protection Agency, the sugar industry will have to spend additional millions of dollars at a time when the sugar industry can ill-afford such expenditures.

Your Committee finds that the standards of the Environmental Protection Agency are not being questioned, but that at this time their overall effect upon the sugar industry is being emphasized in that the capital required to meet the EPA standards could jeopardize the industry's vitality. Adoption of this concurrent resolution could set the stage for dialogue with the Environmental Protection Agency under the initiative of Hawaii's Congressional delegation.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 30, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 998-78 Economic Development on H.C.R. No. 92

The purpose of this concurrent resolution is to request Hawaii's Congressional delegation to introduce and actively support passage of legislation to insure adequate compliance with federally mandated pre-departure inspection requirements at neighbor island airports in the State of Hawaii.

Your Committee finds that the State Departments of Agriculture and Transportation and the United States Department of Agriculture entered into an agreement in 1973 that provided for neighbor island airport pre-departure luggage inspection for mainland-bound interlining passengers. The United States Department of Agriculture was at that time not adequately funded to provide the pre-departure luggage inspection service on the neighbor islands. As a result, the State Department of Agriculture has been performing this inspection service; payments of these services have been made to the Department of Agriculture by the Department of Transportation through its "Airport Special Fund."

Your Committee also finds that the Department of Agriculture, Honolulu Area Office, submitted a request for funds in 1977 to enable them to take over a portion of the neighbor island pre-departure inspection service, especially the Kahului Airport inspection program. This request was not approved. The primary concern of the Department of Transportation is that State funds are being expended to provide this service. The cost is justifiable in terms of the convenience it affords to travelers and to insure that Hawaii's crops will not become infected by harmful pests brought to the State from abroad. The intent of this concurrent resolution, however, is to urge the federal government to assume responsibility for either the manpower or the funds to do the work.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 92 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 999-78 Economic Development on H.C.R. No. 110

The purpose of this concurrent resolution is to request the Secretary of Commerce and the Secretary of State to establish, in parity with the continental coasts of the United States and in concurrence with WESPAC's Billfish Advisory Sub-Panel Group's recommendations, that in the Preliminary Management Plan for Pacific Billfish, a 200-mile FCZ be established around the entire Hawaiian Archipelago in which foreign retention of billfish be prohibited. Also, that the federal government demonstrate support of regional planning by inclusion in appropriate management plans of recommendations by the WESPAC Council which affect the developmental needs of Hawaii and other American Pacific Islands by the requirement of fishing permits for all entering foreign fishing vessels, and by the active prosecution of any violators.

Your Committee finds that this concurrent resolution calls for the effective billfish management within our 200 mile Fisheries Conservation Zone. Regional councils are delegated the responsibility of developing management plans for each significant fishery that are particularly suited to the region's economic and biological needs. The Secretary of Commerce, however, in

consultation with the Secretary of State, may overrule regional council recommendations.

Your Committee recommends that the United States enforce the restriction of all foreign effort within the 200 miles of the Hawaiian archipelago. Exception would be made only for reciprocal fishing rights and upon approval of the regional councils affected. The State, in its development of the fishing industry, should set a policy to permit optimal yield of the 200 mile zone and assure the planned phase out of foreign effort that conflicts with such development.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 110 and recommend its adoption.

Signed by all members of the Committee.

SCRep. 1000-78 Economic Development on S.R. No. 125

The purpose of this resolution is to request that the Director of Planning and Economic Development prepare a master plan on island-based fisheries development in the State, to include specific recommendations for effective interaction between all levels of government and private industry.

Your Committee finds that Hawaii's commercial fishing industry now contributes \$6 million in direct revenues to the State. The aku fleet which is the mainstay of the fishery provided 65 percent of the pounds caught. Approximately 150 fishermen are employed by the aku fleet, which consists of 16 vessels. Hawaii also supports one commercial tuna cannery with 425 jobs.

Your Committee further finds that there is no single State agency authorized to promote, assist, and develop the industry potential as a major component of the Hawaiian economy. The Department of Planning and Economic Development, through its Large and Small Fishing Vessel Loan Program in 1977, provided local fishermen with financial assistance totalling \$687,152. Also, the department has completed a detailed "Hawaii Tuna Fishery Development Plan" which analyzed the problems of the commercial fishery and included detailed conclusions and recommendations for future projects in fisheries development in Hawaii. The development of a State fisheries master plan would greatly assist this industry. Funding is provided to the Department of Planning and Economic Development, who would undertake this study, in H.B. No. 3039, H.D. 1, S.D. 1, in a lump sum appropriation of \$1 million for a variety of projects to include a State fisheries development master plan study.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 125 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1001-78 Economic Development on S.R. No. 126

The purpose of this resolution is to request that the Director of Planning and Economic Development study the application of hypobaric containers to the marketing of quality fishery products of the Hawaiian archipelago.

Your Committee finds that in the interest of expanding the Hawaiian fishery industry, all avenues should be explored to extend the shelf life of fishery products and thus to open new markets and expand present markets for fishery products. At the present time, Hawaii County is conducting a four-week test on the application of hypobaric containers on fish and prawn. Among the fish to be tested are Ahi, Aku, Ono, Opelu, Menpanchi, Onaga and others and prawns. The results of these tests, begun on March 28, 1978, should provide the key to future delivery of tonnage from the Hawaiian fishing outposts to the Honolulu entry port and possibly for export. The development of fishing capability should do much to realize the economic yield potential of Hawaii's fishery resources.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 126 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1002-78 Economic Development on S.R. No. 127

The purpose of this resolution is to request that the Director of Planning and Economic Development study and make recommendations on the reorganization of the present vessel financing programs. The goal is to develop the capacity of the island-based fleet so as to be capable of exploiting the optimal economic yield of the 200 mile fisheries conservation

zone.

Your Committee finds that the development of sufficient capacity in the Hawaiian fishing fleet would be greatly assisted by expanding the state's large vessel loan program. Expansion of the large fishing vessel loan program would enable the fishing industry to fully utilize the resources of those federal and commercial loans and grants presently available. Adequately funded and development-oriented vessel financing would do much to promote the economic yield potential of the Hawaii Archipelago.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 127 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1003-78 Economic Development on S.R. No. 128

The purpose of this resolution is to request that the Director of Planning and Economic Development secure specialized assistance to study the marketing and processing problems and needs of the local fishing industry in developing its export market.

Your Committee finds that fishing, particularly in the Hawaiian Archipelago, is perhaps the single largest almost untapped area of expansion for Hawaii's economy. In order that a strong fishing industry can emerge, however, it is vital to develop a reliable market for the products of the industry. Currently, marketing practices are entering a transition from traditional procedures to new methods of fishery products for export as well as the local market. New vessel construction and new fishing areas make it imperative that fishing harvests are marketed effectively without flooding the market and undermining the small fishermen.

Your Committee finds that, in order to develop the fisheries market, Hawaii must develop processing and handling techniques to extend the shelf life of seafood products, develop local market demand for Hawaiian seafoods, and open volume markets for the export of local fisheries products. Under the Department of Planning and Economic Development's Industrial Product promotion program, the department can assist in the promotion and marketing of fresh and processed fish products. In the past this program has also been used to test processing techniques and develop packaging for agricultural products. It is important that the department continue to explore the marketing and processing problems and needs of the developing local fishing industry to encourage the anticipated exportation of Hawaiian fisheries products.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 128 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1004-78 Economic Development on S.R. No. 129

The purpose of this resolution is to request that the Marine Affairs Coordinator and the Director of Land and Natural Resources encourage, support and assist the commercial aku fishermen of Hawaii in the concurrent research and testing of cultured and nearshore baitfish.

Your Committee finds that in order to accomplish the expansion to the Leeward Islands with their unexploited potential for a substantial Hawaiian fishing industry, it is imperative that a reliable, steady source of baitfish be found. In its testimony the Department of Land and Natural Resources reported on its past efforts both independently and jointly with other government and private agencies to develop baitfish for commercial fisheries. A number of cooperative efforts and studies have been completed toward this end to include a proposed project for the pilot-scale hatchery being developed at the Oceanic Institute at Makapuu, Oahu, for the production of suitable species of baitfish for the fishing industry. The Department of Planning and Economic Development also testified that bait is a major factor limiting Hawaiian fishing operations and encouraged support and assistance to the commercial aku fishermen of Hawaii.

Your Committee has amended this resolution in paragraph one on page 1 substituting the word "production" for "migrations" to more appropriately reflect the present baitfish situation.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 129, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 129, S.D. 1.

Signed by all members of the Committee.

SCRep. 1005-78 Economic Development on S.R. No. 136

The purpose of this resolution is to request that the Board of Land and Natural Resources expedite the planning and development of water systems to support the present and future agriculture industry water needs throughout the State and to submit a report to the Legislature prior to the convening of the Regular Session of 1979 on the steps taken to develop the State's water supplies and systems.

Your Committee finds that in the development of agricultural parks throughout the State, water sources and water systems will be constructed to serve the needs of the farmers in these areas as well as those adjacent to the parks. With regard to the agricultural industry in general, the present and future water needs must also be met.

Your Committee received testimony from the Department of Land and Natural Resources who stated that this assistance will be given.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 136 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1006-78 Economic Development on S.R. No. 155

The purpose of this resolution is to request that the Senate fully support the development of fishery resources and to declare it a state policy that Hawaii shall promote the optimal participation of the Hawaiian fishing industry in the exploitation of the archipelago's food resources.

Your Committee finds that there exists a tremendous expansion potential within the Hawaiian commercial fishing industry. There is the need to effectively plan, develop and market Hawaii's aquatic resources. A master plan can bring all components of development together in a comprehensive study; however, equally important is the continued expression of the legislature to encourage the optimal development of our fishery resources by the local industry.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 155 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1007-78 Economic Development on S.R. No. 274

The purpose of this resolution is to request the Department of Land and Natural Resources to study the available water resources and facilities in the Hakalau area, South Hilo, to determine the feasibility of utilizing such resources and facilities for domestic and agricultural uses and to recommend a scheme for development of a water system for possible inclusion into the county water system.

Your Committee finds that the residents and small farmers along the Chin Chuck Road depend upon the plantation water system for its water; this plantation system will eventually be phased out. As many of these farmers have gone into diversified agriculture, a scheme for the development of an adequate water system needs to be accomplished.

Your Committee on Economic Development concurs with the intent and purpose of S. R. No. 274 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1008-78 Economic Development on S.R. No. 347

The purpose of this resolution is to request the Department of Planning and Economic Development to conduct a study of the feasibility of establishing a trade mart on the Big Island and to submit its findings and recommendations to the Legislature at least twenty days prior to the convening of the Regular Session of 1979.

Your Committee finds that this resolution addresses the establishment of a foreign trade mart on the Island of Hawaii as a localized version of a foreign-trade zone for the purposes of offering financial incentives and facilities to foreign importers and exporters. The establishment of a foreign trade mart would also offer immediate local employment and infusion of much needed capital as well as a method of providing a ready market and exposure to the developing exotic agriculture industry on the Big Island.

Your Committee further finds that, in order to have the benefit of a duty free status for merchandise on display or assembled for export or import, a foreign-trade zone should be considered. A feasibility study to determine site location options, traffic flow, projected usage, economic impact to the community, as well as to evaluate incentives to users, such as tax exemption, duty deferment and others, would be necessary before a decision can be made to seek the grant for the foreign-trade zone. By working jointly with the Hawaii County Office of Research Development, this study can be accomplished by the Department of Planning and Economic Development.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 347 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1009-78 (Joint) Health and Transportation on S.R. No. 174

The purpose of this resolution is to request the Director of Health to devise rules intended to regulate the noise from recreational boats so that households are not subjected to such noise in excess of fifty-five decibels.

Your Committees find that recreational boating is presently causing excessive noise in close proximity to households.

Your Committees agree on the need for this resolution. However, the resolution has been amended so as to request the Director of Health to consult with the Director of Transportation in formulating the rules governing the noise emanating from recreational boats.

Furthermore, your Committees have amended the resolution to provide that households are not to be subjected to such noise in excess of fifty-five decibels during daylight hours and forty-five decibels during the evening and night-time hours, both to be measured at the shoreline.

Your Committees on Health and Transportation concur with the intent and purpose of S.R. No. 174, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 174, S.D. 1.

Signed by all members of the Committees.

SCRep. 1010-78 Judiciary on S.R. No. 224

The purpose of this resolution is to request the Legislative Auditor to study the effects of the Hawaii Motor Vehicle Accident Reparations Law.

The Hawaii No-Fault Law has been in effect since September 1, 1974. Some four years after the enactment of this legislation, your Committee finds evidence of growing public concern and interest over the actions and activities of the insurance industry including the adequacy, fairness and effectiveness of the no-fault program in Hawaii.

Your Committee recognizes that the automobile has become an economic necessity and the numbers on the highways have swelled to over 500,000 in Hawaii. Because of its comparatively high value, mobility and destructibility, the threat of vehicular damage is quite serious. The no-fault system was offered as a replacement for the tort system as the means of compensating victims of motor vehicle accidents. It does not relate to property damage which is still based on the tort liability system.

Any new general law naturally entails problems, and this is particularly true of the no-fault statute which is changing years of practice and precedent. Because of the nature of this change, the fact that it affects the potential liabilities and actual expenditures of every family in the State, your Committee believes the interests of our citizenry require professional attention and resolution.

The thrust of this resolution is directed at the major issues confronted under the Hawaii No-Fault Law. Your Committee finds that a study such as the one requested in this resolution is not only desirable, but essential.

However, your Committee has heard the testimony of the Motor Vehicle Insurance Commissioner who stated that he has submitted to the Legislature the Annual Report dated December 23, 1977, which is based on several comprehensive studies by the consulting actuary to evaluate the adequacy, fairness and effectiveness of the no-fault program in Hawaii. Further, the issues presented in this resolution have been discussed and studied at numerous legislative hearings.

Therefore, your Committee believes that the study should be limited specifically on the problem of the Honolulu Police Department's policy of refusing to issue citations at the scene of automobile accidents and its effect or ramifications on the Hawaii No-Fault Law.

Accordingly, your Committee has amended the resolution to restrict its purpose including amending the title of this resolution to reflect its specific purpose.

Your Committee on Judiciary concurs with the intent and purpose of S. R. No. 224, as amended herein, and recommends its adoption in the form attached hereto as S. R. No. 224, S. D. 1.

Signed by all members of the Committee.

SCRep. 1011-78 Judiciary on S.R. No. 404

The purpose of this resolution as amended, is to request the Department of Accounting and General Services and other contracting departments of the State to prepare a report on their procedures for awarding public design and construction contracts and disclosing: all design and construction contracts awarded over the past five years, the amounts awarded, and the consultant or contractor to whom the contract was awarded.

The resolution as originally drafted, requested only the Department of Accounting and General Services to submit such a report. However, during the hearings on the resolution, testimony was received to amend the resolution by expanding the request to include other State agencies awarding similar contracts. Because of the apparent public desire for more openness in the process of awarding of design and construction contracts, and because of the great amounts of public funds involved in the awarding of such contracts, the resolution was amended to request all State agencies to submit similar reports.

Your Committee appreciates the fact that the preparation of the requested reports may increase the administrative burden on the respective State agencies. However, we also recognize the public's right to full disclosure where public funds are involved. Your Committee felt that the benefits that would flow from public disclosure of the procedures for awarding public design and construction contracts and the facts surrounding the awarding of contracts far outweighed any additional administrative burdens placed on State agencies and that public disclosure would permit the surfacing of possible problem areas. Identified problem areas could then be corrected and this in turn would enhance public confidence and respect for government agencies.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 404, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 404, S.D. 1.

Signed by all members of the Committee.

SCRep. 1012-78 Transportation on H.C.R. No. 33

The purpose of this concurrent resolution is to request the Department of Transportation to plan for the early construction of a new highway connecting Highways 31 and 37 near Makena, Maui.

Although there presently is a road which connects Highways 31 and 37 for travelers between Kula and the Kihei-Makena areas, many residents and visitors choose to take a longer and better route through the Kahului area. This traveling method is inconvenient and an unnecessary waste of both time and fuel. A connecting highway will ameliorate these problems.

The Department of Transportation, in testimony before your Committee, states that it supports the intent of the concurrent resolution and that construction plans are underway to connect the lower lying Kihei-Makena coastal areas with the upper Kula-Keokea areas.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 33 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1013-78 Transportation on S.R. No. 154

The purpose of this resolution is to request the Director of Transportation to study and propose appropriate amendments to the State Harbors Master Plan for 1995 which would provide for the orderly and long-term expansion of commercial and recreational facilities and service systems. The resolution also requests a prioritized timetable of

boat launch development and maintenance.

Your Committee finds that the State Harbors Master Plan for 1995 does not adequately serve the interim or long-term needs of large vessel boating interests including: (1) the commercial fishing industry, (2) the visitor-oriented charter fishing and sightseeing industry, and (3) the recreational boating sector.

Your Committee further finds that each boating sector requires its own purpose-designed facilities, located to optimize the aggregate economic and aesthetic benefits as well as provide sufficient space for present and anticipated activities; and that the action proposed by this resolution is needed.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 154 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1014-78 Transportation on S.R. No. 267

The purpose of this resolution, as referred, is to request the State Department of Transportation to take appropriate action to correct the problems of flooding and inadequate drainage in the Kapulena and Kukuiahaele areas on the Island of Hawaii.

Your Committee finds that flooding due to poor drainage in the Kapulena and Kukuiahaele areas poses a threat to the communities in those areas which could be corrected by appropriate remedial action.

Testimony received from the State Department of Transportation indicates that the flooding problems in those areas are not caused by highway construction and are not highway related.

Testimony received from the State Department of Land and Natural Resources reveals that the U.S. Soil Conservation Service is planning a Hamakua area agricultural water study, and that the Kapulena and Kukuiahaele areas are included within the scope of work of the study.

Your Committee finds that the action requested in this resolution is under the jurisdiction of the State Department of Land and Natural Resources.

Your Committee has therefore amended this resolution to:

(1) Request the State Department of Land and Natural Resources to take the appropriate action to correct the flooding problem; and

(2) Request the State Department of Land and Natural Resources to submit a report to the Legislature prior to the convening of the Regular Session of 1979 on the progress of the U.S. Soil Conservation Service's agricultural water study of the Hamakua area on the Island of Hawaii.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 267, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 267, S.D. 1.

Signed by all members of the Committee.

SCRep. 1015-78 Transportation on S.R. No. 286

The purpose of this resolution is to request the Secretary of Defense to assign the twin engine Blackhawk UH-60A helicopters to the 68th Medical Detachment of the 25th Infantry Division. This assignment, if made, will broaden the scope of the 68th Medical Detachment's Military Assistance to Safety and Traffic (MAST) program to communities without Oahu.

The 68th Medical Detachment, a unit of the 25th Infantry Division, operates the MAST program which provides emergency medical, evacuation, rescue, and transportation services to the civilian population. This service is provided through the utilization of helicopters and is interfaced with civilian emergency and medical services. Since its inception in 1974, more than five hundred emergency missions have been flown.

Unfortunately, the type of helicopter used currently, the single engine UH-1, is limited in its flight operations over water. Thus, no MAST services are being provided on the neighbor islands.

There is, however, a newly developed Blackhawk UH-60A twin engine helicopter which may be used over water with relative safety. Utilization of this helicopter under the MAST program will afford service capabilities to neighbor islands.

Your Committee has amended the resolution by inserting a new "WHEREAS" clause after the sixth "WHEREAS" to include that neighbor island emergency medical systems are doing commendable work, but that they must be supplemented.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 286, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 286, S.D. 1.

Signed by all members of the Committee.

SCRep. 1016-78 Transportation on S.R. No. 356

The purpose of this resolution is to request the Department of Transportation to submit the following information relating to the:

- (1) Middle Street to Ainakoa Avenue portion of Lunalilo Freeway:
 - (A) Its present volume and capacity;
 - (B) Plans to improve the older section as requested by Senate Resolution No. 385 and Senate Concurrent Resolution No. 140 of the Regular Session of 1977;
 - (C) Estimated cost of the plans;
 - (D) Amount of funding to be assumed by the federal government;
 - (E) Consistency with the Statewide Transportation Plan; and
 - (F) Possibility of the necessity of obtaining additional rights-of-way and the effect on displaced persons and neighborhoods;
- (2) Makai Boulevard Concept (Middle Street to Kapiolani Interchange):
 - (A) Basic approaches being considered to implement the concept;
 - (B) Projected usage;
 - (C) Estimated cost;
 - (D) Possibility of the necessity of obtaining additional rights-of-way and its effect on displaced persons and neighborhoods;
 - (E) Consistency with the Statewide Transportation Plan; and
 - (F) Effect on land use development and growth and on the State and County General Plans.

In addition, the Department of Transportation is requested to improve the older section of Interstate Route H-1 from Middle Street to Ainakoa Street to conform to existing federal standards.

On March 4, 1978, the Department of Transportation transmitted two progress reports to your Committee entitled "Progress Report on Study to Implement Makai Boulevard Concept" and "Progress Report Study to Increase Capacity/Safety on Interstate Route H-1 (Middle Street to Ainakoa Avenue)". Both reports present much information on alternatives for implementation and improvements of their respective subjects. In addition, both reports indicate that final reports will be issued. It is the intent of your Committee that the final reports include the information specified in this resolution.

Your Committee makes several amendments to the resolution. These amendments are:

- (1) Information on excessive noise is also requested for the Lunalilo Freeway improvements and Makai Boulevard Concept. The absence of provisions addressing this concern was brought to your Committee's attention and included because it is in the public's interest;
- (2) Wording of the third "Resolved" clause is changed to "the Middle Street to Ainakoa Avenues portion of Lunalilo Freeway" instead of "Interstate Route H-1 from Middle Street

to Ainakoa Avenue" to conform with the first "Resolved" clause;

(3) The due date for the information mentioned in the resolution is changed from ten days prior to the adjournment of the 1978 session to submission along with the final reports mentioned in the previously named progress reports; and

(4) The transmittal Division of the Department of Transportation is changed from the Highways Division to the rightfully named Land Transportation Facilities Division.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 356 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 356, S.D. 1.

Signed by all members of the Committee.

SCRep. 1017-78 Transportation on S.R. No. 364

The purpose of this resolution is to request the Hawaii Public Utilities Commission, the Public Utilities Division of the Department of Regulatory Agencies, Young Brothers, Ltd., and other interested parties to discuss possible solutions to the problems posed by the Hawaii Water Carrier Act and proposed amendments to it, and to recommend possible legislative action in this area.

Your Committee finds that several legislative proposals have been made concerning the Hawaii Water Carrier Act and amendments to it, but thorough discussion of these is needed before action is taken.

Your Committee further finds that a clear understanding of the problems and the effects of proposed solutions are necessary before legislative action is taken; and that the action suggested in this Resolution will bring about this understanding.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 364 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1018-78 Transportation on S.R. No. 373

The purpose of this resolution is to request the Department of Transportation to re-examine the entire carpooling concept in Hawaii, including the 24-hour carpool lane on the H-1 freeway, to determine if it is of benefit to the majority of taxpaying commuters and if the concept of carpooling has, to the desired extent, saved energy. It also requests the Department of Transportation to modify its carpooling concept if variances relevant to the carpool lane as identified by this resolution exists.

The intent of the special lane is to conserve energy by providing a faster and free-flowing lane as an incentive to carpooling by commuters.

Yet, some evidence indicates that it is not meeting that intent. In the East Oahu area, for example, where a contraflow carpool lane is provided along Kalaniana'ole Highway, a recent survey of morning commuters shows that the auto occupancy rate averaged 2.05 occupants per vehicle. This eliminates an estimated eighty per cent of the traffic from the carpool lane and relegates them to using the remaining two lanes. Needless to say, those two lanes are heavily congested while the carpool lane is relatively free. Furthermore, there are indications that the majority of autos using the carpool lane transport students to school and not for home-to-work commuting purposes.

Use and nonuse of the carpool lane in this manner, at least for the East Oahu area, suggest that the carpool concept is not working. Although it is a meritorious concept, the public has not, it appears, responded in the desired manner. Thus, the concept must be reexamined and, if necessary, modified to meet its original goal and to provide equity and maximum efficiency in the use of highway facilities to all commuters.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 373 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1019-78 Ecology, Environment and Recreation on S.R. No. 208

The purpose of this resolution is to request the United States Secretary of the Interior

and the Secretary of Commerce to declare a moratorium on all federal agency encroachment on the territorial waters of Hawaii until such agencies and State representatives negotiate mutually acceptable boundaries for the monk seal's biological needs and the Hawaiian Islands National Wildlife Refuge based upon the best available scientific evidence, or until the disputes have been settled between the State and the federal government with respect to jurisdiction and control over the inland waters of the State including the disputed near-shore waters within the Northwestern Hawaiian Islands.

Your Committee heard supporting testimony from the Department of Land and Natural Resources, the Department of Planning and Economic Development, the Office of the Marine Affairs Coordinator, and James W. Sutherland, Executive Director, Hawaiian International Billfish Association. J. Brent Biezentanner, Refuge Manager, Hawaiian and Pacific Islands National Wildlife Refuge Complex, U.S. Fish & Wildlife Service, testified to correct certain information in the resolution and called attention to a resource assessment survey which is being conducted under a Tripartite Cooperative Agreement between the Federal Department of Commerce and Department of Interior and the State of Hawaii and stressing that data from the survey is urgently needed before any decisions are made regarding resource development in the Northwestern Hawaiian Islands.

The Sierra Club testified on the general issue of exploitation of the resources of the Northwest Islands, the ecosystems and conservation issues involving this area and supported the joint study being made of the resources of the Northwestern Hawaiian Islands but did not at this time state support or opposition to the resolution.

Dr. Hans Bertsch, Assistant Professor, Biological Sciences, Chaminade University of Honolulu, submitted written testimony in opposition to the resolution because it would turn "conservation into a jurisdictional dispute and would harm the unique environment of the Northwestern Hawaiian Islands."

Your Committee has made certain amendments upon the recommendation of Mr. Biezentanner, U.S. Fish and Wildlife Service, and Mr. Stanley N. Swerdloff, State Marine Affairs Coordinator's Office, as follows:

First WHEREAS clause: 2nd line - changed "coastal" to "territorial."

Second WHEREAS clause: 2nd line - after the word "between"--added the words "the main."

Third WHEREAS clause: Deleted the word "current" in line 5.

Fifth WHEREAS clause: Changed to read as follows: "the Fish and Wildlife Service of the Department of Interior considers the definition of the Hawaiian Islands National Wildlife Refuge boundaries to be jurisdiction over emerged lands and all inner atoll lagoons and fringing reeflands; and"

Sixth WHEREAS clause: Deleted lines 4, 5 and 6 and substituted the following: "which would by Congressional mandate solidify federal claims over approximately 302,000 acres of disputed submerged lands and possibly exclude commercial activities in the Refuge; and"

First BE IT RESOLVED clause: 8th line - changed the word "and" to "or."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 208, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 208, S.D. 1.

Signed by all members of the Committee.

SCRep. 1020-78 (Joint) Education and Higher Education on Gov. Msg. No. 142

This report addressed itself to the question of whether or not the time, effort, and money that the University of Hawaii is spending on remedial and developmental education is a duplication of the Department of Education expenditure.

Your Committees are satisfied that the efforts are indeed not duplicative, that other factors necessitate the offering of remedial education courses within the statewide university system. However, your Committees call upon the Department of Education and the University of Hawaii to work cooperatively to ensure that efforts do not duplicate themselves in the future.

Your Committees on Education and Higher Education recommend that the Senate receive Governor's Message No. 142 and that it be placed on file in the President's office.

Signed by all members of the Committees.

SCRep. 1021-78 Health on H.C.R. No. 20

The purpose of this concurrent resolution, recommended as one of a number of legislative proposals that comprise the Governor's Legislative Package for Selected Growth Management, is to affirm legislative support and provide encouragement, to the departments and agencies concerned, to maintain and expand family planning education and service programs through public and private resources.

Your Committee received testimony from the Department of Health that passage of this resolution will assist in generating more funding for family planning, particularly from federal sources which provide a 90/10 match. The Department of Social Services and Housing, the Governor's Growth Management Task Force, and the Hawaii Medical Association supported this resolution which affirms that personal decisions regarding family planning and fertility regulation are private and confidential matters which should be decided by the individual according to one's own values and social responsibilities and that the State's role should be to assure that all Hawaii residents, rich and poor, have access to a choice of safe, appropriate and acceptable reproductive health services.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 20 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1022-78 Health on S.R. No. 406

The purpose of this resolution is to request that the Senate Health Committee review, during the interim, a number of concerns affecting the general health of the people of Hawaii.

These issues have significant impact upon the accessibility and cost of health care in Hawaii. Of particular concern to the Committee is the implementation of the State Comprehensive Emergency Medical Services System. Your Committee on Health has persevered in creating, coordinating, and developing a legislative package to more fully achieve a sophisticated statewide, comprehensive emergency medical services system with an integrated, cohesive network of components. The nurturing and growth of this program requires the close attention of your Committee.

The rising cost of health care, and access to that care for all segments of our population, is of deep concern to your Committee. The State Health Planning and Development Agency is charged, through the issuance of certificates of need, to monitor and carefully plan major new investments in facilities and services. The Hospital Association of Hawaii has recently established a statewide Voluntary Cost Containment Program. These efforts are but initial steps toward stabilizing the skyrocketing cost of medical care. Questions relating to the growth of health maintenance organizations and insurance coverage deserve review and updating during the interim while consideration of a national health insurance continues.

The needs of the county/state hospitals, the Hawaii State Hospital, Waimano Training School and Hospital, and community-based services for the handicapped demand the concerted effort of your Committee working cooperatively with the Department of Health to move ahead toward provision of the desired level of care and treatment.

Finally, your Committee expresses a concern for issues related to living wills and the many personal dilemmas families face when a loved one is near death. Questions of ethics and the decision-making of physician, family and patient concern your Committee.

Your Committee on Health concurs with the intent and purpose of S.R. No. 406 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1023-78 Housing and Hawaiian Homes on S.R. No. 15

The purpose of this resolution is to request Congress to amend the National Housing Act to shorten the remaining lease term necessary for insuring mortgages on residences, preferably to a term not more than 2 years longer than the term of the mortgage applied for.

Your Committee has amended this resolution in order to clarify its intent and to distinguish between mortgage guarantees made by the Veterans Administration and mortgage insurance provided by the Federal Housing Administration.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose

of S.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 15, S.D. 1.

Signed by all members of the Committee.

SCRep. 1024-78 Human Resources on Gov. Msg. No. 3

Recommending that the Senate advise and consent to the nominations to the Filipino 75th Anniversary Commemoration Commission, as follows: EUGENE K. JIMENEZ, BARNEY B. MENOR, GARY BONIFACIO, ELIZABETH C. ABRISCE, NEWTON K. MIYAGI, WILHELM G. SOLHEIM II, PH.D., DAVID PACO, JACOB M. MANEGDEG, RAQUEL J.R. ANDRES, GERVAZIO BUENCONSEJO, MILAGROS S. MEDALLON, JAMES J.M. MISAJON, DANILO E. PONCE, M.D., BEN V. CRUZ, JR., and WILLIAM W. PATY, JR., for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1025-78 Human Resources on Gov. Msg. No. 4

Recommending that the Senate advise and consent to the nominations to the Commission on the Handicapped, as follows: HENRY B. CLARK, JR., for term ending December 31, 1979; ALAN M. GLOMB, for term ending December 31, 1980; BILL L. HINDMAN, for term ending December 31, 1980; ANN C. ITO, for term ending December 31, 1981; THOMAS A. JONES, for term ending December 31, 1979; HENRY S. KUNIYUKI, for term ending December 31, 1978; AH KEE LEONG, for term ending December 31, 1981; TOSHIO NISHIOKA, for term ending December 31, 1978; ROBERT C. PITTMAN, for term ending December 31, 1980; MARY S. SHERN, for term ending December 31, 1981; MIKKI (MADELINE F.) SMITH, for term ending December 31, 1980; and PATRICIA D. YOUNG, for term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1026-78 Human Resources on Gov. Msg. No. 134

Recommending that the Senate advise and consent to the nominations to the Hawaii Employment Relations Board, as follows: JOHN J. MARABELLA, for term ending December 31, 1981; and BERNADETTE H. SAKODA, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1027-78 Human Resources on Gov. Msg. No. 135

Recommending that the Senate advise and consent to the nominations to the Board of Social Services and Housing, as follows: HERBERT K. APAKA, JR., JOSEPH PONTANILLA and DAVID CHEEVER, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1028-78 Education on Gov. Msg. No. 226

Recommending that the Senate advise and consent to the nominations to the Education Commission of the States, as follows: RICHARD E. ANDO, M.D., for term ending December 31, 1979; SHIRO AMIOKA, Ph.D., for term ending December 31, 1981; and MASAKO H. LEDWARD, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1029-78 Education on Gov. Msg. No. 227

Recommending that the Senate advise and consent to the nominations to the Hawaii Education Council, as follows: STEPHEN A. WERBEL, Ph.D., for term ending December 31, 1978; NANCY N. SAKAMOTO, for term ending December 31, 1981; LOUISE B. BONNER, for term ending December 31, 1981; ETHEL A. WARD, for term ending December 31, 1981; CAROLYN M. WATADA, for term ending December 31, 1981; and SISTER BRENDA LAU, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1030-78 Education on Gov. Msg. No. 228

Recommending that the Senate advise and consent to the nominations to the State Foundation on Culture and Arts, as follows: MOLLY Y. CHUR, for term ending December 31, 1980; ROBERT K. FUJITA, for term ending December 31, 1981; ROBERT H. GAHRAN, for term

ending December 31, 1980; M. NAOMI MORITA, for term ending December 31, 1981; WAYNE W. K. CHANG, for term ending December 31, 1979; RICHARD T. H. SOO, for term ending December 31, 1979; BEATRICE LOS BANOS RANIS, for term ending December 31, 1981; PHYLLIS H. SPALDING, for term ending December 31, 1980; and MARGARET H. CAMERON, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 1031-78 Housing and Hawaiian Homes on Gov. Msg. No. 218

Recommending that the Senate advise and consent to the nominations to the Hawaii Community Development Authority, as follows: WILLIAM R. NORWOOD and DON J. DALEY, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1032-78 Housing and Hawaiian Homes on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nominations to the Hawaiian Homes Commission, as follows: CHRISTOBEL K. KEALOHA, for term ending December 31, 1981; STANLEY YADAO, for term ending December 31, 1980; and JOSEPH K. BRIGHT, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1033-78 Housing and Hawaiian Homes on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nominations to the Advisory Council for Housing and Construction Industry, as follows: WILLIAM S. CHEE, for term ending December 31, 1981; STANLEY K. ITO, for term ending December 31, 1981; and JOHN D. WAIHEE III, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1034-78 Housing and Hawaiian Homes on Gov. Msg. No. 240

Recommending that the Senate advise and consent to the nominations to the Hawaiian Housing Authority, as follows: WAYNE T. TAKAHASHI and LAWRENCE N.C. ING, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1035-78 Housing and Hawaiian Homes on Gov. Msg. No. 241

Recommending that the Senate advise and consent to the nominations to the Factory-Built Housing Advisory Board, as follows: EDWARD M. CANTERE, for term ending December 31, 1981; RALPH B. CHERRY, for term ending December 31, 1981; GLEN S. ARAKAKI, for term ending December 31, 1981; WALTER TAGAWA, for term ending December 31, 1981; ALVIN N. KEKAUOHA, for term ending December 31, 1981; and HOWARD M. SHIMA, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1036-78 Human Resources on Gov. Msg. No. 5

Recommending that the Senate advise and consent to the nominations to the Advisory Commission on Manpower and Full Employment, as follows: CONSTANCE E. DOBSON, for term ending December 31, 1978; and FRANCISCO LATORRE, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 1037-78 Human Resources on Gov. Msg. No. 89

Recommending that the Senate advise and consent to the nominations to the Board of Vocational Rehabilitation, as follows: FREDERICK K. LEE and DORA L. TONG, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1038-78 Human Resources on Gov. Msg. No. 152

Recommending that the Senate advise and consent to the nominations to the Advisory Commission on Manpower and Full Employment, as follows: ROY M. ASATO, for term ending December 31, 1979; CESAR PORTUGAL, for term ending December 31, 1980; WILLIAM F. REMULAR, for term ending December 31, 1981; WALTER M. OUYE, for term ending December 31, 1981; RICHARD O. AADLAND, for term ending December 31, 1981; ERNESTO BAUTISTA, for term ending December 31, 1981; TOM T. HIRANAGA, for term ending December 31, 1981; FRANK SKRIVANEK, for term ending December 31, 1981; LILLIAN A. YAMANAKA, for term ending December 31, 1981; and TORU SUZUKI, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 1039-78 Human Resources on Gov. Msg. No. 184

Recommending that the Senate advise and consent to the nominations to the Civil Service Commission, as follows: JULIE-ELLEN K. SIMMONS and TAKUMI AKAMA, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1040-78 Human Resources on Gov. Msg. No. 185

Recommending that the Senate advise and consent to the nomination of TSUNAO MIYAMOTO to the Policy Advisory Board for Elderly Affairs, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 1041-78 Human Resources on Gov. Msg. No. 186

Recommending that the Senate advise and consent to the nominations to the Commission on the Handicapped, as follows: MAGGIE BETH ARRUDA, Kauai Member, for term ending December 31, 1979; TOSHIO KUBOTA, Maui Member, for term ending December 31, 1981; and ROY A. WILLIAMS, Hawaii Member, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 1042-78 Economic Development on Gov. Msg. No. 2

Recommending that the Senate advise and consent to the nomination of WILLIAM Y. THOMPSON, as Chairman, Board of Land and Natural Resources, for term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1043-78 Economic Development on Gov. Msg. No. 84

Recommending that the Senate advise and consent to the nominations to the Board of Planning and Economic Development, as follows: LAWRENCE F. CHUN, SELJI NAYA, Ph.D., and JAMES W. Y. WONG, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1044-78 Economic Development on Gov. Msg. No. 149

Recommending that the Senate advise and consent to the nominations to the Flowers and Foliage Advisory Committee, as follows: KENNETH K. KOMORI, for term ending December 31, 1979; JOHN M. HIRASHIMA, for term ending December 31, 1981; and ALBERT S. NAGAHISA, SR., for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1045-78 Economic Development on Gov. Msg. No. 175

Recommending that the Senate advise and consent to the nomination of FREDERICK S. NONAKA, to the Advisory Committee on Agricultural Products, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1046-78 Economic Development on Gov. Msg. No. 176

Recommending that the Senate advise and consent to the nominations to the Commission on the Year 2000, as follows: STEVEN S. HIRANO, RICHARD H. COX, and HINANO M. PALEKA, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1047-78 Economic Development on Gov. Msg. No. 229

Recommending that the Senate advise and consent to the nominations to the Board of Agriculture, as follows: SUZANNE D. PETERSON, for term ending December 31, 1980; JAMES E. NISHIDA, for term ending December 31, 1981; FEDERICO GALDONES, for term ending December 31, 1981; and ERNEST F. MORGADO, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1048-78 Economic Development on Gov. Msg. No. 230

Recommending that the Senate advise and consent to the nominations to the Commission on Population and the Hawaiian Future, as follows: HITOSHI MOGI, YOLANDE LIANE and CHARLES K. MARTIN, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1049-78 Economic Development on Gov. Msg. No. 231

Recommending that the Senate advise and consent to the nominations to the Board of Land and Natural Resources, as follows: STANLEY W. HONG, for term ending December 31, 1981; ROLAND H. HIGASHI, for term ending December 31, 1981; and THOMAS S. YAGI, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1050-78 Economic Development on Gov. Msg. No. 232

Recommending that the Senate advise and consent to the nominations to the Land Use Commission, as follows: GEORGE R. PASCUA, for term ending December 31, 1980; CAROL B. WHITESELL, for term ending December 31, 1981; and EDWARD K. YANAI, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1051-78 Military and Civil Defense on Gov. Msg. No. 221

Recommending that the Senate advise and consent to the nominations to the Pacific War Memorial Commission, as follows: MAC VILLAVERDE and TIN SEONG GOO, for terms ending December 31, 1981.

Signed by all members of the Committee except Senators Kawasaki and Yee.

SCRep. 1052-78 Transportation on Gov. Msg. No. 202

Recommending that the Senate advise and consent to the nominations to the Advisory Commission on Transportation, as follows: JOHN E. SMITH, SR., for term ending December 31, 1981; and WILLIAM Y. NAKAMATSU, for term ending December 31, 1979.

Signed by all members of the Committee except Senator George.

SCRep. 1053-78 Transportation on Gov. Msg. No. 247

Recommending that the Senate advise and consent to the nominations to the State Highway Safety Council, as follows: STANLEY E. HARTER, for term ending December 31, 1981; RONALD N. De La CRUZ, for term ending December 31, 1981; BETTY MAE CHANEL, for term ending December 31, 1981; MAJOR BERNARD SUGANUMA, for term ending December 31, 1981; LT. GARY H. MATSUMURA, for term ending December 31, 1980; SGT. JOSEPH DART, III, for term ending December 31, 1981; and WAYNE K. TSUKIYAMA, for term ending December 31, 1978.

Signed by all members of the Committee except Senator George.

SCRep. 1054-78 Transportation on Gov. Msg. No. 248

Recommending that the Senate advise and consent to the nomination of F. KARL TESHIMA, JR., to the State Highway Safety Council, for term ending December 31, 1981.

Signed by all members of the Committee except Senator George.

SCRep. 1055-78 Higher Education on Gov. Msg. No. 133

Recommending that the Senate advise and consent to the nomination of CLAUDIO R. SUYAT, to the State Postsecondary Education Commission, for term ending December 31, 1981.

Signed by all members of the Committee except Senators King, F. Wong, Yim and Yee.

SCRep. 1056-78 Higher Education on Gov. Msg. No. 183

Recommending that the Senate advise and consent to the nominations to the Board of Directors, Research Corporation of the University of Hawaii, as follows: GERALD PANG-CHING, for term ending December 31, 1980; SUNAO MIYABARA, for term ending December 31, 1981; MELVYN T. MURAKAMI, for term ending December 31, 1981; FRANKLIN M. TOKIOKA, for term ending December 31, 1981; and JOHN C. J. YUEN, for term ending December 31, 1980.

Signed by all members of the Committee except Senators King, F. Wong, Yim and Yee.

SCRep. 1057-78 Ways and Means on Gov. Msg. No. 203

Recommending that the Senate advise and consent to the nominations to the Board of Taxation Review, 4th Taxation District, Kauai, as follows: SATORU TAKAMIYA, for term ending December 31, 1981; and ATSUSHI HIRANO, for term ending December 31, 1978.

Signed by all members of the Committee.

SCRep. 1058-78 Ways and Means on Gov. Msg. No. 204

Recommending that the Senate advise and consent to the nominations to the Board of Taxation Review, 1st Taxation District, Oahu, as follows: WENDELL H. MARTIN, SR., for term ending December 31, 1981; and FRED C. BLANCO, for term ending December 31, 1980.

Signed by all members of the Committee.

SCRep. 1059-78 Ways and Means on Gov. Msg. No. 249

Recommending that the Senate advise and consent to the nominations to the Stadium Authority, as follows: ALFRED P. FERNANDEZ, SABURO FUJISAKI and HIDEO OKADA, for terms ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1060-78 Ways and Means on Gov. Msg. No. 250

Recommending that the Senate advise and consent to the nomination of HUGO COUTANDIN, to the Hawaii Board of Taxation Review, for term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 1061-78 Health on Gov. Msg. No. 255

Recommending that the Senate advise and consent to the nomination of PATSY S. KINOSHITA, to the Maui County Hospital Management Advisory Committee, for term ending December 31, 1979.

Signed by all members of the Committee except Senators Takitani and Nishimura.

SCRep. 1062-78 Education on H.C.R. No. 44

The purpose of this resolution is to express legislative support of the "Follow Through" program and to direct the Department of Education to attain federal funds to continue the program and to disseminate and institutionalize the Follow Through philosophy and approach to early childhood education.

Through testimony presented before it, your Committee learned that the Follow Through

program is a comprehensive program encompassing staff development, health care, instruction, and parental involvement, and that there are significant benefits being derived by students as a result of this program.

Your Committee on Education has correctly amended the title of the secretary of Health, Education, and Welfare.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 44, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 44, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Yim, Hulten, Young and Yee.

SCRep. 1063-78 Health on H.C.R. No. 134

The purpose of this resolution is to request the Office of the Legislative Reference Bureau, in consultation with the Department of Health, the Department of Personnel Services, the Board of Nursing, and the Hawaii Nurses Association, to conduct a study of the feasibility of job sharing as an alternative to full-time employment for nurses within the Department of Health.

Testimony received from the Department of Health and the Hawaii Nurses Association, the exclusive representative of public sector nurses in the State of Hawaii, was supportive of the proposed study and indicated that full cooperation would be given to the Bureau in the conduct of the study. Testimony further revealed that in order to determine the feasibility of job sharing among Department of Health nursing personnel, the study should include but not be limited to an examination of the following factors:

- (a) the number of nurses within the Department of Health interested in job sharing as an employment alternative;
- (b) the number of unemployed licensed nurses in the State interested in returning to work on a job sharing basis;
- (c) the administrative and practical considerations of implementing job sharing in the Department of Health such as scheduling, shift choice, continuity of patient care, in-service and upgrading training of new employees;
- (d) employee benefit and other cost implications of implementing job sharing as an employment alternative; and
- (e) any additional factors and implications relating to implementation of job sharing in the Department of Health.

Your Committee finds that the Office of the Legislative Reference Bureau conducted a previous investigation of the feasibility of job sharing by public employees in Hawaii. The intent of this resolution is to request a similar but more detailed study of the feasibility of job sharing by nurses within the Department of Health.

Your Committee has amended the bill to include the United Public Workers among those groups consulted in the course of the study since they are the collective bargaining unit representing the nurses.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 134, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 134, S.D. 1.

Signed by all members of the Committee except Senators Takitani and Nishimura.

SCRep. 1064-78 Health on H.C.R. No. 136

The purpose of this concurrent resolution is to form an Interim Committee composed of, but not limited to, members of the Senate and House Committees on Health to conduct an indepth review of the County/State Hospital System. This Interim Committee is to report its findings and recommendations twenty days prior to the convening of the Regular Session of 1979. Particular emphasis should be placed on neighbor island hospitals in the following areas:

1. staff hiring procedures, including review of the criteria used by the Department of Health and the Department of Budget and Finance in assessing personnel needs,

2. procedures used by the Department of Health and the Department of Budget and Finance in preparing hospital budget requests and in appropriating and allocating funds for hospital operation and facility expansion,
3. matters relating to the interaction and coordination of the University of Hawaii System and private community health system with respect to training and continuing education of hospital personnel.

Your Committee finds that the staffing, equipping, cost recovery and other operational factors of the County/State Hospital System raise serious concerns which require concerted legislative and administrative attention.

The Department of Health concurs and supports H.C.R. No. 136 in recognizing legislative concerns surrounding the supplemental budget request for additional staffing for the County/State hospitals. The problems faced by the hospitals in the recruitment of nurses are also of deep concern to the Department of Health and its health care institutions.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 136 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Takitani and Nishimura.

SCRep. 1065-78 Economic Development on H.C.R. No. 27

The purpose of this concurrent resolution is to request the Water Commission, in cooperation with the Department of Land and Natural Resources and the boards of water supply of the respective Counties, to study the feasibility of an integrated agricultural water policy to include the supply and delivery of water for diversified agricultural purposes.

Your Committee finds that this concurrent resolution expresses the concern about the service of irrigation water to farmers raising diversified crops. There is a difference between the amounts and costs for water taken from county operated domestic water systems and the state systems. For this reason, a request to study the feasibility of an integrated agricultural water policy is made. This study would seek to recommend an overall policy pertaining to the availability and cost of water for agricultural purposes taking into account the limited supply of water, the needs of the community, the costs of meeting these needs and the allocation of water.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 27 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1066-78 Economic Development on H.C.R. No. 93

The purpose of this concurrent resolution is to express legislative endorsement for the establishment and operation of a mass fruit fly rearing laboratory and that funding be shared jointly by the federal government and the State of Hawaii.

Your Committee finds that elimination of the three species of fruit flies in Hawaii will stimulate increased production of susceptible commodities and encourage new agricultural enterprises. Furthermore, agricultural experts agree that if the fruit fly menace were to become established on the continental United States, the potential economic loss would equal several billions of dollars.

The United States Department of Agriculture has selected Hawaii for the establishment of an enlarged mass rearing laboratory and has committed initial funding for such facility. Hawaii is the only area in the world known to be simultaneously infested with the three major fruit fly species and extensive expertise and knowledge relating to fruit fly research have already been exhibited by researchers in the State.

Your Committee finds that formal legislative support of the establishment of a mass fruit fly rearing program in Hawaii would greatly enhance the orderly development and growth of Hawaiian agriculture and prevent potential economic loss to agriculture in the continental United States.

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. 1067-78 Economic Development on S.R. No. 312

The purpose of this resolution is to encourage the mobilization of all available resources related to the development of diversified tropical agriculture by actively supporting academic research and practical demonstration models in different climatic sections of the State related to diversified tropical agriculture. The purpose is also to encourage the State to actively seek federal participation in the effort to develop successful modes of food production in tropical climates, and encourage the private sector to contribute to this effort to eliminate hunger in the world.

Your Committee finds that the commitment to end hunger in the world is an idea whose time has come. The National Academy of Sciences has advocated research in tropical agriculture as a means to alleviate the world hunger crisis; this is one of many strong recommendations that will help stimulate action toward this goal. Studies indicate that scarcity of food is not the cause of the world's food crisis; nor is the lack of solutions the reason for the persistence of starvation in the world. Thirty of the nations that emerged from World War II have adopted methods toward solving their food problems. What is needed is a commitment to ending starvation in the world.

Your Committee finds that Hawaii can make a significant contribution towards ending starvation in the world. For example, the College of Tropical Agriculture has been devoting considerable effort to attracting federal funds for the purposes outlined in this resolution. Research in Hawaii is also appropriate toward the goal of ending world hunger because most of the hunger problems in the world are in Asian and tropical nations. Though Hawaii cannot be equated with developing systems designed for the production of nutritious foods that are applicable in other tropical climates, the efforts of the University and other groups should be noted and encouraged for their overall contribution toward solving the world's food crisis.

Your Committee heard testimony from the College of Tropical Agriculture and many other interested groups. Your Committee noted, however, in particular the recommendation that Hawaii should set as one of its goals self-sufficiency in terms of its own food production. One of the best ways in which Hawaii can help to promote self-reliance in other countries would be to increase its own self-reliance.

Your Committee has amended this resolution by replacing the word "best" with "effectively" on line 3 of paragraph five. A new BE IT FURTHER RESOLVED clause has also been added to reflect the need for Hawaii to become self-sufficient in terms of food production in order to give other nations more food.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 312, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 312, S.D. 1.

Signed by all members of the Committee.

SCRep. 1068-78 (Joint) Education and Higher Education on H.C.R. No. 113

The purpose of this concurrent resolution is to request that the U.S. Department of Health, Education and Welfare continue support of the University of Hawaii In-Service Training Programs in the 13th Cycle Teacher Corps Project-1978.

Your Committees have learned that earlier implementations of this project at Jarrett Intermediate School have been successful and beneficial to teachers. Favorable testimonies have been received from the Department of Education, the University of Hawaii, and representatives of teachers' groups.

Your Committees have amended the concurrent resolution to include the phrase "the Senate concurring" in the sixth clause.

Your Committees on Education and Higher Education concur with the intent and purpose of H.C.R. No. 113, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 113, S.D. 1.

Signed by all members of the Committees except Senators Yim, Hulten, Young, Yee, O'Connor and F. Wong.

SCRep. 1069-78 Ecology, Environment and Recreation on H.C.R. No. 69

The purpose of this concurrent resolution is to express support for early consideration and passage of S.1820, the "Natural Diversity Act," now pending in the 95th Congress.

Your Committee finds the "Natural Diversity Act" will fill a major gap in existing conservation programs by authorizing the Secretary of the Interior to assist the states in establishing programs for the maintenance of natural diversity, complement other Federal and State conservation programs and establish a standardized inventory process and data management system as well as to provide for land acquisition grants to be distributed 30 percent equally among the states and 70 percent on the basis of need with a 70-30 (Federal-State) matching requirement.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 69 and recommends its adoption.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 1070-78 Ecology, Environment and Recreation on H.C.R. No. 72

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development to study the economic impact of a mandatory deposit requirement for all metal, plastic and glass beverage containers on the State of Hawaii and on private enterprise.

Your Committee heard favorable testimony from the Department of Planning and Economic Development which said the study is feasible under the department's foreseeable workload.

The Director of the Office of Environmental Quality Control indicated he basically supports the concurrent resolution but suggested the study include a consideration of the economic benefits that would accrue through a reduction in solid waste. He stated there was a potential reduction in Hawaii of 250 to 300 million units per year and a possible saving of one and a half million dollars. He offered the assistance of the Office of Environmental Quality Control in conducting the proposed study.

The Department of Planning and Economic Development indicated it would work with the Office of Environmental Quality Control and with the Department of Health in doing the proposed study.

Your Committee received written testimony from the United States Brewers Association, supporting the intent and purpose of the concurrent resolution, but taking exception to the WHEREAS clause which indicates the percentage of litter on roadways is less than 40-60%. The Environmental Center, University of Hawaii, recommended the proposed study should include not merely the economic considerations but energy considerations as well and that it should be determined whether the Department of Planning and Economic Development could conduct an adequate study without special funding. The Committee also received written testimony from the Outdoor Circle in support of the concurrent resolution, which they said "will provide some very necessary information needed for understanding the many beverage deposit bills that have been introduced to the Legislature."

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 72, H.D. 1, and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Hara, Nishimura and George.

SCRep. 1071-78 Ecology, Environment and Recreation on Gov. Msg. No. 233

Recommending that the Senate advise and consent to the nominations to the Environmental Council, as follows: BROTHER OLIVER M. AIU, S.M., MICHAEL PAUL MATSUMOTO and JACK KELLNER, for terms ending December 31, 1981.

Signed by all members of the Committee except Senators Nishimura and George.

SCRep. 1072-78 Ecology, Environment and Recreation on Gov. Msg. No. 234

Recommending that the Senate advise and consent to the nominations to the Environmental Quality Commission, as follows: RICHARD S.C. MAU, for term ending December 31, 1979; JOHN E.K. AKANA, for term ending December 31, 1981; HENRY F. ALVES, for term ending December 31, 1981; J. MING CHEW, for term ending December 31, 1981; and MILES A. KINLEY, for term ending December 31, 1981.

Signed by all members of the Committee except Senators Nishimura and George.

SCRep. 1073-78 Ecology, Environment and Recreation on Gov. Msg. No. 235

Recommending that the Senate advise and consent to the nominations to the Fish and Wildlife Advisory Committee, County of Hawaii, as follows: CALVIN K. HARADA and ALVIN M. INOUE, for terms ending December 31, 1979.

Signed by all members of the Committee except Senators Nishimura, George and Soares.

SCRep. 1074-78 Ecology, Environment and Recreation on Gov. Msg. No. 236

Recommending that the Senate advise and consent to the nominations to the Fish and Wildlife Advisory Committee, County of Kauai, as follows: JOHN DUARTE and PHILIP M. YAMAGATA, for terms ending December 31, 1979.

Signed by all members of the Committee except Senators Nishimura and George.

SCRep. 1075-78 Ecology, Environment and Recreation on Gov. Msg. No. 237

Recommending that the Senate advise and consent to the nominations to the King Kamehameha Celebration Commission, as follows: R-M. KEAHI ALLEN, ROSE L. JACKMAN, JOHN R. TOPOLINSKI, MARY LANI RAWLINS, ROWENA K. KEAKA, HOWARD H. CROWELL, GEORGE W. KANIHO and VERNON K. WHITE, for terms ending December 31, 1981.

Signed by all members of the Committee except Senators Nishimura and George.

SCRep. 1076-78 Ways and Means on H.B. No. 704

The purpose of this bill is to increase the monthly contribution of the State and the counties for health plan coverage by \$1 for self only coverage, and by \$4.50 for family coverage.

Increases in medical insurance rates are not automatically reflected in the contributions which the State and the counties are authorized to make towards employee health coverage. Therefore, it is necessary to provide for such increases through legislation in order to be consistent with the intent of past legislatures to provide for employer contribution of approximately 50 per cent of the medical plan insurance coverage costs for employees.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 704, H.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1077-78 Ways and Means on H.B. No. 2123-78

The purpose of this bill is to increase the amount of the guaranteed salary of community physicians.

Under present law, the annual amount of guarantee to each participating physician is \$36,000 gross income. It has been difficult to permanently relocate physicians in underserved areas, and in several cases, physicians have terminated their contracts in less than one year because of economic realities. Had these physicians entered into private practice in an underserved area, their income would have exceeded \$36,000 within three to six months. Third party payments alone are generally sufficient to bring this about.

Your Committee agrees that the existing guarantee to each physician of \$36,000 gross income is not sufficient.

This bill raises the guaranteed amount to \$45,000.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2123-78, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1078-78 Ways and Means on H.B. No. 3059-78

The purpose of this bill is to insure adequate funding of wildland fire suppression by amending section 185-4, Hawaii Revised Statutes, to allow state agencies to be reimbursed for fire fighting expenses and by establishing a fire fighter's contingency fund controlled by the Department of Land and Natural Resources, with an annual appropriation of \$200,000,

to pay fire fighting expenses.

Section 185-4, Hawaii Revised Statutes, has been interpreted by the Attorney General's Office to exclude state agencies from reimbursement for fire suppression costs. Chapter 185 delegates responsibility for wildland fire suppression to the State Forester and provides costs will be paid from the governor's contingency fund if such is established.

In the past, firefighting expenses have been paid from departmental savings and funds appropriated for tree planting. As the Department of Land and Natural Resources budgeting improves and the tree planting program intensifies, the costs of fire suppression will have an increased adverse effect on the Department's programs.

Your Committee finds it is necessary to set up a fire suppression fund which is available for unbudgetable fire suppression costs which cannot be used for any other purpose and which will lapse at the end of the fiscal year so that the unexpended balance will not be carried over.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3059-78, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1079-78 Ways and Means on H.B. No. 225

The purpose of this bill is to increase the fees for insurance licensing, examination, and post-licensing services. Presently, the licensing and examination fees which were in 1964 are unrealistically low and do not cover the cost of these services today.

With respect to examination fees, the proposed amendment authorizes the insurance commissioner to establish the fees by rule. This approach has been taken because examination fees require periodic adjustment to cover the cost of this activity.

The bill proposes to increase the license issuance fees from the present \$15 to \$20 or \$25. The "issuance" fees covers the initial processing of the application, setting up the permanent history cards and files, and preparing the license. It is not a recurring charge. The variation in the proposed increases reflect the volume and complexity involved in servicing different categories of licensing.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 225 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1080-78 Ways and Means on H.B. No. 1907-78

The purpose of this bill is to amend the statute relating to taxation of income when there is a change in residency of the taxpayer by providing that the Hawaii income tax applies to the entire income earned during the period of residency regardless of source and applies to income received or derived from a source within the State during nonresidency; provided that where it is unclear whether income was received or derived during residency or nonresidency, the Hawaii income tax shall apply using a ratio of period of residency to the entire taxable year, unless the taxpayer can show otherwise. This bill provides that the ratio method would be used only if it cannot be determined whether the income was received or derived during residency or during nonresidency.

This bill would help to insure the reporting of the proper income to the State by persons establishing or terminating residence and would clarify the present law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1907-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1081-78 Ways and Means on H.B. No. 2191-78

The purpose of this bill is to assure that appropriate use or sales taxes are paid by consignees on motor vehicles shipped into the State.

Presently, the department of taxation attempts to collect the appropriate use or sales taxes

on motor vehicles shipped into the State by contacting the consignees thereof using registration information provided by the various counties within which the vehicles are registered. Under this system, tax revenues are being lost because it does not adequately assure that such use or sales taxes are in fact being paid.

By prohibiting a common carrier of such a motor vehicle from releasing the vehicle unless the consignee can show that he has paid or will pay the applicable taxes, your Committee feels that the inadequacies of the present means of collecting such taxes would be effectively eliminated and the State assured of receiving the tax revenues it is entitled to by law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2191-78, 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. 1082-78 Ways and Means on H.B. No. 2478-78

The purpose of this bill is to provide additional moneys for the repair, maintenance, and renovation of certain public facilities under the jurisdictions of the Department of Accounting and General Services, University of Hawaii, Department of Social Services and Housing, and the Department of Health.

Some public facilities under the jurisdictions of these departments are in deteriorated conditions and require upgrading. In this regard, your Committee reiterates the desire of the House Committee on Finance that the funds appropriated be used for preventive repair, maintenance, and renovation work which will protect the investment in public property.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2478-78, 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. 1083-78 Ways and Means on S.R. No. 18

The purpose of this resolution is to request the amendment of the Internal Revenue Code, through efforts of the Hawaii congressional delegation, to allow for more favorable tax treatment of sales of leasehold land to lessees.

Your Committee finds that more favorable tax treatment of sales of land held in leasehold to lessees would lift current restrictions (currently such sales would be treated as ordinary income for the seller) on the sale of fee simple interest in land and is desirable in expanding the fee simple ownership of land in Hawaii where so much land is held in leasehold.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 18 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1084-78 Ways and Means on S.R. No. 340

The purpose of this resolution is to request the Departments of Education and Health to establish orthopedic units for orthopedically and other health impaired children in school districts currently without such units. The units are required to be similar to that currently implemented at Jefferson School.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 340, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senators O'Connor and Yim.

SCRep. 1085-78 Ways and Means on S.R. No. 332

The purpose of this resolution is to request the Department of Taxation to review and amend its tax appeal procedures to minimize the problems faced by the public in appealing real property tax assessments, and to take all possible measures to assist the public through the steps of filing and taking an appeal through to the final decision. These measures include, but are not limited to the following:

- (1) Necessary information on filing and keeping an appeal active;
- (2) Simple explanation of the tax appeals process in language which the average lay person can understand, emphasizing the steps and time limits in appeals procedure which the taxpayer must take, either then or at some future time, including steps which are necessary for judicial review;
- (3) Aid in filing necessary papers, etc., in taking and maintaining an appeal;
- (4) Such other information and assistance which are necessary to take the taxpayer through the steps in filing and taking an appeal; and
- (5) Establishing an information center and distributing such information and availability of assistance to the public.

Your Committee finds that while many taxpayers may have proper grounds for filing an appeal, many do not do so because they are discouraged by the complicated process involved in appealing real property tax assessment, and that this process is further complicated by the backlog of appeals cases pending. Your Committee notes, as an example, that due to some misunderstanding, not attributable to the State, several hundred taxpayers in the Mililani area failed to follow their appeals to the tax appeals court and are left, as a result, without recourse even though there may be some basis to uphold their cases. Your Committee recognizes the importance of, and the interest of the State in, appealing and reversing improper and inaccurate real property tax assessments.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 332 and recommends its adoption.

Signed by all members of the Committee except Senators O'Connor, Yim, Young and Anderson.

SCRep. 1086-78 Ways and Means on S.R. No. 341

The purpose of this resolution is to request that the Infant and Child Development programs be formally established and funded as ongoing continuing services. The Director of Health is requested to report on the status of the programs and to incorporate their funding requirements into the 1979-81 biennial budget.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 341, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1087-78 Ways and Means on S.R. No. 362

The purpose of this resolution is to recommend tuition waivers for thirty undergraduate music majors of the University of Hawaii who are actively participating in the music department's orchestra program out of the quota of financial aids available to the baccalaureate campuses under section 304-4, Hawaii Revised Statutes. It also requests the board of regents to consider the feasibility of expanding the quota of financial aids allocable under section 304-4, Hawaii Revised Statutes, by thirty in order to accommodate this recommendation.

Presently, the University of Hawaii's orchestra program is severely limited because, among other things, participants are not offered scholarships as in other institutions. Thus, many talented local student-musicians attend mainland institutions by way of these scholarships. The recommendation of this resolution, if implemented, will greatly improve the University's orchestra program by placing it on a competitive basis with other institutions in recruiting talent. In addition, it will also provide increased opportunities for local student-musicians to receive their education in Hawaii instead of on the mainland.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 362, S.D. 1, and recommends its adoption:

Signed by all members of the Committee except Senators O'Connor and Yim.

SCRep. 1088-78 Ways and Means on H.C.R. No. 35

The purpose of this concurrent resolution is to request the federal Department of Health, Education, and Welfare to provide supplementary funds to the Hawaii State Archives to support the anticipated increase in workload that will result from passage of the Hawaiian Reparations Act.

Your Committee finds that the Hawaiian Reparations bill which was reported out of the United States Senate is expected to receive similar support for passage in the United States House of Representatives. Upon enactment of the bill, your Committee believes that public demand upon the staff and equipment of the Hawaii State Archives will greatly increase.

Your Committee finds that use of the historical division of the Record Service branch of the archives has already increased from 28 people a day in 1973-74 to 37 each day in 1976-77. In addition to this, the archives received 20 to 25 letters a month and 75 to 100 telephone calls. The archives staff estimates that over half of those individuals utilizing the services of the archives are seeking information on family or land, and that the largest group making these inquiries are Hawaiians.

To ensure public access to the necessary resource material at the archives, additional staff and equipment needs must be met. By providing the additional resources, the public can better be served and the reparations requirements better met.

Your Committee on Ways and Means is in accord with the intent and purpose of H.C.R. No. 35 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1089-78 Housing and Hawaiian Homes on H.B. No. 939

The purpose of this bill is to make improvements in several aspects of the housing development program conducted by the Hawaii Housing Authority pursuant to Chapters 359 and 359G, Hawaii Revised Statutes. In addition to substantive changes, the bill contains several "housekeeping" amendments to facilitate the administration of the State housing program.

Significant substantive provisions are as follows:

1. This bill would expand the provisions of the State's housing development program through the development of basic or minimum houses.

In past years traditional housing subsidy programs have focused on the provision of housing to residents in the low-income group category. Your Committee finds, however, that housing programs must also be focused toward residents in a second need category who have recently been identified as possibly requiring some form of government assistance in order to achieve their housing expectations. This category is known as the "gap group" because, in terms of income, these people fall into a gap between the upper income limits of traditional housing subsidy programs and the minimum income required to purchase a home with conventional financing. Moreover, in many cases, their incomes have not been keeping pace with the rapid increase in homeownership costs during recent years.

The need to provide assistance to these residents in the gap group is reaffirmed in the recently prepared State Housing Study (Daly and Associates, January 1977) which concludes that "a major focus of the State housing program should be on those gap group families who will not be able to achieve homeownership in the near future without government assistance."

Your Committee feels that one approach to meeting the needs of the gap group would be to make housing available which is affordable at the present time and to which can be added new additions as the incomes of the group increase. Your Committee further feels that in order to make affordable housing more available, the State must consider the development of basic or minimum houses. These substantially completed "shell" homes would meet minimum standards of habitability and would be designed to provide only the basic components of a home. They would also be designed to allow for added amenities, furnishings and other home improvements as the income of the owners increase over a period of time. Your Committee further feels that by giving residents the flexibility of furnishing the homes according to their own preferences and tastes, the overall result would be increased pride when the units are completed.

The benefits which the Hawaii Housing Authority will derive are related to the relationship of financing and production. By selling partially completed units, funds will not be tied up as long as conventional housing and would be in a much smaller amount. It will then be possible to reuse the funds, after purchase, for a much greater number of families.

2. This bill would also allow the Hawaii Housing Authority to sell finished and unfinished houselots, or unimproved land.

The Hawaii Housing Authority has found that some families would rather purchase the

unimproved land and either construct the homes themselves through donated professional labor or hire sub-contractors and proceed as their finances and physical resources allow. To proceed on this basis would not detract from the purposes and intent of Chapter 359G.

Your Committee is in agreement that this measure will open the way for greater usage of resources and would not detract from the purposes and intent of Chapter 359G. It is the Committee's feeling that the intent of this measure will provide much needed support to the existing Chapter by allowing the Hawaii Housing Authority the flexibility needed to fully implement the elements needed for low-cost housing.

3. This bill also redefines the civil service status of the Homeownership Counseling Administrator for HHA. Testimony from the Authority indicated that it had been incorrectly assumed by HHA's former Executive Director, the DSSH Personnel Office and the Department of Personnel Services that Act 171, Session Laws of Hawaii 1974, accorded civil service status to this position. However, the Department of Personnel Services has asserted that the position is not covered by its provisions, since the position commenced prior to the enactment of Act 171.

Your Committee finds that the position is essential to the entire Homeownership Counseling Program and the position should be accorded civil service status.

"Housekeeping" provisions include the following:

1. Eliminates redundancy in Part III, Chapter 359, Hawaii Revised Statutes.
2. Clarifies that the administrative or other costs or expense incurred by the Authority in the development and construction of elderly housing will not be part of the interim construction loan amount.
3. Reaffirms and clarifies statutory provisions relative to cooperative agreements entered into by the Authority with the counties and other governmental agencies (elderly housing).
4. Amends reference of "declarant alien" to "resident alien", the term used by the United States Department of Immigration.
5. Clarifies when the profit from a development constructed under Chapter 359G may be paid and to specify that such profit shall be based on the actual cost to the developer and not any portion subsidized by the State.
6. Amends Section 359G-12, Hawaii Revised Statutes, to conform to accepted statutory drafting language.

Your Committee on Housing and Hawaiian Home is in accord with the intent and purpose of H.B. No. 939, 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. 1090-78 Housing and Hawaiian Homes on H.B. No. 2114-78

The purpose of this bill is to clarify the jurisdiction of the Hawaii Community Development Authority (HCDA) by allowing it to engage in studies or coordinative activities which affect areas lying outside the Kakaako Community Development District.

Such studies or coordinative activities shall be limited to facility systems, resident and industrial relocation and, other activities with the counties and appropriate state agencies. In addition, the authority shall not engage in any construction activities outside of the district.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2114-78, 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. 1091-78 Housing and Hawaiian Homes on H.B. No. 2171-78

The purpose of this bill is to qualify the department of Hawaiian homes lands to participate in any federal program that renders assistance in program areas that the department is mandated by the Act to implement.

Present legislation allows the department to qualify for Farmer's Home Administration (FmHA) mortgage loans. However, only rural areas qualify for Farmer's Home Mortgage financing---Papakolea and Keaukaha are subdivisions in urban areas and therefore, do not qualify. Previous attempts to secure federal assistance have been unsuccessful, the major obstacle being, the department serves a special class of people. Once ratified by Congress this bill would relieve the State of some financial burden as well as create opportunities to accelerate and expand department services and programs.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 2171-78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1092-78 Human Resources on H.B. No. 1066

The purpose of this bill is to add a new section to chapter 386 (Worker's Compensation Law) to prohibit the State, its political subdivisions, or any other employer presently not subject to section 378-32 (a section of the Employment Practices Law) from discharging or suspending an employee who is unable to work because of a compensable work-related injury.

Your Committee finds that currently, the State and its political subdivisions, among others, are not considered "employers" under the unlawful suspension or discharge provisions of the Employment Practices Law. It is therefore not unlawful for the State or any of its political subdivisions, under section 378-32, to suspend or discharge an employee solely because the employee has suffered a work injury which arose out of and in the course of his employment, and is compensable under the Workers' Compensation Law. Your Committee feels that the prohibition imposed upon employers under section 378-32 should be applicable to every employer who is subject to the Workers' Compensation Law, including the State and its political subdivisions, as provided in this bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1066 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1093-78 Human Resources on Gov. Msg. No. 245

Recommending that the Senate advise and consent to the nominations to the State Advisory Council for Children and Youth, as follows: WALTER NUNOKAWA, PH.D., for term ending December 31, 1981; GEORGE T. OKUHARA, for term ending December 31, 1981; MASAO SETO, for term ending December 31, 1981; and JOSEPHINE E. DAY, for term ending December 31, 1979.

Signed by all members of the Committee.

SCRep. 1094-78 Legislative Management

Informing the Senate that S.R. Nos. 477 to 489, Conf. Com. Rep. Nos. 59-78 and 60-78 and Stand. Com. Rep. Nos. 1093-78 and 1095-78 to 1119-78 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 1095-78 Transportation on H.C.R. No. 28

The purpose of this concurrent resolution is to request federal assistance in meeting costs associated with port of entry activities such as agriculture, customs, immigration, and public health.

Your Committee finds that at Honolulu International Airport, the International Arrivals Building is used exclusively by the: U.S. Customs, Immigration and Naturalization, Agriculture, Drug Enforcement, and Public Health Services; and that no rent or service payments of any kind has been received from these federal agencies while expenses have been incurred in their behalf.

Your Committee further finds that at Honolulu Harbor, the U.S. Customs pays rent only for the administrative office space occupied at Pier 10, and that office space facilities to support operations at Piers 2 and 32 are rent free. Similarly, the Coast Guard occupies

land and berthings without charge at Hilo Harbor, Maalaea Boat Harbor, and Nawiliwili Boat Harbor.

Your Committee therefore finds that federal legislation to provide funding associated with ports of entry activities is needed.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 28, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1096-78 Transportation on H.C.R. No. 129

The purpose of this concurrent resolution is:

- (1) To recognize that the people of this State are aware of the past contributions of Seaflyte;
- (2) To express the people's appreciation for the present endeavors to resume the Seaflyte operations between the islands of this State;
- (3) To reaffirm the people's commitment to Seaflyte's maintenance of a viable interisland marine transportation system; and
- (4) To request the various state and federal regulatory agencies and the departments which would be involved to assist with the reestablishment and maintenance of this alternative interisland transportation system.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 129 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1097-78 Military and Civil Defense on H.C.R. No. 121

The purpose of this resolution is to assure input on the subject of Kaho'olawe by the various concerned groups and general public by requesting the President of the Senate and the Speaker of the House of Representatives of the State of Hawaii to retain the present joint ad hoc committee on Kaho'olawe to continue to oversee the activities in this area; to help develop ways of implementing the recommendations of its study; and to present their study to the Congress and the President of the United States.

Your Committee finds that the future of Kaho'olawe is an issue of deep concern to our State. During the hearing on this resolution your Committee heard testimony from a wide spectrum of the community, including the business sector, organized labor, the Navy, the Protect Kaho'olawe Ohana, and individual citizens. This testimony made it very clear that the solution to this problem will necessarily require careful consideration of many different factors and will have an impact upon every level of our community.

It is the feeling of your Committee that the contribution of the joint ad hoc committee on Kaho'olawe has been a significant first step towards the ultimate resolution of the problem, and that it is important that its work be continued. However, your Committee wishes to emphasize that the actions taken by this resolution to recognize the ad hoc committee and to request that it continue to oversee the activities in this area, help develop ways of implementing their study, and present their study to the Congress and the President, are conditioned upon the understanding that the ad hoc committee will take affirmative steps to assure input by the various concerned groups and general public with regard to all of its functions. Your Committee considered amending the resolution to clarify this point but is satisfied that this report will be sufficient to express its position.

Your Committee further finds that the resolution of the problem regarding the future use of Kaho'olawe will necessarily involve the Federal Government, and that the ad hoc committee should therefore be encouraged to present its report to the Congress and the President of the United States in the hope that it will encourage them to join with the people of the State of Hawaii in seeking an equitable solution to the problem of Kaho'olawe.

Your Committee on Military and Civil Defense concurs 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.

SCRep. 1098-78 Military and Civil Defense on S.R. No. 416

The purpose of this resolution is to request that the Governor of the State of Hawaii, and the Mayor of the City and County of Honolulu, or their appointees, meet with the Department of Defense, the various responsible base commanders, and post exchange and commissary officials, with a view to discouraging or eliminating the illegal disposal of military wine and beer to the civilian market, and to request the City and County of Honolulu Liquor Commission to investigate charges of illicit bootleg operations in military wine and beer and to promulgate rules and regulations designed to discourage and deter unauthorized disposal of military beer and wine to the civilian market.

Your Committee has reviewed testimony on H.B. No. 2634-78 submitted by several organizations involved in the importation, wholesaling, and retailing of beer and wine and finds that a serious problem exists with regard to the diversion of military beer and wine to the civilian market in this State. Your Committee also finds that this situation results in a significant loss of business to civilian merchants and tax revenues to the State.

Your Committee further finds that a concerted and cooperative effort by the various military and governmental institutions presently involved would be an appropriate first step towards the ultimate solution of this problem.

Your Committee on Military and Civil Defense concurs with the intent and purpose of S.R. No. 416 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1099-78 Military and Civil Defense on S.R. No. 417

The purpose of this resolution is to request the State Department of Taxation and the Liquor Commissions of the various respective counties to conduct a study to determine the extent to which beer intended for military consumption is illegally diverted to civilian outlets, to request that these bodies present solutions to this problem to the legislature before the Regular Session of 1979, and to request that these bodies improve the enforcement of the liquor tax and liquor control laws of the State and counties.

Your Committee has reviewed testimony on H.B. No. 2634-78 submitted by several organizations involved in the importation, wholesaling, and retailing of beer and wine and finds that a serious problem exists with regard to the diversion of military beer and wine to the civilian market in this State. Your Committee also finds that this situation results in a significant loss of business to civilian merchants and tax revenues to the State.

Your Committee concurs with the intent and purpose of S.R. No. 417 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1100-78 Judiciary on H.C.R. No. 66

The purpose of this concurrent resolution is to request the United States government to transfer the title ownership of the land and building in Maile, Oahu, popularly known as the "Voice of America" land, over to the State of Hawaii for use as a recreational park and senior center.

Due to the lack of adequate physical facilities, senior citizen programs are very limited along the Waianae Coast. The Waianae Coast Senior Citizens group which presently must utilize the Waianae Methodist Church hall to conduct its activities currently provides programs and services to approximately 200 elderly citizens in the area but are unable to accommodate any others because of the lack of suitable facilities. Consequently a great many more senior citizens along the Waianae Coast who are desirous of senior citizen programs and activities cannot be accommodated.

Also, adequate recreational park facilities along the Waianae Coast are sorely lacking. Specifically there is a need for a park of adequate size to accommodate such activities as baseball, football, tennis and other group activities. At present the existing facilities which are equipped for these functions are overcrowded and inadequate.

The Federal government presently holds title to a parcel of land including buildings in Maile, Oahu, popularly known as the "Voice of America" property which they would possibly be willing to turn over to the State of Hawaii for use as a combination recreational park and senior center.

Your Committee on Judiciary concurs with the intent and purpose of H. C. R. No. 66, H. D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1101-78 Judiciary on H.C.R. No. 126

The purpose of this concurrent resolution is to urge the Hawaii Commission on Crime, the police, Women Against Rape, and the Sex Abuse Treatment Center to design, develop, and establish an educational program relating to rape and to educate the various individuals within the legal system in the realities of the crime of rape and its impact on victims.

Your Committee received testimony from Women Against Rape, Inc., who were in favor of H. C. R. No. 126. Their testimony also pointed out some of the existing problems that prevent the humane treatment of rape victims by the current system. The concurrent resolution addresses the need for basic changes in attitudes and values toward the problems of rape and sexual assault through both public awareness and professional training of various individuals within the legal system, including judges, attorneys, and court and other appropriate justice system personnel.

Your Committee on Judiciary concurs with the intent and purpose of H. C. R. No. 126, H. D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1102-78 Economic Development on H.C.R. No. 139

The purpose of this concurrent resolution is to urge President Carter to carefully reconsider his proposal to phase out the Resource Conservation and Development Area Program and consider other alternatives including continuing the program and keeping the funding at the level authorized during fiscal year 1978.

Your Committee finds that the RC&D Area Program is authorized under Public Law 87-703, as amended; since 1971 Hawaii has been actively engaged in receiving financial and technical assistance for the Tri-Isle RC&D Program which covers all of the County of Maui.

Your Committee further finds that Hawaii will be seriously affected by the 1979 reduction, inasmuch as the Tri-Isle RC&D Program has four more projects awaiting financial and technical assistance; the Big Island RC&D Program which covers the County of Hawaii has seven projects which have been submitted for assistance. The County of Kauai has submitted an application for the establishment of a Garden Island RC&D Program and, if approved, this program will be awaiting assistance in the future.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 139 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1103-78 Economic Development on H.C.R. No. 107

The purpose of this concurrent resolution is to request the Agriculture Coordinating Committee to establish policy guidelines for marketing development and product promotion programs. The use of a special logo is seen as assisting in product promotion.

Your Committee finds that state responsibility for the promotion of agricultural commodities should be more closely integrated to achieve greater efficiency and effectiveness.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 107, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1104-78 Economic Development on H.C.R. No. 99

The purpose of this concurrent resolution is to request that the Department of Agriculture, in cooperation with the University of Hawaii's College of Tropical Agriculture, conduct a study on the future economic viability of independent sugar growers to include research into alternative crops for sugar lands.

Your Committee finds that in 1972 the Board of Agriculture approved loans to 418 independent sugar growers along the Hamakua Coast to enable the formation of the Hilo Coast Processing

Cooperative. Subsequently, as a result of declining sugar prices, the Board of Agriculture, in 1976, waived loan repayments for a period of two years through September, 1978.

Your Committee further finds that additional assistance under the provisions of Act 19, Special Session Laws of Hawaii, 1977, was granted to independent sugar growers to cover deficits on their 1976 crop loans from private lenders. This assistance amounted to \$735,192 for 163 independent sugar growers. Also, to encourage private lenders to continue financing the independent growers, loan guarantees to private lenders under the Agricultural Loan Program have been made totalling \$5 million for 1,029 loans insured by the Board of Agriculture.

Your Committee finds that all of these actions are temporary measures and do not represent a concerted effort to achieve long-term relief for the economic problems faced by independent sugar growers. In order to keep the independent sugar growers' future viable, it is important that research be conducted to seek economically viable crops other than sugar on existing sugar lands.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 99 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1105-78 Economic Development on H.C.R. No. 88

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development and Budget and Finance to jointly study, propose, and, if possible, implement a state economic planning system as part of the overall Hawaii State Management Information System (HSMIS). A progress report of the subsystem's implementation is to be submitted to the Legislature at least twenty days prior to the convening of the 1979 session.

Your Committee finds that the establishment of a State Economic Planning System would clearly assist in refining and supporting the statewide planning program established under the Hawaii State Plan. This system would serve to assist state departments in the important function of monitoring public and private efforts to achieve the economic objectives of the State Plan. The intent of the planning system would be to enable the State to forecast future economic conditions and monitor current conditions for effective short and long range planning for the State.

Your Committee on Economic Development concurs with the intent and purpose of H.C.R. No. 88 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1106-78 Economic Development on S.R. No. 259

The purpose of this resolution is to request the Hawaii Visitors Bureau, the Hawaii Sightseeing Association, and CATRALA to include Honokaa, the macadamia nut capital of the world, on maps and other literature produced and made available for the use of tourists.

Your Committee finds that good map information is one of the factors which contributes to high visitor satisfaction. The Hawaii Visitors Bureau brochure on the Island of Hawaii already shows Honokaa on the map, as does the itinerary map of the Island of Hawaii.

Your Committee has amended the sixth paragraph of this resolution to request that the Hawaii Visitors Bureau, the Hawaii Sightseeing Association, and CATRALA include Honokaa, the original home of the macadamia nut, on maps and in other materials and literature for the use of tourists.

Your Committee on Economic Development concurs with the intent and purpose of S.R. No. 259, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 259, S.D. 1.

Signed by all members of the Committee.

SCRep. 1107-78 Human Resources on H.C.R. No. 17

The purpose of this concurrent resolution is to request the Legislative Reference Bureau, in cooperation with the Departments of Taxation and Budget and Finance, to conduct a study to approximate the cost of population growth on the expansion of major public services and facilities and to suggest methods for equitably distributing these costs among present and future residents.

Your Committee finds that the high population growth, due to the influx of new residents in the State, may require additional expenditures of public funds to meet the increased demand for public services and facilities. State and local governments whether seeking to stem or encourage growth, should not place the brunt of these increased costs on the present residents.

Therefore, your Committee feels that there is a need to study the financial impact of population growth on the expansion of major public services and facilities and to assess alternative methods for equitably distributing the cost of growth among present and future residents.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No. 17, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1108-78 Human Resources on H.C.R. No. 117

The purpose of this concurrent resolution is to request the Honolulu Area Agency on Aging to prepare a detailed report of their program for establishing multi-purpose senior centers and programs which is to include their "area plan", plan of priorities, the criteria involved in setting priorities, their plans for the funding of these priority projects, and any other pertinent information relating to the organization and administration of their program including specific recommendations, action programs, and problems encountered or anticipated.

Your Committee finds that there are at present 4 senior center programs on the island of Oahu which serve approximately 14,200 age 55 and over elderly. This means that the senior center programs are serving only 17 per cent of the target population in Honolulu, estimated at 85,000. These 4 programs operate under different arrangements and administrations, each with its own target group and sets of priorities, and because of this are fragmented and lack coordination. More than 70,000 age 55 and over elderly on Oahu are not being served because of this.

Your Committee further finds that this lack of centralized planning leadership in elderly affairs in the City and County of Honolulu has greatly hindered the development of senior center programs on Oahu. The legislature has appropriated large sums of money for the purpose of establishing multi-purpose senior centers throughout Oahu; however, because of this lack of centralized planning, there has been little or no follow-up to past appropriations and allocations made by the State for the construction of additional centers.

Your Committee is in agreement that before specific proposals for the design and construction of multi-purpose senior centers can be considered, it is necessary that a comprehensive, operational countywide plan be developed.

Your Committee has amended this concurrent resolution to change the term "prioritizing process" to "setting priorities" because "prioritize" is not listed in Webster's Dictionary.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No. 117, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 117, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1109-78 Human Resources on H.C.R. No. 127

The purpose of this concurrent resolution is to request the Commission on Population and the Hawaiian Future, with the assistance of the Department of Planning and Economic Development, to design a workable system for collecting migration data and to suggest possible statutory changes necessary to implement such a system.

According to the testimony presented before your Committee, migration into the State now accounts for about one-half of Hawaii's population growth. While data on in-migration is currently being collected from various sources, only limited information on out-migration can be gathered intermittently. Act 103, Session Laws of Hawaii 1973, which mandated the development of an entry-exit census was never implemented due to numerous problems. Therefore, your Committee finds there is a need to develop a feasible system for the continuing collection of accurate, comprehensive, and timely migration data which can be used to assess and formulate state population policies.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No.

127, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1110-78 Higher Education on H.C.R. No. 87

The purpose of this concurrent resolution is to express legislative support for the current efforts which are being made to develop an articulation plan for the University of Hawaii system by a special faculty committee.

For several years both legislative bodies have annually requested the University to find a solution to the problem of articulation. There have been several reports but no definite policy has ever been achieved. There is no disagreement with the principle that students should be able to transfer appropriate credits among the campuses within the system. However, the University has had great difficulty trying to establish a definitive articulation policy.

The University faculty has now informed your Committee that a special faculty committee appointed by the faculty senates of the several campuses has been working on the problem. This faculty committee considers its work to date most productive and is seeking legislative support of its efforts.

Your Committee commends the faculty committee for its work and hopes that the problem of articulation will be solved shortly.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 87, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1111-78 Higher Education on S.R. No. 411

The purpose of this resolution is to request that the Legislative Reference Bureau study the various ways available to finance continuing education requirements of nurses.

Your Committee on Higher Education is of the opinion that a serious study of the matter mentioned above is desirable not only as it relates to nurses but as the principles involved relate to other professional occupational groups. A definitive study should be of immense help in assisting the Legislature to address the subject in the years to come.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 411 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1112-78 (Joint) Ecology, Environment and Recreation and Economic Development on H.C.R. No. 83

The purpose of this concurrent resolution is to request Secretary of Commerce Juanita Kreps to deny the requests of the governments of the Soviet Union and Japan to obtain exemptions to the Marine Mammal Protection Act.

Your Committees find that worldwide populations of marine mammals have come under heavy pressure from human exploitation of these mammals for centuries. Systematic "harvesting" has brought such diverse species as the sea otter and the blue whale to near extinction. Other species, such as the harp seal, are also further endangered from overhunting.

Your Committees find that in 1972, the U.S. Congress passed the Marine Mammal Protection Act as a means of providing the greatest possible protection for the remaining populations of marine animals under U.S. jurisdiction. This Act has helped protect marine mammals; however, certain exemptions to its regulations have been granted and have reduced the effectiveness of this Act. The most important and dangerous of these exceptions relates to the killing of marine mammals during operations of the commercial fishing industry.

Your Committees further finds that exceptions to the Act by Russia and Japan would permit the fishermen of these nations to kill more than two thousand seals and sea lions and some whales and dolphins during the course of fishing operations in and around the Bering Sea and the Aleutians.

Your Committees feel that adoption of this concurrent resolution would be in the interest of protecting various species of marine mammals. However, in the spirit of cooperation,

your Committees would like to further recommend to Secretary Juanita Kreps that, if possible, an offer of technological assistance be made to Japan and Russia by the National Fisheries Marine Service, U.S. Department of Commerce, to aid nations in dealing with marine mammals that interfere with commercial fishing operations.

Your Committees on Ecology, Environment and Recreation and Economic Development concur with the intent and purpose of H.C.R. No. 83, H.D. 1, and recommends its adoption.

Signed by all members of the Committees.

SCRep. 1113-78 (Majority) Human Resources on H.C.R. No. 46

The purpose of this concurrent resolution is to request the United States Congress to create more public service employment as a means of counteracting recession and unemployment.

Your Committee finds that the most effective method to create more jobs and to boost the Nation's economy is the direct funding by Congress of public service employment programs.

Currently, there are approximately 3,000 positions throughout the State funded under the Comprehensive Employment and Training Act (CETA) Public Service Employment program. This has meant a major increase during the past year as part of the Carter Administration's attempt to fill 725,000 positions throughout the nation. Undoubtedly, this major fiscal effort has had an impact on the level of unemployment throughout the country and in the State of Hawaii. More importantly, it has meant immediate jobs to individuals in need who have been unemployed for considerable lengths of time. Recent public service employment efforts have been targeted to employ individuals who have been unemployed for longer than 15 weeks and are economically disadvantaged.

Your Committee further finds that there are approximately 25,000 people in the State of Hawaii who are currently unemployed. A significant number of these people may be eligible to participate in an expanded (CETA) Public Service Employment program, which would help to reduce unemployment in the State.

Your Committee further recognizes the need for Congress to work toward the strengthening of CETA and to recommend to the President the continued operation and expansion of this program and other similar programs.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

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

SCRep. 1114-78 Human Resources on S.R. No. 407

The purpose of this resolution is to request the Office of Children and Youth, Office of the Governor, to prepare planning specifications for the development of a statewide plan for the delivery of child abuse and neglect prevention and treatment programs.

Your Committee finds that several government departments and agencies, an increasing number of interested public and private agencies, and concerned individuals from the community have expressed a need for improved coordination and articulation among the various child abuse and neglect service providers in the delivery of child abuse and neglect prevention and treatment programs. This will assure maximum efficiency and effectiveness in the planning and delivery of services in the area of child abuse and neglect.

Your Committee further finds that at present, there is no agency, public or private, either statutorily or otherwise designated, that assumes the lead agency role in the delivery of child abuse and neglect services.

Presently, the Children's Protective Advisory Committee which represents a cross-section of the community, developed the groundwork for the planning and implementation of child abuse and neglect prevention programs on a statewide basis and the Hawaii State Council on Child Abuse and Neglect has also developed similar programs on the respective neighbor islands. Additionally, the Department of Social Services and Housing has received community reports of child abuse and neglect and has responded effectively in providing the necessary investigative and treatment services to protect children who have been abused or neglected.

Your Committee recognizes that child abuse and neglect is a critical child health and

social problem in this State. Your Committee believes that it is necessary to protect and service the needs of abused and neglected children by developing a comprehensive program which will integrate both the prevention and treatment aspects into one coordinated state effort.

Your Committee has amended this resolution to expand its scope and to assure the involvement of the appropriate government departments and agencies as well as other interested and concerned organizations and individuals throughout the State.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 407, as amended herein, and recommends its referral to the Committee on Legislative Management, in the form attached hereto, as S.R. No. 407, S.D. 1.

Signed by all members of the Committee.

SCRep. 1115-78 Human Resources on H.C.R. No. 76

The purpose of this concurrent resolution is to request favorable action on proposed federal legislation to exempt state and local public pension plans from federal taxation and reporting requirements.

Until 1972, the investment income of state and local public pension plans were implicitly exempt from federal taxation and former public employees receiving public pension benefits were allowed preferential tax treatment whether the plans were qualified or not.

However, since 1972, the IRS has changed its policy and chose to ignore the implicit exemption and authority; thus, some public pension plans have become subject to the qualification requirements and taxation of investment income. Furthermore, in 1977, the IRS stated its intention of requiring public pension plans, whether qualified or not, to file annual returns containing certain financial information.

In relation to the financial impact on the public pension plans and former public employees, your Committee finds that the National Conference of State Legislatures, in a policy paper representing the consensus of state and local governments, states that the policies are contrary to Congressional intent and the doctrine of sovereignty of states. Furthermore, the policy paper states that even if Congress had specifically subjected public pension plans to federal requirements, it is questionable, under the doctrine of state sovereignty, whether the federal government has the constitutional right or power to regulate intra-state public employee benefits or to tax state and local governments.

Currently, the 95th Congress is considering two bills, H.R. 9118 and S. 1587, which would specifically exempt public pension plans from federal taxation and reporting requirements. Therefore, your Committee feels that there is a need for Congress and the President to enact either H.R. 9118 or S. 1587 into law.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No. 76 and recommends its adoption.

Signed by all members of the Committee except Senator Anderson.

SCRep. 1116-78 Human Resources on H.C.R. No. 95

The purpose of this concurrent resolution is to request the United States Congress to enact appropriate legislation which will transfer total responsibility for financing public assistance programs to the federal government.

Your Committee finds that poverty is a national domestic problem warranting full-scale assumption of responsibility by the federal government.

The responsibility for financing public assistance programs is presently shared by the state and federal governments. This arrangement has produced wide variations among the states and local jurisdictions in the quality and levels of public assistance programs.

Your Committee finds that there are obvious wide-spread disparities in the standards, eligibility requirements, and system for public assistance among the 50 states. Additionally, the financial responsibilities borne by the states are inequitably distributed.

Therefore, total federal responsibility for financing public assistance is desirable in order to establish uniform, national public assistance standards to bring about a semblance of equity of benefits and to release state funds for other needed human services.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No. 95, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Anderson.

SCRep. 1117-78 Human Resources on S.R. No. 65

The purpose of this resolution is to request the United States Department of Labor, in cooperation with the United States Department of Commerce, to develop methods for improving and expanding the collection, analysis, and publication of labor force characteristics relating to Americans of East-Asian or Pacific-Island origin or descent for those states with localities containing significant populations of East-Asian or Pacific-Island Americans.

Your Committee finds that very often, statistical reports refer to East-Asian or Pacific-Island Americans as simply part of a "miscellaneous group" and are not reported in specific classified groups in sufficient detail. Even where separate information is compiled, published statistics combine the less numerous ethnic groups for most tabulation purposes. For example, statistics on different ethnic languages, all Filipino dialects and sublanguages, are treated as a single category although there is a distinct difference between Ilocano and Tagalog; Tongans differ in socio-economic respects from the Fijians and Samoans, but these differences are not reflected in the statistics.

Also, in recent years, the Bureau of Census has consistently ignored the growing numbers of persons of mixed race. For example, one-fourth of Hawaii's population is of mixed race, with most sub-groups being Chinese-Hawaiian, Caucasians-Hawaiian, and Caucasian-Japanese but a satisfactory way of classifying these mixtures has not been established.

Your Committee believes that there is a need for more detailed and descriptive statistics of the East-Asian and Pacific-Island Americans. Accurate information will improve the evaluation of the economic and social status of these Americans.

Your Committee has amended the resolution to clarify its intent as follows:

"BE IT RESOLVED by the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, that the United States Department of Labor and Department of Commerce are requested to improve and expand the collection, analysis, and publication of statistics on the social, economic, labor force, housing, and demographic (e.g., persons over sixty years old) characteristics of Americans of East-Asian or Pacific-Island origin or descent for those states with localities containing significant populations of East-Asian or Pacific-Island Americans; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Secretaries of Labor and Commerce and to members of Hawaii's delegation to Congress."

Your Committee on Human Resources 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 except Senators F. Wong, R. Wong, Anderson and Soares.

SCRep. 1118-78 Human Resources on S.R. No. 408

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of integrating the administration of family boarding homes, care homes, and closely allied institutional facilities and to submit appropriate legislation.

Your Committee finds that the Department of Social Services pursuant to section 346-83 and the Department of Health pursuant to section 321-11, share the principal authority and responsibility for the administration, licensing and regulation of various facilities designated as "family boarding homes", "care homes", "day care centers for elderly disabled and aged persons", "convalescent homes", "old folk homes", and "home health agencies". However, the technical, statutorily defined, or popular terms used to describe the various facilities along with the absence of a common set of statutorily defined terms with a common meaning, has resulted in confusion and inconvenience to adult home operators.

Your Committee further finds that subject to the provisions of applicable federal laws or regulations, it may be legally permissible for the State of Hawaii to consolidate the administration including the licensing, and monitoring of the various facilities under a single state agency, or at the least, to integrate those administrative functions consistent with the unique principal features undergirding the administration and regulation of such

facilities.

Your Committee finds that the resolution calls for a broader study of the responsibilities of the Departments of Social Services and Housing and Health as they relate to different types of care facilities for adults. This should lead to the development of a coordinated plan for the administration of all such facilities and should lead to greater efficiency, effectiveness, and economy in the administration of care facilities for adults.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 408 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Anderson.

SCRep. 1119-78 (Joint) Higher Education and Human Resources on S.R. No. 391

The purpose of this resolution is to extend full support to the planning and development efforts currently underway for a multi-disciplinary Gerontology Center at the University of Hawaii. This resolution also commends the 40-members of the Planning Committee which gave of their time and expertise to plan and develop the proposed Center.

Your Committees find that the University of Hawaii received a two-year grant from the United States Administration on Aging to plan and develop a Gerontology Center that will generate research, training, instruction, and public service for the elderly in the State of Hawaii.

The 40-member Gerontology Center Development Projects Planning Committee which is comprised of representatives from the University of Hawaii, the administrative staff of the State Office of Elderly Affairs and its policy advisory group, and various interested community members including the elderly, has developed plans for a "free-standing" Gerontology Center. The "free-standing" model would be flexible and responsive to the needs of the community and is perceived as the community resource Center for the coordination of gerontology education/training for all post-secondary education institutions.

The Gerontology Planning Committee after months of debate, study, and considerable effort finds that: Hawaii is one of only six states to have experienced a 30% growth of the "65 years and older" population since the 1970 Census; there has been minimal research on the cross-cultural aspects of aging; there has been no attempt to examine in depth the ethnic patterns in aging; there is a minimal amount of evaluation on the effectiveness and appropriateness of current services and programs to the elderly; and that there has been minimal input by University experts in the areas of training and technical assistance to compliment aging programs in the State. With the rapid increase in the number of senior citizens in the State of Hawaii, your Committee finds that there is a dire need to enhance our understanding of the aged and their problems in order to develop effective programs for the elderly.

Your Committees believe that the needs of the elderly will be effectively served by the Gerontology Center which is now in its final planning phase and moving toward full implementation. The Center will provide the link necessary for close working relations between higher education and the community and will provide for the necessary efficient coordination and strengthening of existing resources to avoid duplication of services.

Your Committees have made technical amendments to this resolution without changing its substance.

Your Committees on Higher Education and Human Resources concur with the intent and purpose of S.R. No. 391, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 391, S.D. 1.

Signed by all members of the Committees except Senators O'Connor, Toyofuku, Anderson and Yee.