

## SPECIAL COMMITTEE REPORT

Spec. Com. Rep. 1

Your Committee on Credentials begs leave to report that it has examined the Certificate of Election of the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected senators on November 4, 1980 are:

FIRST SENATORIAL DISTRICT

Dante K. Carpenter  
Richard Henderson

SECOND SENATORIAL DISTRICT

Mamoru Yamasaki     4-year term  
Gerald K. Machida   2-year term

THIRD SENATORIAL DISTRICT

Ralph Kanichi Ajifu  
Mary George

FOURTH SENATORIAL DISTRICT

Norman Mizuguchi  
Patsy Kikue Young

FIFTH SENATORIAL DISTRICT

Milton Holt  
Richard S.H. Wong

SIXTH SENATORIAL DISTRICT

Ann Kobayashi  
Clifford T. Uwaine

SEVENTH SENATORIAL DISTRICT

Dennis O'Connor  
W. Buddy Soares

Signed by Senators Kuroda, Chairman, Kawasaki and Anderson.

## CONFERENCE COMMITTEE REPORTS

## Conf. Com. Rep. No. 1 on H.B. No. 1765

The purpose of this bill is to require the King Kamehameha Day Celebration Commission to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes.

Your Committee upon further consideration has amended the bill to include a provision that the rules required by the Act shall be adopted within one year of the effective date of the Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1765, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1765, S.D. 1, C.D. 1.

Senators Abercrombie, Cayetano and Kobayashi  
Managers on the part of the Senate

Representatives Tungpalan, Aki, Say, Takamine and Isbell  
Managers on the part of the House

## Conf. Com. Rep. No. 2 on H.B. No. 769

The purpose of this bill is to establish and provide an appropriation for a committee to be known as "The 1984 Hawaii Statehood Silver Jubilee Committee" which shall have charge of all arrangements for the State's official celebration of the 25th birthday of the State of Hawaii which will occur on Tuesday, August 21, 1984.

Your Committee upon further consideration has made the following amendments to H.B. No. 769, H.D. 2, S.D. 2:

(1) The provision that the appropriation shall be applicable for the fiscal year 1981-82 has been deleted. It is the intent of your Committee to have the 1984 Silver Jubilee Committee begin work immediately. Also, your Committee is concerned that if the appropriation were made for the 1981-82 fiscal year, the total legislative appropriations could well exceed the spending ceiling.

(2) A lapsing provision has been added.

(3) The effective date has been amended to upon the approval of the Act, rather than on July 1, 1981. This is in keeping with your Committee's intent that the Silver Jubilee Committee begin work immediately.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 769, 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. 769, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Abercrombie and Ajifu  
Managers on the part of the Senate

Representatives Tungpalan, G. Hagino, Matsuura, Toguchi and Anderson  
Managers on the part of the House

## Conf. Com. Rep. No. 3 on S.B. No. 598

The purpose of this bill is to review and improve administration of the law governing opticians.

Specifically, the bill amends chapter 458, Hawaii Revised Statutes, by limiting the licensing of opticians to individuals and by prohibiting the duplicating of contact lenses by opticians except under the written orders and personal supervision of an ophthalmologist or optometrist.

As received, this bill also adopted the recommendation of the Legislative Auditor to allow the present regulatory structure for opticians, which is contained in chapter 458, to expire as scheduled on December 31, 1981. This bill creates a new section of chapter 459, which presently relates to optometry, to provide for the minimal regulation of opticians in lieu of chapter 458.



Your Committee notes, however, that representatives of the ophthalmologists, optometrists, and opticians, in a rare instance of unanimity, testified in strong support for retaining chapter 458, despite the recommendations of the Legislative Auditor.

Your Committee finds that there exists a need for the continued regulation of opticians and has amended the bill accordingly to extend chapter 458.

Your Committee also finds, however, that the findings and recommendations of the Legislative Auditor are not totally without merit therefore the bill, as amended, reenacts the chapter for a three-year, rather than the usual six-year period, to allow for continued study of the matter.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 598, 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. 598, S.D. 1, H.D. 1, C.D. 1.

Senators Cobb, Kuroda, Saiki, Uwaine and Yee  
Managers on the part of the Senate

Representatives Blair, Baker, Dods, Kawakami and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 4 on H.B. No. 1437

The purpose of this bill is to provide a public service company tax exemption to any contract carrier by water having a gross weight exceeding ten thousand gross tons which is engaged primarily in the business of transporting persons for tourism or sightseeing purposes within the State. The exemption is for a period of five years from July 1, 1981. The public service company tax of four per cent of gross income shall be imposed after five years.

Tourism is an important foundation of the State's economy. It promotes economic growth and employment opportunities for many of its residents. The tourist industry is now experiencing a slowdown. This slowdown has prompted the search for new ways to revitalize the ailing industry. One suggested method is to encourage the transportation of tourists within the State by water. This is currently done on a relatively small scale.

The business of transporting persons for tourism or sightseeing purposes within the State by large contract carriers by water requires large capital expenditures during the initial years of operation. Section 239-6, Hawaii Revised Statutes, now requires these large contract carriers to pay a public service company tax equal to four per cent of their gross income derived from this business. The imposition of this tax adds to the high costs of engaging in this business and exacerbates the profitability of this business, notably during the initial years of operation.

This bill will provide a public service company tax exemption to these contract carriers during their initial years of operation. This serves to lower the costs of doing business during this period, provides an incentive to continue operations in this business, and stimulates other contract carriers by water to enter into this business. Providing such an exemption attests to the State's commitment to promoting its tourist industry and related employment opportunities for its residents.

Your Committee upon further consideration has made the following amendments to H.B. No. 1437, H.D. 1, S.D. 2:

1. On line 5 after "imposed by this chapter," this word "on" was added.
2. On lines 10 and 11, the words "only to contract carriers by water which initially engage in business after" were changed to "only to contract carriers by water engaged in business on."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1437, 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. 1437, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Kawasaki and Ajifu  
Managers on the part of the Senate

Representatives Kunimura, Say, Dods, D. Hagino, Nakasato and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 5 on S.B. No. 113

The purpose of this bill is to permit the Director of Social Services to assign prisoners to lawful programs of treatment or furlough in the public's and prisoner's interest.

The bill allows the Director of Social Services such authority to assign a prisoner to a program in the public's and prisoner's interest notwithstanding the type of sentence or its length.

Your Committee upon further consideration has made the following amendments to S.B. No. 113, H.D. 1:

- (1) Provide that a person sentenced to imprisonment shall remain under the jurisdiction and custody of the Director of Social Services or the Hawaii Paroling Authority; and
- (2) Provide that a person sentenced to imprisonment shall remain under the jurisdiction and custody of the Director of Social Services or the Hawaii Paroling Authority without change or modification by a court, except for orders pursuant to habeas corpus or criminal appeal proceedings, or to correct an illegal sentence.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 113, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 113, H.D. 1, C.D. 1.

Senators Carpenter, Cayetano, O'Connor, Kobayashi and Soares  
Managers on the part of the Senate

Representatives Honda, Nakamura, Shito, Taniguchi and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 6 on H.B. No. 204

The purpose of this bill is to provide that property recovered in theft and other related offenses may be photographed, and the photographs be admitted as competent evidence in a court of law.

The bill will permit the police to photograph and return property of a victim of burglary or theft after the item has been photographed. Under current procedure, the recovered property is kept by the police until the trial and appeal on the matter has been concluded. In many cases, this means that the victim is denied the use of the property for months, and possibly years.

Testimony in favor of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu and the Hawaii Prosecuting Attorneys' Association. Their testimony indicated that this bill will allow the victim of crime to get his property back with a minimum amount of hardship and inconvenience. Their testimony also indicated that photographing and returning of items are presently allowed in cases involving shoplifting offenses.

Your Committee finds that this bill will benefit the victim of theft and other related offenses by quickly returning the property and insuring that competent evidence is still available at the time of trial.

Your Committee has amended the bill to provide that nothing in the bill is intended to limit, restrict or otherwise modify Rule 91 of the Hawaii Rules of Evidence relating to authentication and identification of evidence.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 204, 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. 204, H.D. 1, S.D. 1, C.D. 1.

Senators Carpenter, Cayetano and George  
Managers on the part of the Senate

Representatives Nakamura, Chun, Hirono, Taniguchi and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 7 on S.B. No. 568

The purpose of this bill is to clarify the existing law on implied consent as it relates

to blood or breath alcohol tests for determining the alcohol content of those persons driving automobiles. The bill provides that those persons arrested for driving under the influence of intoxicating liquor have the option of refusing to take the blood or breath test.

Your Committee finds that the existing law has been interpreted to apply to all types of arrests that involve motor vehicles since the statute does not specifically state that the implied consent applies only to motorists arrested for driving under the influence of alcohol. Consequently, all persons have been held to have the right to either take or refuse to submit to a blood or breath test. This often results in an arrestee refusing to submit to a blood or breath test, thereby withholding evidence of drunkenness which may be essential to a conviction of the more serious offense of negligent homicide. In such an instance, the driver would rather risk being penalized by a license suspension upon a refusal to submit to a blood or breath test than be convicted of negligent homicide. Such a person would thereby escape a conviction of a more serious crime.

Your Committee upon further consideration has made the following amendments to S.B. No. 568, S.D. 2, H.D. 2.

- (1) Provided that a person shall be deemed to have given his consent, subject to Part VII, chapter 286, Hawaii Revised Statutes.
- (2) A breath or blood alcohol test shall not be given upon a person's refusal to submit to the test, except as provided in the new section.
- (3) Providing that in any accident resulting in the injury or death of a person, the person must submit to a breath or blood test.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 568, 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. 568, S.D. 2, H.D. 2, C.D. 1.

Senators Carpenter, Cayetano and George  
Managers on the part of the Senate

Representatives Nakamura, Shito, Taniguchi, Waihee and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 8 on H.B. No. 1530

The purpose of this bill is to eliminate any instances of duplication of responsibility as may now exist in agricultural product promotion and market development and to otherwise increase the efficiency and effectiveness of resources allocated to agricultural product promotion and market development.

This bill provides that all rights, powers, functions, duties, appropriations, equipment, and other personal property and up to two positions of the Department of Planning and Economic Development (DPED) relating to DPED's agricultural product promotion and marketing functions are transferred to the Governor's Agriculture Coordinating Committee (GACC).

This bill also provides for the transfer of agricultural marketing and promotional activities from the Department of Planning and Economic Development to the GACC.

Your Committee, upon further consideration, has amended this bill to retain in the Department of Planning and Economic Development the responsibilities for agricultural product promotion and market development, as is presently provided for in the Hawaii Revised statutes, provided that the Department's programs and activities relating to agriculture shall be consistent with the policies, programs, and activities of the GACC.

Your Committee has also amended this bill to provide that the transfer of rights, powers, functions, duties, appropriations, equipment, and personnel shall be to such agency as the Governor may designate, rather than specifying the GACC as this bill presently provides.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1530, 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. 1530, H.D. 1, S.D. 1, C.D. 1.

Senators Ajifu, Kobayashi and Young  
Managers on the part of the Senate

Representatives Takamine, Fukunaga, Hashimoto, Matsuura and Monahan  
Managers on the part of the House

Conf. Com. Rep. No. 9 on S.B. No. 526

The purpose of this bill is to reenact chapter 452, Hawaii Revised Statutes, which relates to the regulation of massage, and to allow license applicants to submit a tuberculin test instead of chest x-rays in certain cases.

This bill also adopts the recommendations of the Legislative Auditor's sunset review of the chapter by:

- 1) Establishing a massage therapist apprenticeship program and requiring participation in the program as a requirement for a therapist license;
- 2) Prohibiting the advertising of massage services by persons not currently licensed as a massage therapist;
- 3) Adding the conviction of an offense involving moral turpitude as a basis for denying or revoking a massage therapist license;
- 4) Increasing the penalty for practicing massage without a license from \$500 and/or not more than six months imprisonment to \$1,000 and/or not more than one year imprisonment.

As received by your Committee, this bill extended the repeal date of chapter 452 to December 31, 1988. Although the Legislative Auditor's sunset report recommended that the Board of Massage be eliminated, your Committee believes that further study is needed before a final decision is made as to elimination of the Board. However, in view of the Legislative Auditor's recommendation, your Committee finds that the Board of Massage should be reevaluated prior to December 31, 1988, and, therefore, the bill has been amended to provide for a repeal date of December 31, 1984.

Your Committee further finds that the present penalty for the unlicensed practice of massage is sufficient and, therefore, amended the bill to retain the present penalty provision.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 526, 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. 526, S.D. 1, H.D. 1, C.D. 1.

Senators Cobb, Kuroda and Yee  
Managers on the part of the Senate

Representatives Blair, Baker, Dods, Kawakami and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 10 on S.B. No. 636

The purpose of this bill is to amend chapter 26H, Hawaii Revised Statutes, the Hawaii Regulatory licensing Reform Act.

Chapter 26-H, Hawaii Revised Statutes, was created by Act 70, Session Laws of Hawaii, 1970, based on the following findings by the Legislature: growing concern over the rapid proliferation of licensing boards and commissions and their resultant web of regulation; a need to insure that regulation operates primarily in the interest of the public rather than of the profession or vocation regulated; and that decisions to create regulatory programs in the past were often made without adequate factual data necessary to justify regulation.

The purpose of the Act was to insure that the public interest was served by establishing a system of periodic assessment of the various regulatory programs. By enacting a rolling schedule of repeal of all regulatory chapters, the Legislature made it necessary for an affirmative showing of justification to retain any regulatory program.

As originally enacted, section 26H-5, Hawaii Revised Statutes, required each board and commission to submit an impact statement to the Legislature prior to October 1, of the year preceding the year of its repeal. The section also limited extensions of chapters to not more than six years following each review.

In 1979, Act 121, Session Laws of Hawaii 1979, amended section 26H-5, to require the Legislative Auditor to evaluate the boards and commissions subject to repeal and to

report its findings and recommendations prior to the regular session of the scheduled year of expiration. Also, the six-year limit on extensions was repealed.

Act 142, Session Laws of Hawaii 1980, again amended section 26H-5 by requiring the Legislative Auditor to append to his sunset report, any written comments received from the evaluated board of commission prior to the submission of the report to the Legislature.

The sunset process, as amended, has provided periodic review of the State's still numerous regulatory boards and commissions. However, in the course of reviewing sunset reports during the current legislative session, the following concerns were expressed to the legislative committees conducting the reviews:

1. Certain boards and commissions which received critical evaluations by the Auditor alleged that it is the Department of Regulatory Agencies that is responsible for the unsatisfactory evaluations because of its poor complaint and testing procedures and policies and because of its inadequate level of support and services;
2. Although section 26H-5 requires the Auditor to append written comments to its reports, certain boards and commissions alleged that they were not provided with adequate opportunity to review, respond, and rebut findings and recommendations.
3. Though the requirement of periodic review is vital to the sunset process, evaluating as many as eight programs in a single year has heavily burdened the Legislative Auditor.

The intent of this bill is to respond to these concerns by amending chapter 26H to improve the implementation of Hawaii's sunset law.

Specifically, this bill postpones for one year, all repeal dates in chapter 26H, to provide the Legislative Auditor an opportunity to evaluate and report on the relationship between the various boards and commissions and the Department of Regulatory Agencies.

Your Committee amended the bill to clarify its intent that this one-year extension of all chapters is to be applied in addition to the repeal extensions which may be enacted by the Legislature this session through other Acts. For example, S.B. No. 587, S.D. 1, extends the existence of chapter 451A relating to the Board of Hearing Aid Dealers and Fitters to December 31, 1984. This bill, as amended, extends the existence of that chapter to December 31, 1985 in order to take into account the one year hiatus for all repeals.

The bill was also amended to provide evaluated boards and commissions a thirty day review and comment period before sunset reports are submitted to the Legislature.

Finally, the bill was amended to reestablish the six-year limit on repeal extensions; allowing however, the legislature to extend for up to ten years, any board or commission that had previously been extended twice within a ten-year period. In addition, to clarify its intent, the bill was amended to specify that the Legislative Auditor is required to review a board or commission at least once every ten years. These amendments to the present chapter are intended to relieve some of the Legislative Auditor's sunset responsibilities, while preserving periodic review.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 636, 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. 636, S.D. 1, H.D. 1, C.D. 1.

Senators Cobb, Uwaine and Yee  
Managers on the part of the Senate

Representatives Blair, Baker, Chun, Honda and Ikeda  
Managers on the part of the House

Conf. Com. Rep. No. 11 on S.B. No. 816

The purpose of this bill is to require the approval of eighty per cent of the apartment owners in a condominium project prior to the designation of additional areas as common elements and to require thirty days prior written notice to apartment owners before increasing assessments for common expenses to apartment owners.

Under current law, designation of additional areas as common elements requires an amendment to the project's declaration which is permitted upon approval of seventy-five per cent of the apartment owners. This bill would add a new section specifically providing

that an eighty per cent decision of the apartment owners is required for the addition of common areas.

While in agreement with the intent of the bill to protect minority apartment owners from the addition of common elements which may result in increased common expenses, your Committee feels that an eighty per cent requirement for approval is not adequate and may allow unwarranted additions. Therefore, the bill has been amended to increase the approval requirement to ninety per cent. Further, a language change was made to clarify the approval requirement.

Your Committee has also amended the bill to delete the restriction for ninety per cent approval to areas "under the control of separate legal entities." The quoted phrase was deleted from line 5, page 1 of the bill to make the approval requirement applicable to all additions to the common elements except for incremental or phased projects in which disclosure of further additions to the common elements is made to buyers.

Technical amendments were made to the new section added to Chapter 514A in Section 2 of the bill by changing capitalized letters in the title of the section to lower case to conform to recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 816, 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. 816, S.D. 1, H.D. 1, C.D. 1.

Senators Cobb, Uwaine and Yee  
Managers on the part of the Senate

Representatives Blair, Hirono, Honda, Shito and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 12 on S.B. No. 271

The purpose of this bill is to limit the liability of hotels that provide security boxes for the safekeeping of guests' valuables.

Presently, hotels are not liable for any sum for any loss of valuables if: (1) a safe or vault is provided for the safekeeping of guests' valuables; (2) a notice stating that fact is posted in a conspicuous place in the room; and (3) the guest nevertheless fails to make use of the safe or vault. If a guest does deposit his valuables in the safe or vault, the hotel's liability is limited to \$500.

Hotels find, however, that most patrons are not willing to take the time and effort of placing their valuables in the office safe. Consequently, burglaries in hotels have become a serious and growing problem for the tourist industry. In addition to the possibility of burglary, there is the growing threat of mugging and robbery for the visitor.

Your Committee finds that another means of security for hotel room guests should be made available. Though security devices have been available to hotels for several years, the question of liability has prevented their installation and use. This bill is intended to encourage hotels to provide their guests with this added measure of security.

Your Committee amended the definition of security box by removing a requirement that the locking mechanism be "non-master keyed". Your Committee finds that such a requirement is not necessary at this time.

Also, your Committee made a number of technical amendments to clarify the intent of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 271, 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. 271, S.D. 1, H.D. 1, C.D. 1.

Senators Kuroda, Mizuguchi and Soares  
Managers on the part of the Senate

Representatives Say, Blair, Hirono, Nakasato and Anderson  
Managers on the part of the House

Conf. Com. Rep. No. 13 on H.B. No. 200

The purpose of this bill is to amend Section 712-1247 of the Hawaii Revised Statutes, to allow the police department to destroy any marijuana, seized as evidence, in excess of ten pounds after it has been photographed, and its weight recorded. The bill also provides that the photographs shall be deemed competent evidence of the marijuana involved and admissible in any proceeding.

Your Committee finds that with the rising increase in the number of marijuana cases being prosecuted, the amount of marijuana seized in a single case may amount to over 1,500 pounds. Thus, the storage and transportation of large amounts of marijuana is an increasing custodial problem for the evidence technicians of the police department.

Your Committee recognizes the inconvenience caused to the Police Department in terms of storage space and transportation, and believes that this bill will adequately address that problem.

The prosecuting attorneys of the four counties, the State attorney general and the United States attorney all supported the passage of this bill.

Your Committee has amended H.B. No. 200, H.D. 1, S.D. 1, to provide that the bill does not limit or restrict the application of Rule 901 of the Hawaii Rules of Evidence which relates to authentication and identification.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, 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. 200, H.D. 1, S.D. 1, C.D. 1.

Senators Carpenter, Cayetano and George  
Managers on the part of the Senate

Representatives Nakamura, Dods, Hirono, Taniguchi and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 14 on H.B. No. 212

The purpose of this bill is to amend Section 712-1210, Hawaii Revised Statutes to conform the definition therein to the holding of the United States Supreme Court in Miller v. California, 413 U.S. 15, (1973).

The Hawaii Supreme Court in State v. Manzo, 58 Hawaii 440, (1978), upheld the constitutionality of the existing state statutes on pornography. The reason that the court upheld the constitutionality of the existing state statutes was because it incorporated the definition and examples in Miller and construed them to be a part of the statutes.

The effect of this construction by the court was to limit the definition of pornographic materials or performance contained in Section 712-1210(5) to the sort of representation or description of specific "hard cores" sexual conduct given as examples in Miller.

Your Committee finds that the bill will merely conform the Hawaii Revised Statutes on pornography to the ruling of the United States and Hawaii State Supreme Courts.

The bill provides for a more specific definition of "community standard" in terms of a specific geographic area. The community standard shall mean standards of the State; in other words, a statewide standard.

The United States Supreme Court in Jenkins v. Georgia, 418 US 153 (1974), agreed that the United States Constitution does not require that juries be instructed in state obscenity cases to apply the standards of a hypothetical statewide standard. The court in Jenkins said that, although Miller held that it was constitutionally permissible to permit juries to rely on the understanding of the community from which they come as to what constitutes a "community standard", the States still have considerable latitude in framing geographical standards. Jenkins, Supra at 157.

Thus, the state may choose to define the term "community standard" as defined in Miller, without further definition of a more specific geographic area, or it may choose to define the standards with greater specificity as the State of California has done.

In effect, Miller held that the requirement that the jury evaluate material with reference to contemporary statewide standards of the State of California was permissible.

Your Committee has chosen to follow the State of California and provide a more specific geographic definition of a "community standard." Consequently, the bill defines "community standard" as a standard of the state. The application of a statewide standard will insure uniform application of the law throughout the state, rather than the possible confusion of finding a book or film to be pornographic in one county while the same material may be found not to be pornographic in another county.

Your Committee has made some technical, non-substantive amendments to the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 212, 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. 212, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Nakamura, Baker, Dods, Shito and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 15 on H.B. No. 567

The purpose of this bill is to establish mandatory fines and imprisonment for persons convicted of the offense of prostitution.

At present, courts have full discretion in sentencing, and your Committee finds that fines imposed on persons convicted of prostitution average \$100 per offense. Less than six percent of the cases impose sentences of imprisonment.

Your Committee believes that some form of mandatory sentence of imprisonment is necessary to curb rising crimes of violence and property crimes, many of which occur as a consequence of the offense of prostitution.

The bill provides that persons convicted of prostitution for the first time be mandatorily fined \$500 and may also be sentenced to a term of not more than 30 days. Thus, the judge, in the case of a first offense, is mandated to impose a fine of \$500 and has the discretion to impose a sentence of imprisonment up to 30 days.

Your Committee believes that the imposition of a mandatory fine and jail term in cases of repeat offenders is justified since conviction of a second or subsequent offense is an indication that the defendant is prone to criminal activity as a source of income. In subsequent offenses, the court is mandated to impose the sentence of imprisonment and a fine of \$500 without the possibility of suspension or probation.

Your Committee has amended the bill to provide that where a defendant, not in contumacious default in the payment of a mandatory minimum fine, may instead of paying the fine, be ordered to perform services for the community as provided in section 706-605(1)(f) of the Hawaii Revised Statutes.

Your Committee feels that the addition of this amendment to the bill will prevent the person convicted of prostitution from attempting to pay the mandatory minimum fine in installments or refusing to pay the fine, and provide a further deterrent to the commission of the offense of prostitution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 567, 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. 567, H.D. 1, S.D. 2, C.D. 1.

Senators Carpenter, Kobayashi, Kuroda, Uwayne and Yee  
Managers on the part of the Senate

Representatives Nakamura, Dods, Honda, Waihee and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 16 on H.B. No. 585

The purpose of this bill is to clarify the present law concerning guardianships by trust companies or banks. The purpose is accomplished by addition of the language, "of the property."

Current law limits banks and trust companies to act as a "guardian." Your Committee recognizes that confusion may arise because of such limited language. Presently, not



only may banks and trust companies act as "guardians of property," but also "guardians of the person."

This bill eliminates any doubt and clearly indicates the intent of the legislature that only banks and trust companies may act as personal representatives and guardians of property.

Your Committee received a report on Guardianship and Protective Services in Hawaii, dated December 1980, from the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment and Protective Services in Hawaii. The report recommended enactment of legislation that would permit private, non-profit corporations to act as guardian of the person of mentally incapacitated people. It pointed out that parent groups, such as associations for retarded citizens, have formed corporations for this purpose so that the parents are assured of continuing guardians for their incapacitated children when the family can no longer provide this service.

Your Committee is in agreement that it is desirable to also amend existing legislation to permit corporations to act as guardians of incapacitated persons. Your Committee further agrees that Section 560: 5-311, Hawaii Revised Statutes, be amended to permit private, non-profit corporations and trust companies to act as guardians of incapacitated persons.

Your Committee has amended the bill to delete lines 7 through 10.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 585, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 585, S.D. 1, C.D. 1.

Senators Carpenter, Kobayashi and O'Connor  
Managers on the part of the Senate

Representatives Nakamura, Chun, Taniguchi, Waihee and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 17 on H.B. No. 770

The purpose of this bill is to amend Section 171-133, Hawaii Revised Statutes, by broadening the definition of agricultural park to include aquacultural activities.

This bill would include aquaculture as a permitted use in agriculture parks.

Your Committee upon further consideration has made the following amendments to H.B. No. 770, S.D.1:

- (1) Inserted the phrases "or aquacultural" complex, "or aquacultural" activities and "or aquacultural" commodities after the word agricultural;
- (2) Defined the term aquaculture to mean the farming or ranching of any plant or animal species in a controlled salt, brackish, or freshwater environment; provided that such farm or ranch is on or directly adjacent to land; and
- (3) Made technical, non-substantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 770, S.D.1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 770, S.D.1, C.D.1.

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

Representatives Matsuura, G. Hagino, Kawakami, Okamura and Isbell  
Managers on the part of the House

Conf. Com. Rep. No. 18 on H.B. No. 50

The purpose of this bill is to increase the principal amount of revenue bonds which may be issued by the Hawaii Housing Authority for housing loan programs as established by Act 50, Session Laws of Hawaii 1979, as amended.

Upon further consideration, your Committee has amended the definition of "housing loan program" to include "eligible project loans." This change is needed for implementation

of the rental housing revenue bond program established by Act 291, Session Laws of Hawaii 1980.

Your Committee discussed at length the issues of extending the Hula Mae program to applicants who own vacant lots and those who are parties to agreements of sale. Your Committee directs the Hawaii Housing Authority to examine these areas during the interim, determine the extent of these problems, and make its findings available to the 1982 Legislature for the consideration of changes to the Hula Mae program to address these areas of concern. Your Committee reaffirms its commitment to the Hula Mae program and its intent that the program continue to serve lower- and moderate-income households in need of assistance.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 50, 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. 50, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Ajifu and Young  
Managers on the part of the Senate

Representatives Shito, Honda, Kobayashi, Segawa and Lacy  
Managers on the part of the House

Conf. Com. Rep. No. 19 on S.B. No. 1476

The purpose of this bill is to enable the director of personnel services of the State and the county civil service commissions to adopt appropriate rules on compensation concerning promotions, temporary assignments, and demotions and to accommodate the effects of recently negotiated model conversion plans authorized by Act 253, Session Laws of Hawaii, 1980.

Sections 77-10 and 77-14, Hawaii Revised Statutes, were developed to cover situations arising under current salary structures and are no longer applicable with the model conversion plans. Greater flexibility is needed for the adoption of appropriate rules on compensation adjustments with proper consideration given to merit principles and requirements under model conversion plans.

Your Committee has amended S.B. No. 1476, H.D. 1 to correct typographical errors.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1476, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1476, H.D. 1, C.D. 1.

Senators Uwaine, Abercrombie and Henderson  
Managers on the part of the Senate

Representatives Takitani, Andrews, Tungpalan, Narvaes and Nakasato  
Managers on the part of the House

Conf. Com. Rep. No. 20 on H.B. No. 754

The purpose of this bill is to amend Section 189-3, Hawaii Revised Statutes, to protect trade secrets or confidential information contained in the "monthly catch reports" of licensed commercial fisherman.

This bill classifies as confidential all information contained in the "monthly catch reports", except that such information in summary or aggregate form which maintains the anonymity of individuals may be released or made public by the department of land and natural resources. Your Committee finds that by assuring the privacy of such information, the department of land and natural resources will gain the confidence of the commercial fishers, thereby enabling the department to obtain more accurate and detailed information needed to properly manage the fishery resources.

Your Committee upon further consideration has made the following amendments to H.B. No. 754, H.D.1, S.D.1:

- (1) The total wet weight harvest shall be made public by the department for each of the following: Corallium secundum, Corallium regale, Corallium laauense, Geradia, Callogorgia gilberti, Narella, Calyptrophora, Lepidisis olapa, and Acanella.

(2) Made technical, non-substantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 754, 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. 754, H.D.1, S.D.1, C.D.1.

Senators Henderson, Machida and Yee  
Managers on the part of the Senate

Representatives Matsuura, G. Hagino, Kawakami, Okamura and Narvaes  
Managers on the part of the House

Conf. Com. Rep. No. 21 on S.B. No. 67

The purpose of this bill is to provide for the strict regulation of time sharing sales and for the regulation of exchange programs involving time share interests.

Your Committee is aware of the numerous public complaints arising from the manner and style of solicitation and sales activities of persons associated with the time sharing industry in Hawaii, and finds that the potential for harm to the public necessitates stricter regulation of the time sharing industry.

This bill responds to such major concerns by adding new sections to Chapter 514E, Hawaii Revised Statutes, and by amending existing sections. New material in Section 1 of the bill includes the following:

(1) The Director of the Department of Regulatory Agencies is empowered, upon satisfaction that "any person" is in violation of Chapter 514E, to bring suit on behalf of the State to enjoin any violation. The bill further provides for the voiding, at the election of the purchaser, of every sale or transfer made in violation of Chapter 514E, and agents of the seller may be held jointly and severally liable for the purchase price, plus interest, court costs, and reasonable attorney's fees.

(2) The bill makes time sharing trade practices subject to all provisions of Chapter 480, Hawaii Revised Statutes. It is the intention of your Committee to subject time share companies and time share interest sales to Section 480-2, specifically the "unfair methods of competition" and the "unfair and deceptive acts or practices" clauses thereof. The bill sets out deceptive trade practices, including the failure to disclose fully that promotional devices are "being used for the purpose of soliciting sales of time share interests."

The bill also enables plaintiffs to bring treble-damage lawsuits under Section 480-13 for injuries sustained through actions which violate Chapter 480, an undertaking in which the redress of grievances sought by private parties concurrently assists the State in the enforcement of its laws. Your Committee is of the belief, however, that equity in the circumstances calls for the opportunity to cure defects in time sharing sales transactions, and accordingly has included in Section 1 of the bill a new section entitled "Defense to Action," which establishes a period of fifteen days after notification by the purchaser of a time share interest of an alleged violation of Chapter 480. Within that period the seller must offer in writing to cancel the purchase agreement and tender a full refund, with interest, of monies paid by the purchaser.

Your Committee believes that this provision will encourage parties to settle differences out of court rather than to resort to litigation.

(3) The exchange program section of the bill is a significant addition to Chapter 514E, detailing the manner in which exchange programs are to be operated and administered. Your Committee has expanded and clarified the section by the addition of language limiting the mutual responsibility of exchange agents and developers if the exchange agent is not the developer, or a subsidiary of the developer, or is not controlled by or affiliated with the developer.

(4) The bill requires that time sharing acquisition agents and sales agents who function as real estate salesmen and real estate brokers be so licensed, in compliance with Chapter 467 and the rules and regulations of the Real Estate Commission. Your Committee notes that a distinction is to be made between time share sales agents and time share acquisition agents, as long as the latter are not involved in the selling of real property. The definitions of the two are set out in Chapter 514E-1, Hawaii Revised Statutes:

"Acquisition agent" means any person, other than a developer or sales agent, who, for compensation, solicits or encourages others to attend a time share sales presentation or to contact a time share sales agent or developer.

"Sales agent" means a person who sells or offers to sell for compensation an interest in a time share plan for a developer. (It should be noted that your Committee has amended the definition of "sales agent" quoted above, hereinafter described.)

In making the distinction between sales agents and acquisition agents, your Committee took note of the Declaratory Ruling of the Real Estate Commission on November 22, 1978, which held that salaried employees performing telephone solicitation for real estate companies were not engaged in real estate activity requiring them to be licensed as real estate agents or brokers. The Commission thereby overturned an earlier policy, and attached requirements that such unlicensed employees abstain from making real estate sales presentations, refer all substantive questions to licensed real estate salesmen or brokers, one of whom would be presented during telephone solicitation, and that the sole function of the solicitor would be to extend an invitation to dinner and explain the purpose of the call and the dinner.

Your Committee finds a convincing parallel between real estate telephone solicitors and time sharing acquisition agents who do no selling, for in each case the objective is to put potential purchasers in touch with sales personnel. In view of their similar functions, to require the acquisition agent who does no selling and who is under the direct supervision of a licensed real estate broker or salesman, to be licensed as a real estate broker or salesman while the telephone solicitor, similarly supervised is not so obligated, would raise a question of unequal treatment under the law. Accordingly, your Committee amended Section 1 of the bill to require that real estate licensure apply to those time sharing sales agents and acquisition agents who are functioning as real estate salesmen and real estate brokers, and who are involved in conducting real estate or time sharing interest sales. In the opinion of your Committee, acquisition agents who do no selling and who are under the direct supervision of licensed real estate brokers or salesmen at one location need not have real estate licenses. Acquisition agents who do not satisfy these criteria must be licensed, in view of the declaratory ruling of the Real Estate Commission cited above.

In addition, outside contact persons who are not under the direct and immediate control or supervision of a licensed real estate salesman or broker, or who operate on public property as either independent agents or employees, must be licensed under Chapter 467 relating to Real Estate.

Your Committee amended the bill by adding a new Section 2 to broaden the definition of "sales agent" in section 514E-1, by deleting the phrase "for a developer," and by excluding from its scope an owner who buys a time share interest for his personal use and later offers it for resale.

Your Committee has also amended the bill in Section 3 by adding four new definitions to the chapter: "exchange agent," "exchange program," "person," and "time share interest," each to clarify the provisions of the chapter.

As perviously noted, your Committee finds that Chapter 467, Hawaii Revised Statutes, applies to time sharing companies, time share sales agents and time share acquisition agents. The provisions of Chapter 467 include the establishment of a real estate recovery fund, which to a degree parallels the bonding provisions of Chapter 514E. Clarifying language has been added to Section 5 of the bill to provide that if the sales agent or the acquisition agent furnishes evidence of a blanket bond covering its employees who are sales agents or acquisition agents, the employees need not post individual bonds.

Section 6 of the bill amends section 514E-11, which sets out various prohibited practices. Significant is the replacement of the present constitutionally suspect prohibition of the solicitation of prospective purchasers on any beach, street, or other public property, by a requirement to comply with the disclosure provisions of section 514E-9. Sales agents and acquisition agents are prohibited from delivering sales presentation prior to tendering promised promotional devices, and they may not receive any property or money, including credit cards, prior to the signing of a contract.

Section 6 of the bill also refers to "reservation agreements," which your Committee is aware are being used in the condominium development industry to qualify for exemption from registration under the federal Interstate Land Sales Full Disclosure Act (15 U.S.C. §1701 et. seq.) and the Uniform Land Sales Act, Chapter 484, Hawaii Revised Statutes, while conducting pre-sales to gauge market feasibility, to provide a preliminary basis for obtaining loan commitments, and to satisfy the lender's presale requirements under such commitments.

A reservation agreement is a document by which a purchaser expresses an interest in buying property at some time in the future. A deposit may be accepted from the purchaser

provided it is placed in escrow with an independent institution having trust powers and is refundable at any time at the purchaser's option. In all cases, a reservation agreement requires a subsequent affirmative action by the purchaser to create his obligation; typically the action would be the execution of a formal contract of sale.

Your Committee understands that this practice has begun to carry over into the time share industry for programs in which time share units are not yet constructed when the developer begins his sales program. Accordingly, your Committee has included express references to reservation agreements at appropriate places in the bill. Your Committee has not expressly established an escrow requirement for use in connection with the taking of any such reservations. This is due in part to the understanding that time share developers using reservation agreements to qualify for exemption from the federal and state land sales acts must already establish adequate escrow arrangements to take advantage of such exemptions.

Section 7 of the bill, as amended, completely replaces the present provisions of Section 514E-12 with new language subjecting any person who violates the chapter or any rule of the director to a fine of not less than \$500 nor more than \$10,000 for each offense, with each date of violation constituting a separate offense. The amended language clarifies the role of the director in the determination and imposition of civil penalties, adding the requirement for prior notice and hearing in the interest of due process and the exploration of the extent of the violation and the identification of responsible parties. Your Committee has empowered the director to issue cease and desist orders to any person in violation of the chapter or related rules, and to assess fines and revoke the registration and right to sell time share interests of any person who fails to comply with a cease and desist order.

Section 8 of the bill, as amended, adds a severability clause to Chapter 514E.

Your Committee dealt at length with Section 9 of the bill which amends Section 514E-2 by providing, for the purposes of Chapter 467, that a time share interest shall constitute real estate. Your Committee has extended the language to add: "and the offer or sale thereof shall constitute the offer or sale of an interest in real property."

Although Section 514E-2 was intended to make clear that the character of an interest in real property would not be affected by the use of the property in connection with a time share plan, the status of a time share interest itself was not detailed. The practical effect of this amendment to Section 514E-2 is to include within the real estate licensure requirements of Chapter 467 those time share sales agents and time share acquisition agents who offer to sell, or do sell, time share interests.

Your Committee is aware that the Department of Regulatory Agencies presently requires time share sales agents dealing in time share ownership plans to be licensed as real estate brokers and real estate salesmen, but that the same requirement is not imposed upon those who deal in the sale of interests in time share use plans, even though the time share interest in a time share use plan may constitute an interest in real property, and therefore "real estate" within the meaning of Section 467-1 (4). Section 9 of this bill is intended to remove any doubt that time share interest is an interest in real property and that persons selling time share interests must be licensed under Chapter 467.

In consideration of the practical aspects of requiring real estate licensure of time sharing personnel not already licensed, your Committee has amended the bill in Section 11 so that the licensure requirement becomes effective on January 1, 1982, in order to give potential candidates for licensure time to prepare for the examination to be conducted by the Real Estate Commission. It is the expectation of your Committee that the Real Estate Commission will attend to the qualification for licensure of time sharing industry personnel, affording them assistance and guidance, and, should it prove necessary, conducting an additional examination over and above those already scheduled.

Your Committee has made a number of nonsubstantive technical amendments to the bill for purposes of clarity, and is satisfied that the bill as amended responds to the public insistence for stricter regulation of the time sharing industry. At the same time it is both sound and equitable in its application to the legitimate interests of the state, private citizens, visitors to Hawaii, and the time sharing industry.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 67, 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. 67, S.D. 1, H.D. 1, C.D. 1.

Senators Cobb, Kuroda and Soares  
Managers on the part of the Senate

Representatives Blair, Dods, Kawakami, Waihee and Ikeda  
Managers on the part of the House

Representative Dods did not sign the report.

Conf. Com. Rep. No. 22 on H.B. No. 14

The purpose of this bill is to require that contracts for life, disability, credit life, credit disability, health, homeowners, and motor vehicle no-fault insurance be presented to the consuming public in substantially readable form.

This bill is concerned with the fact that insurance contracts have, in the past, become almost unreadable for most of the general public because of the liberal use of technical and legal language. This bill would introduce the requirement that insurance contracts achieve a score of 50 on the Flesch reading ease test or an equivalent score on a comparable test in order to provide a minimum standard for readability. Your Committee feels that such a requirement is in the best interest of consumers who will benefit by being able to read their insurance contracts with understanding.

Your Committee has made a technical amendment to include no-fault insurance contracts for motor vehicles leased for personal use.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 14, 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. 14, H.D. 1, S.D. 1, C.D. 1.

Senators Cobb, Uwaine and Yee  
Managers on the part of the Senate

Representatives Blair, Baker, Dods, Kawakami and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 23 on H.B. No. 328

The purpose of this bill is to ensure that Chapter 480, relating to state antitrust laws, be construed in conformance with judicial interpretations of comparable federal statutes.

Hawaii's antitrust laws were enacted in 1961 and the intent of the legislature at that time was clearly to utilize the precedents developed in the federal law in applying Chapter 480. Conference Committee Report No. 19, H.B. No. 27, H.D. 2, S.D. 2, C.D. 1 (May 27, 1961) states:

In conclusion it is the intent of your Committee on Conference that wherever there are comparable provisions of the federal antitrust laws and tests similar in language to those provided in this bill, it is intended that those decided federal cases applicable and relating to those provisions and tests will guide the interpretation and application of such terms and provisions of this bill in the light of the economic and business conditions of this State. Id. at page 19.

Your Committee is aware that in a recent case involving the State's first criminal antitrust action, the First Circuit Court ruled that in order to indict a defendant under Section 480-4, Hawaii Revised Statutes, Hawaii's counterpart to Section 1 of the Sherman Act, the State must allege and prove specific intent on the part of the defendant. The Circuit Court's ruling was in direct conflict with the U.S. Supreme Court's ruling in United States v. United States Gypsum Co., 438 U.S. 422 (1978), in which the court held that violations of Section 1 of the Sherman Act were general intent crimes. The state court's interpretation of Section 480-4, Hawaii Revised Statutes, would make state enforcement of state antitrust laws much more difficult and burdensome than federal enforcement of federal antitrust laws.

Your Committee believes that if the state court ruling is allowed to stand, antitrust violations would be severely hampered, as the State would be required to prove the more stringent standard of whether the defendant specifically intended to restrain trade, rather than merely that the defendant knowingly entered into a price-fixing arrangement. This bill would compel the state court to follow interpretations of comparable federal statutes in requiring proof of only general intent.

Your Committee has amended the bill by placing the substance of the proposed new section into Section 480-3. Your Committee feels that this approach is more consistent with the present style of Chapter 480. Your Committee's intent in amending Section 480-3 is to provide a more encompassing statement of interpretation of the chapter. This bill is not intended to preclude federal reliance on interpretations of the Federal Trade Commission and the federal courts to section 5(a)(1) of the Federal Trade Commission Act in construing Section 480-2, but instead is intended to apply existing federal law to interpretation of the entire chapter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 328, 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. 328, H.D. 1, S.D. 2, C.D. 1.

Senators Cobb, Carpenter, O'Connor, Soares and Yee  
Managers on the part of the Senate

Senator O'Connor did not sign the report.

Representatives Blair, Hirono, Shito, Honda and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 24 on H.B. No. 393

The purpose of this bill is to limit representation on a condominium board of directors to one owner per unit and to provide for examination of the association's financial statements by owners.

Presently, a condominium board may have more than one director from the same apartment. This bill would prevent over-representation from any one unit and make it more difficult for a small group to control the operations of the association.

Present law also requires that minutes of the meetings of the board of directors and association of apartment owners be available for examination by apartment owners at convenient hours at a place designated by the board. This bill adds a provision that the association's financial statements be available for examination and requires all the documents to be available on the condominium premises and on request, to be mailed to owners.

Your Committee has amended the bill by deleting reference to the premises of the condominium and clarifies the procedure for mailing statements to owners. Your Committee feels that these amendments will clarify the intent of the bill.

Your Committee has also made technical, nonsubstantive, changes to the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 393, 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. 393, H.D. 1, S.D. 1, C.D. 1.

Senators Cobb, Uwaine and Yee  
Managers on the part of the Senate

Representatives Blair, Hirono, Shito, Honda and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 25 on H.B. No. 934

The purpose of this bill is to allow the Board of Examiners of Nursing Home Administrators to sunset as scheduled on December 31, 1981.

Under Chapter 26H, Hawaii Revised Statutes, the various boards and commissions regulated by state law under the Department of Regulatory Agencies are scheduled for periodic review by the legislature to determine whether or not the regulatory program should be continued. Pursuant to this "sunset" law, the statutes governing the Board of Examiners of Nursing Home Administrators is due to be repealed on December 31, 1981. This bill would sunset Chapter 457B, Hawaii Revised Statutes, and place regulation of nursing homes under the Board of Medical Examiners.

Your Committee finds from the Sunset Evaluation Report submitted by the Legislative Auditor that maintenance of a State licensing program for nursing home administrators is a federal requirement for participation in federal funding. Under the Social Security Act, compliance with the Medicaid program is required in order that the State be eligible to receive financial aid under these programs. Currently, aid received state-wide is approximately \$20 million annually.

Your Committee feels that compliance with federal requirements should be continued and has therefore amended the bill to conform with federal requirements and has extended the repeal date of the chapter to December 31, 1984. Your Committee has also amended the composition of the board to conform to the requirements of the Social Security Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 934, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 934, S.D. 1, C.D. 1.

Senators Cobb, Uwayne, Saiki, Machida and Kobayashi  
Managers on the part of the Senate

Representatives Blair, Chun, Baker, Hirono and Ikeda  
Managers on the part of the House

Conf. Com. Rep. No. 26 on H.B. No. 1511

The purpose of this bill is to 1) define and permit wraparound loan mortgages for the financing of real property, and 2) raise the interest rate chargeable on credit card accounts from 18 percent to 21 percent.

Under present law, wraparound financing for real property is prohibited unless the interest rate complies with the 12 percent usury limit since it is secured by property upon which there exists a prior lien.

This bill would specifically exempt wraparound junior liens from existing usury limits by defining such loans as first liens for purposes of Section 478-8, Hawaii Revised Statutes. Your Committee feels that such financing will aid potential homeowners by providing an opportunity to obtain financing at a lower rate of interest than would otherwise be obtainable. Your Committee feels that it would aid potential homebuyers if they are allowed to take advantage of the difference between the relatively low interest rate on a seller's first mortgage and the high currently prevailing interest rates. Your Committee finds that in certain fact situations, wraparound financing can be beneficially used to provide a homebuyer with an annual rate of interest below current levels, and still provide the lender with a competitive effective rate of return.

This bill would also increase the current 18 percent limit on interest chargeable on credit card accounts to 21 percent. Your Committee has, however, amended the bill by deleting this provision, retaining the current rate of interest.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1511, 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. 1511, H.D. 1, S.D. 2, C.D. 1.

Senators Cobb, Uwayne and Henderson  
Managers on the part of the Senate

Representatives Blair, Chun, Shito, Honda and Ikeda  
Managers on the part of the House



Conf. Com. Rep. No. 27 on H.B. No. 1769

The purpose if this bill is to extend the repeal date of Chapter 441, Hawaii Revised Statutes, relating to cemeteries and mortuaries, from December 31, 1981 to December 31, 1987, to amend the existing chapter by deleting the Cemetery and Mortuary Board, and to make other technical changes to the chapter.

Under Chapter 26H, Hawaii Revised Statutes, the various boards and commissions regulated by the state law under the Department of Regulatory Agencies are scheduled for periodic review by the legislature to determine whether or not the regulatory program should be continued. Pursuant to this "sunset" law, the statutes governing the Cemetery and Mortuary Board are due to be repealed on December 31, 1981. This bill would extend the board until December 31, 1987.

This bill also amends Chapter 441, Hawaii Revised Statutes, by abolishing the Cemetery and Mortuary Board and placing the responsibility for regulation of mortuary, cemetery, and pre-need funeral authorities with the Director of the Department of Regulatory Agencies. The bill also exempts cemeteries from present bonding requirements and deletes licensing and bonding requirements for cemetery and pre-need funeral salesmen. Further, the bill adds a new section to the chapter requiring an explanation of trust or pre-need fund provisions, refund provisions, and what related purchases, if any, may be necessary, in addition to the items or services purchased under the sales contract.

Your Committee has amended the bill to clarify its intent that real estate licenses are not required of cemetery or pre-need funeral salesmen, notwithstanding the provisions of Chapter 467, Hawaii Revised Statutes.

Your Committee has further amended the bill by including a new Section 24 directing the Director of Regulatory Agencies to prepare a report regarding regulation under Chapter 441, for submission to the legislature prior to the convening of the 1982 session. This report shall deal with questions regarding areas covered by the Department's regulatory functions including bonding, licensing of mortuaries, perpetual care funds, auditing, and administration of trusts.

Your Committee has also made technical and grammatical amendments and corrections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1769, 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. 1769, H.D. 1, S.D. 1, C.D. 1.

Senators Cobb, Kuroda and Soares  
Managers on the part of the Senate

Representatives Blair, Hirono, Chun, Waihee and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 28 on H.B. No. 1022

The purpose of this bill is to clarify Chapter 290, Hawaii Revised Statutes, regarding disposition of towed vehicles which have been abandoned.

Present law provides that towed and abandoned vehicles may be disposed of according to the terms of Chapter 290 relating to abandoned vehicles. In order to clarify the terms of disposal, this bill provides that disposal of towed vehicles may be effected through the procedures set forth. These procedures are similar to those existing for the disposition of vehicles abandoned on the premises of certain business establishments.

Your Committee has amended the bill to raise the amount chargeable as a storage fee from \$2 to \$3.50. Your Committee has also made technical corrections to the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1022, 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. 1022, H.D. 1, S.D. 1, C.D. 1.

Senators George, Cobb and Soares  
Managers on the part of the Senate

Representatives Blair, Dods, Honda, Kawakami and Ikeda  
Managers on the part of the House

Conf. Com. Rep. No. 29 on H.B. No. 247

The purpose of this bill is to exempt rum manufactured in the State from the liquor tax for five years and to delete the prohibition on labeling or selling rum as "Hawaii Rum" or "Hawaiian Rum" unless it has been aged for at least two years. The bill also provides that liquor may be labeled or sold using the word "Hawaii," "Hawaiian," or "Aloha State" as long as it is at least partially manufactured in the State.

Under present law, it is required that rum be aged for at least two years from the date of distillation if it is to be labeled or sold as "Hawaii Rum" or "Hawaiian Rum." Your Committee notes that the labeling prohibition has proved to be an effective bar to local distillers establishing a market for Hawaiian rum.

Your Committee feels that the labeling requirement bears no reasonable relationship to insuring the quality of the product and therefore agrees with the intent of the bill that there is no need for such an aging requirement prior to labeling.

Your Committee is aware of the consolidated cases in the State Tax Appeal Court, Civil Nos. 1852, 1862, 1866 and 1867, under the name Bacchus Imports, Ltd., et al. v. Freitas, currently pending in the State Supreme Court, regarding the validity of certain liquor tax exemptions, and has had extensive discussions with the Attorney General's Office and the State Tax Department regarding the cases. Your Committee also notes that opinions conflict as to whether or not the national tax structure provides an advantage to rum produced in Puerto Rico and therefore makes no finding on that issue. Your Committee does feel, however, that providing a tax incentive in the form of a liquor tax exemption for a period of years is an appropriate method of encouraging the development of a new industry in the State and is therefore in agreement with the intent of the bill.

Your Committee has made a technical correction to the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 247, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 247, S.D. 2, C.D. 1.

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

Representatives Blair, Andrews, Baker, Hirono and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 30 on H.B. No. 1048

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for the furnishing of electric energy.

This bill authorizes the Department of Budget and Finance to issue special purpose revenue bonds pursuant to Chapter 39A, Hawaii Revised Statutes, in an amount not to exceed \$72,252,000, for capital improvement programs which are multi-project programs for the local furnishing of electric energy by electric utility companies; provided that the Public Utilities Commission approves the projects, and the funds are not used for new fossil or nuclear fuel generating units. This bill further provides that the Public Utilities Commission shall make annual reports to the legislature regarding electric utilities financing, costs, and benefits of the bonds, and a listing projects so funded.

Your Committee has amended the bill to provide a list of capital expenditures for which each electric utility plans to expend funds generated from the issuance of special purpose revenue bonds during the period July 1, 1981 through June 30, 1984. Your Committee feels that this amendment will provide a basis upon which informed decisions can be made on the issuance of such bonds.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1048, 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. 1048, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Campbell, Cayetano, Henderson and Soares  
Managers on the part of the Senate

Representatives Blair, Honda, Kawakami, Kiyabu, Morioka and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 31 on H.B. No. 1103

The purpose of this bill is to 1) add to and delete compounds from the schedules of controlled substances pursuant to requirements of Chapter 329, Hawaii Revised Statutes, and 2) amend the present prescription writing and filling procedure by requiring Schedule II controlled substances blank prescription forms to be printed and distributed by the Department of Health.

Under Section 329-11, Hawaii Revised Statutes, the Department of Health and the legislature are required to annually review the controlled substances schedules contained in Chapter 329 for purposes of additions and deletions of listed substances. Your Committee finds that the proposed addition of the substances, Bulk Dextropropoxyphene and Phenylacetone, is in conformance with changes made on the federal level as noted in the Federal Register, Vols. 44, No. 142, July 22, 1980, and 45, No. 240, December 12, 1979. Your Committee is therefore in agreement with the proposed changes.

Your Committee has amended the bill to delete reference to the proposed prescription procedures and revolving fund.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1103, 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. 1103, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Ajifu and Cayetano  
Managers on the part of the Senate

Representatives Blair, Chun, Shito, Waihee and Ikeda  
Managers on the part of the House

Conf. Com. Rep. No. 32 on H.B. No. 1770

The purpose of this bill is to amend various provisions of Chapter 468K, Hawaii Revised Statutes, relating to the travel agency recovery fund.

Chapter 468K, Hawaii Revised Statutes, was enacted as Act 290, 1980 and became effective January 1, 1981. This bill would amend the chapter in the following substantive manner: (1) limit recovery to those acts committed by only registered travel agents or sales representatives, (2) provide a definition of "aggrieved person", (3) limit payment into the fund to one payment at initial registration, and (4) limit additional payments to the fund at only even-numbered years.

Your Committee finds that the changes suggested by the bill clarify the original intent of the law. In connection therewith, your Committee notes that most recoveries against travel agencies do not exceed \$1,500 and a lowering of liability limitations should not adversely affect the rights of consumers. Your Committee has therefore lowered both the individual recovery limit and the maximum liability of the fund per travel agent or sales representative from \$10,000 to \$8,000.

Your Committee has also raised the interest rate applicable on repayment to the fund from 6 percent to 10 percent per annum.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1770, 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. 1770, H.D. 2, S.D. 1, C.D. 1.

Senators Cobb, Kuroda and Soares  
Managers on the part of the Senate

Representatives Blair, Kiyabu, Hirono, Waihee and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 33 on S.B. No. 1681

The purpose of this bill is to establish a Design Professional Conciliation Panel and procedures for claims filed against professional engineers, architects, or surveyors.

In any action for damages the complaining individual shall file a claim with the panel. The panel shall consist of three persons who shall review and render findings and advisory opinions on issues of liability and damages. Notice of a claim shall be given to all parties who may be involved. Any party may file a written response to a claim filed.

At the hearing on the claim, the panel may receive any type of evidence and may in its discretion permit any party or counsel for a party to question other parties, witnesses or consultants. The panel may subpoena witnesses and invoke the aid of the courts to assure compliance with the subpoena. The panel may encourage parties to settle the case any time prior to the rendition of its advisory decision. Evidence obtained from the hearing is inadmissible in any subsequent litigation except in a situation where a party refuses to cooperate with the panel and is subject to an assessment of costs and fees. Within fifteen days of a hearing, if the case has not been settled or otherwise disposed, the panel is required to file a decision with the Director of Regulatory Agencies who shall mail copies of it to all parties. The filing of the claim with the panel shall toll the statute of limitations until sixty days after the decision is mailed or delivered by the panel to the parties involved.

All parties involved have the duty to cooperate with the panel or be subject to an assessment of costs and fees by the Court. All panel members are immune from any defamation action while acting within their capacity as a member of the panel.

The bill also provides that the Director of Regulatory Agencies shall prepare and submit a report to the Legislature annually on the effectiveness of this panel.

The bill also provides that compensation shall be paid by the claimant and defendant to the panel members.

Your Committee finds that this bill would be beneficial in terms of deterring frivolous and costly suits, thereby assuring that only reasonable and meritorious claims are brought to the Court's attention.

Your Committee upon further consideration has made the following amendments to S.B. No. 1681, S.D. 2, H.D. 1:

- (1) Provided that "design professional" means a professional engineer, architect, or surveyor; and
- (2) Provided that the Director of Regulatory Agencies shall be responsible for implementing and administering this part and shall adopt rules in accordance with Chapter 91, Hawaii Revised Statutes;
- (3) Deleted provisions requiring the cooperation and attendance of the design professionals' liability insurance carriers' representatives at the hearings. While such representatives usually do attend the hearings anyway, your Committee felt it improper to require their attendance unless they are parties to an action for damages; and
- (4) Other amendments have been made for purposes of clarification to the Ramseyer format.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1681, 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. 1681, S.D. 2, H.D. 1, C.D. 1.

Senators Carpenter, Kuroda and Kobayashi  
Managers on the part of the Senate

Representatives Nakamura, Kunimura, Morioka, Waihee, Taniguchi and Ikeda  
Managers on the part of the House

Conf. Com. Rep. No. 34 on H.B. No. 32

The purpose of this bill is to extend the three-year job-sharing pilot project of the Department of Education, which is scheduled to end at the close of the 1980-81 academic year, for an additional two academic years.

Your Committee believes that an extension of the pilot project will enable the Legislature to more fully consider appropriate refinements or amendments to the act establishing the job-sharing pilot project (Act 150, Session Laws of Hawaii 1978, as amended by Act 134, Session Laws of Hawaii 1980).

The bill as received by your Committee requires the Legislative Auditor to submit additional status reports to the 1982 and 1983 Regular Sessions and a report on its findings and recommendations to the 1984 legislative session. Having recently received and reviewed the Legislative Auditor's March 1981 report entitled: Job-Sharing Pilot Project in the Department of Education: Final Evaluation, and having thereby determined that this report thoroughly addresses all of the concerns of the Committee relating to the jobsharing pilot project, your Committee has therefore amended H.B. No. 32, H.D. 1, S.D. 1 to delete the requirement for additional reports by the Legislative Auditor.

Your Committee on Conference is in accord with the intent and purpose of H.B. 32, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. 32, H.D. 1, S.D. 1, C.D. 1.

Senators Abercrombie, Carpenter and Ajifu  
Managers on the part of the Senate

Representatives Toguchi, Andrews, Matsuura, Takitani and Monahan  
Managers on the part of the House

Conf. Com. Rep. No. 35 on H.B. No. 33

The purpose of this bill is to transfer the responsibility for the operation, planning, programming, and budgeting of all community/school and public libraries from the Department of Education to the Board of Education through the State Librarian.

Under present law, the administration of programs related to library services and transcription services for the blind are within the responsibilities of the Superintendent of Education, and the State Librarian is under the direction of the Superintendent of Education.

Under this bill, the responsibility for the administration of the school library program will remain under the Superintendent of Education. However, the responsibility for the administration of programs relating to public library services and transcribing services for the blind are transferred by the bill to the State Librarian under policies established by the Board of Education. Further, the bill places the State Librarian under the direction of the Board of Education, rather than under the direction of the Superintendent of Education and the Department of Education. The State Librarian is given the responsibility for the planning, programming, and budgeting of all community/school and public libraries within the State.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 33, H.D. 2, S.D. 1:

- (1) To delete "and public libraries" on line 3 and the same on line 4 in Section 1 of the bill.
- (2) To delete "department of education and public libraries" and inserting "public library system" on line 7 and the same on line 18 of Section 1, page 2 of the bill.
- (3) To delete "department of education and public libraries" and inserting "public library system" on lines 10-11 and lines 21-22 of Sections 1 and 2, respectively, page 3 of the bill.
- (4) To delete the brackets on the word "operation" on line 14 of Section 7, page 7 of the bill.
- (5) To delete, in its entirety, Section 11, page 10 of the bill, and to renumber Sections 12 and 13 to Sections 11 and 12, respectively.

Your Committee wishes to emphasize that, through this bill, the public library system is hereby placed under the sole and direct control of the Board of Education, to be administered by the State Librarian, and is placed in the Department of Education for administrative purposes only.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 33, 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. 33, H.D. 2, S.D. 1, C.D. 1.

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

Senator Saiki did not sign the report.

Representatives Toguchi, D. Hagino, Okamura, Tungpalan and Isbell  
Managers on the part of the House

Conf. Com. Rep. No. 36 on S.B. No. 1662

The purpose of this bill is to require the Board of Education to release a public school student from school attendance to observe a religious holy day, when requested in writing by a parent, guardian or other person having custody or control of the pupil.

Your Committee finds that currently recognized religious holy days do not encompass the spectrum of religious beliefs in our community. It is in the tradition of separation of church and State to respect those beliefs regardless of the number of people who may hold them.

Your Committee has amended the bill to count actual attendance at religious observances as an excused absence rather than as attendance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1662, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1662, H.D. 2, C.D. 1.

Senators Abercrombie, Carpenter and Kobayashi  
Managers on the part of the Senate

Representatives Toguchi, Baker, Hirono, Segawa and Anderson  
Managers on the part of the House

Conf. Com. Rep. No. 37 on H.B. No. 1680

The purpose of this bill, as received by your Committee, is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist eight not-for-profit corporations that provide health care facilities to the general public to be used for financing new construction and renovation or by refinancing existing obligations.

Testimony received from Castle Memorial Hospital indicates that the sum of \$9,100,000 is needed for new construction and the renovation of existing facilities, as well as for the refinancing of a long-term debt. Your Committee on Conference has accordingly amended Section 2, line 12, page 1 of the (S.D. 2) bill by adding the words "and new construction and renovation" so as to clearly specify the expanded purpose for which special purpose revenue bonds in the previously cited sum are authorized to be issued for Castle Memorial Hospital.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1680, 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. 1680, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Anderson and Cayetano  
Managers on the part of the Senate

Representatives Segawa, Ige, Kobayashi, Levin and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 38 on S.B. No. 508

The purpose of this bill is to amend the chapters of the Hawaii Revised Statutes which relate to forestry, fish and game, fishing rights, commercial fishing, and conservation and resources enforcement. The amendments (1) reorganize the statutes to reflect the transfer of responsibility for the management of terrestrial animals from the department of land and natural resource's fish and game division to its forestry division, (2) reflect the redesignation of those divisions as the division of aquatic resources and the division of forestry and wildlife, (3) establish uniform, "sliding scale" penalties for violations of laws and rules pertaining to conservation and resources, (4) delete archaic provisions of the statutes, and rewrite or reorganize certain sections to clarify their intent, and (5) confer additional rule-making authority on the department.

Your Committee has made the following amendments to S.B. No. 508, S.D. 1, H.D. 2, as received:

(1) On pages 4 and 32, your Committee has amended the bill to more clearly define the department's authority to destroy predators deemed harmful to wildlife and game. Currently, sections 187-13 and 187-14, Hawaii Revised Statutes, give the department the authority to destroy predators on state-owned lands, and require extensive sign posting in the areas where predators are being destroyed. The bill, as received, repeals

these sections, and amends chapter 183, Hawaii Revised Statutes, to confer general authority on the department to destroy predators. However, that general authority would allow the department to destroy predators on private as well as public lands, and would require less extensive posting.

Your Committee finds that the guidelines contained in the current provisions of the statutes are appropriate. Accordingly, it has amended the bill, as received, to leave sections 187-13 and 187-14, Hawaii Revised Statutes, intact. It has further amended section 183-1, Hawaii Revised Statutes, to note that the department has the authority to destroy predators, pursuant to sections 187-13 and 187-14, Hawaii Revised Statutes.

(2) On page 13, your Committee has amended the definition of "aquaculture" in chapter 187, Hawaii Revised Statutes, to conform with the definition set forth by H.B. No. 770, S.D. 1.

(3) On pages 80 and 81, your Committee has amended the bill to provide that the department, upon revoking a commercial fisherman's license, may specify a period of time not to exceed one year during which the fisherman would not be eligible to apply for another license. Previously, the bill required a mandatory one-year waiting period before the fisherman could reapply for a license. Since the suspension of a fisherman's license in effect denies the fisherman the opportunity to pursue the fisherman's livelihood and is therefore a very severe penalty, your Committee finds that the length of such suspensions should be decided on a case-by-case basis.

(4) On pages 80 and 81, your Committee has amended the bill by stating explicitly that a commercial marine licensee shall be given notice and opportunity for hearing in accordance with the Administrative Procedure Act in a proceeding for the revocation of the license.

(5) On page 81, your Committee has amended the bill to require the department to publicly report the wet weight harvest of certain species of coral harvested by individual fisherman. Previously, the bill prohibited such information from being released except in aggregate or summary form. This amendment is necessary because those species of coral are harvested under a quota system, and individual fishermen must know the amounts of coral harvested by other fishermen in order to comply with the quota. This amendment also brings this bill into conformance with the provisions of H.B. No. 754, H.D. 1, S.D. 1.

(6) On page 108, your Committee has deleted the "sunset" provision which would have nullified all of the amendments made by the bill three years after its enactment. The purpose of that provision, as stated in House Standing Committee Report No. 940, was to allow the legislature to review the amendments during the three-year period. In deleting that provision, it is the intent of your Committee that the department review the implementation of the amendments made by this bill, and report its findings together with any suggested legislation to the legislature prior to the convening of the Regular Session of 1983. Such report should also contain additional suggestions for streamlining the other chapters of Title 12, Hawaii Revised Statutes, whether by deleting archaic language, rewriting or reorganizing sections, or through expanded use of rule-making authority.

(7) Lastly, your Committee has made several technical or stylistic amendments to the bill to clarify its intent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 508, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 508, S.D. 1, H.D. 2, C.D. 1.

Senators Kobayashi, Henderson and Uwaine  
Managers on the part of the Senate

Representatives Sakamoto, Kiyabu, Baker, Fukunaga, Kawakami, Levin, Matsuura, Morioka, Isbell and Narvaes  
Managers on the part of the House

Conf. Com. Rep. No. 39 on H.B. No. 432

The purpose of this bill is to amend current law by adding a requirement that the Board of Land and Natural Resources not allow state land to be disposed or used in support of any policy which discriminates against anyone based upon his or her sex or religion.

Your Committee has amended the bill deleting the word religion since this would restrict the Board of Land and Natural Resources from leasing public lands to certain

groups of people.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 432, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 432, S.D. 1, C.D. 1.

Senators Henderson, George and Machida  
Managers on the part of the Senate

Representatives Sakamoto, Fukunaga, Kawakami, Waihee and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 40 on H.B. No. 728

The purpose of this bill is to tighten the existing buy-back provisions in the Hawaiian Homes Commission Act, 1920, as amended, in order to curb speculation, lower the price of homes to new lessees of surrendered leases, and prevent a drain of the Department of Hawaiian Home Land's housing loan funds.

Currently, lessees who surrender their leases or have them canceled receive the difference between the appraised value of the improvements, as determined by independent appraisal, and debts owing the Department of Hawaiian Home Lands. Appraisals of improvements have been much higher than the original costs of the improvements. Thus, the Department has had to pay much for the surrendered leases. This has allowed some lessees to make large cash gains after short residences on leased lands. The added costs have also been passed on to subsequent lessees.

The Department of Hawaiian Home Lands has proposed this bill. The buy-back provisions are based on those of the Hawaii Housing Authority. The Department feels that this bill is equitable to itself and surrendering lessees. Your Committee agrees with the Department in this regard.

Your Committee has added a subsection (h) to the new section created in Section 2 in this bill to specify that this bill does not affect rights or interests which have vested prior to enactment of this bill - that present homestead leaseholders are not affected. This is done to allay the fears of many homesteaders who have expressed concern over this matter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 728, 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. 728, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Anderson and Young  
Managers on the part of the Senate

Representatives Sakamoto, Kiyabu, G. Hagino, Hashimoto, Kawakami and Narvaes  
Managers on the part of the House

Conf. Com. Rep. No. 41 on S.B. No. 55

The purpose of this bill is to permit the construction of two dwelling units on residential lots which can reasonably accommodate such increased density.

Currently, many homeowners are prohibited from building more than one single-family dwelling unit on their lots. Your Committee finds that allowing the development of an additional dwelling unit on those lots would allow optimal utilization of scarce land, provide an immediate and relatively inexpensive means of increasing the supply of affordable housing, and encourage the maintenance of the extended family lifestyle we value in Hawaii.

To clarify possible ambiguities as to the scope of this bill, your Committee has substantially amended the bill in the following manner:

1. The bill has been amended to apply to "any lot where a residential dwelling unit is permitted" to assure that residential dwelling units constructed in areas which are not specifically zoned for residential use (for example, apartment, hotel, etc.) would fall within the scope of this bill.
2. The application of the bill to any particular lot is conditioned upon satisfaction of applicable county requirements. This is intended to insure that any two dwellings constructed on a residential lot pursuant to this bill does not exceed any limitation otherwise imposed on the development of the lot. This would include height, setback,



and lot coverage requirements. The bill also enables counties to establish additional requirements.

3. The application of the bill to any lot is also conditioned upon the counties finding that infrastructure and other public facilities can support the additional development.
4. Residential areas in which density bonuses have already been provided, such as planned unit developments or cluster developments, are excluded from the scope of the bill.
5. The counties are explicitly required to adopt permit procedures for dwelling units developed under this bill and the effective date of the measure has been changed to January 1, 1982 to allow for such development and adoption.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 55, 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. 55, S.D. 1, H.D. 1, C.D. 1.

Senators Young, Holt and Anderson  
Managers on the part of the Senate

Representatives Shito, Chun, Kobayashi, Sakamoto and Lacy  
Managers on the part of the House

Conf. Com. Rep. No. 42 on S.B. No. 1713

The purpose of this bill is to bring state regulations concerning health care insurance for the elderly into compliance with Public Law 96-625, enacted by Congress on June 8, 1980.

This law requires states to adopt before July 1, 1982, a regulatory system for Medicare supplements in conformance with federal requirements. Failure to adopt such a system will subject the State to federal regulation. This bill authorizes the state insurance commissioner to adopt a variety of rules regulating terms and types of coverage, eliminating misleading provisions, and providing for full disclosure in the sale and marketing of health care coverage to senior citizens.

This bill will protect the State's elderly consumers of medical insurance and ensure that the State retain regulation in this area.

Your Committee has made an amendment to the provision that nonprofit medical indemnity or hospital service associations be exempt from the provisions of sections 431-463 to 431-498, Hawaii Revised Statutes, to condition such exemption on its compliance with federal statutes and regulations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1713, 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. 1713, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Anderson, Cobb, Henderson and Uwayne  
Managers on the part of the Senate

Representatives Blair, Kiyabu, Chun, Dods, Kobayashi, Levin, Okamura, Shito, Lacy and Ikeda  
Managers on the part of the House  
Representative Dods did not sign the report.

Conf. Com. Rep. No. 43 on H.B. No. 1590

The purpose of this bill is to clarify provisions in the current statutes regarding the leasing and development of state owned, submerged lands and lands beneath tidal waters.

Your Committee finds there are two statutory avenues under which the Board of Land and Natural Resources can lease submerged lands and lands beneath tidal waters. Section 171-60, Hawaii Revised Statutes, requires prior approval of the Governor and authorization of the Legislature while Section 171-53 requires only prior approval of the Governor. However, your Committee believes that legislative authorization should be required whenever the Board of Land and Natural Resources leases submerged lands and lands beneath tidal waters. Accordingly your Committee has amended the bill in the following manner:

- (1) By amending the purpose section (Section 1) of the bill so that the purpose, in

summary, is to help preserve and protect the environment by requiring prior legislative authorization for the leasing and development of submerged lands and lands beneath tidal waters.

(2) By making appropriate amendments to Section 2, which amends Section 171-53(c), Hawaii Revised Statutes to require the Board of Land and Natural Resources to obtain prior authorization of the Legislature by concurrent resolution for the leasing of submerged lands and lands beneath tidal waters.

(3) By adding Section 3, which amends Section 171-60(a), Hawaii Revised Statutes by deleting the twenty-four hour period before the concurrent resolution can be adopted. This is done to make both Section 171-60(a) and Section 171-53 consistent.

(4) By renumbering Sections 4 and 5 accordingly.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1590, 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. 1590, H.D. 1, S.D. 2, C.D. 1.

Senators Henderson, Cobb and Kobayashi  
Managers on the part of the Senate

Representatives Sakamoto, Fukunaga, Kawakami, Hirono and Monahan  
Managers on the part of the House  
Representative Monahan did not sign the report.

Conf. Com. Rep. No. 44 on S.B.No. 163

The purpose of this bill is to authorize the preparation, printing, and re-compilation of the index to the Hawaii Revised Statutes.

The revisor of statutes has indicated that the present index has reached the stage where it should be republished. Portions of the index have been rendered obsolete by changes in the law and the increasing size of the pocket supplement will soon make further publication of the supplement impractical. Your Committee agrees that the revisor of statutes should re-compile and update the present index volume.

Your Committee has amended section 1 to clarify that the index is not to be a new index but is to be a re-compilation and updating of the present index with possible expansion as necessary and increased the appropriation to \$100,000. This will allow for the preparation of the index data base, printing, and delivery of an updated index to the Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 163, 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. 163, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Anderson and Young  
Managers on the part of the Senate

Representatives Nakamura, Kunimura, Levin, Taniguchi and Ikeda  
Managers on the part of the House

Representative Ikeda did not sign the report.

Conf. Com. Rep. No. 45 on H.B. No. 733

The purpose of this bill is to amend chapter 321 of the Hawaii Revised Statutes to improve the Emergency Medical Services System by specifying that the system's responsibility is for pre-hospital emergency service and for emergency transportation; changing the physician composition of the State Emergency Medical Services (SEMS) Advisory Committee; giving the department of health responsibility for providing basic life support training in all counties; and giving the department of health the flexibility to contract with individuals for Emergency Medical Services (EMS) training.

The amended bill eliminates the restriction that all physicians must be nominated by the Hawaii Medical Association (HMA). While the unusual practice of restricting nominations from only one group was justified in the past when the HMA was apparently the only interested professional medical organization, and indeed was the driving force behind the creation of the EMS system, such is not now the case. Only 60 per cent of all practicing physicians are HMA members. More importantly, only about 12 per cent of practicing emergency room physicians are HMA members with most of the remainder belonging to the American College of Emergency Physicians (ACEP).

Unsurprisingly, the lack of representation afforded to the much larger group of emergency physicians in ACEP has led to feelings of frustration and irritation on their part. While lack of representation does not necessarily result in a decline of program effectiveness, restricting the participation and input of the vast majority of emergency room physicians is not conducive to broad participation by the medical field and the development of an effective emergency medical system. On the other hand, your Committee is aware and appreciative of the important role played by the HMA in the creation and nurturing of the EMS system. Moreover, it is essential that physicians other than emergency physicians also be represented on the Advisory Committee. Therefore, the bill adds an additional physician member.

Your Committee is well aware that the ACEP desires the right to nominate two physician members with the HMA nominating the remainder. The result would be inconsistent with the general practice in state government which is to allow anyone to nominate persons to serve on boards and commissions. Your Committee appreciates the understandable concern of ACEP that a completely open nominating process may result in no representation by ACEP. In fact, your Committee seriously considered amending the bill to provide that ACEP nominate two members to the SEMS Advisory Committee. However, your Committee respects the Governor's role in the nominating process and is confident that the Governor, who is the ultimate appointing authority, will see the need to correct the present imbalance in representation on the SEMS Advisory Committee. It is your Committee's intent that the Governor appoint two members of ACEP to the first two openings on the committee in order to broaden the representation of physicians on the committee.

The bill also removes the requirement that the department of health contract for technical assistance, data collection, and evaluation. The inflexibility of the current statutes does not allow the department of health to carry out such activities even though the department has the capability to do so. The amended bill allows the department to contract with any appropriate party for such service rather than with only professional medical organizations. The amended bill would, for example, allow the department to contract with a computer service firm for data collection or with a management evaluation firm for evaluation.

The bill also: (1) specifies that the SEMS Advisory Committee include two full-time emergency physicians who possess the requisite training, as well as experience; (2) makes the three ex-officio voting members (the director of transportation, the adjutant general, and the administrator of the state health planning and development agency) non-voting in the belief that all three currently possess, because of their offices, more than adequate access to the director of health; (3) removes the restriction that all training be done in state; (4) removes redundant references regarding consultation by the department of health with the SEMS Advisory Committee.

The bill gives the department of health the flexibility in contracting for training of basic life support and advance life support personnel. Currently, the law requires the department to negotiate and enter into contracts for both types of training without apparent regard to the fact that as the numbers of trained personnel grow, such training may not be needed. Therefore, the bill allows rather than mandates the department to contract for training services.

Your Committee upon further consideration has amended H.B. No. 733, S.D. 1, to allow the department to contract for training services with accredited community colleges, colleges, and universities and with professional medical organizations recognized by the American Medical Association. Your Committee has also amended the bill by specifying that such training be based on a medical model which includes a system of training that emphasizes both didactic and clinical field work. Your Committee notes that such training will require the input of medical and health care professionals and providers.

The history of the emergency medical services program indicates that the program was designed to generate significant revenues. In fact, it was noted that because 95 per cent of the people are covered by some form of health insurance they would "not have to look to or use additional resources not already available to them to meet the needs of the advanced emergency medical services..." Thus, the emergency medical services was envisioned as the classic "public enterprise" in which those who benefit should pay for the program. However, your Committee amended the bill by eliminating references to the creation of an emergency medical services special fund despite the fact that the special fund concept is applicable. The primary reason for amending the bill is that the creation of such a fund could be misinterpreted as a means of evading the expenditure ceiling.

Your Committee is acutely aware of the inexcusable failure of the department of health to collect fees for emergency ambulance services even though the system has been

in operation for nearly two years. Unfortunately, this has led to abuse by those who do not really need such services. Several emergency room physicians have stated that it is not uncommon for persons to use the emergency ambulance service for minor non-emergency ailments. Of even greater concern is that those truly in need of emergency ambulance service will be unable to receive such services because the emergency ambulance is being used for routine transportation service by someone who does not have an emergency. Your Committee is especially concerned about the impact of this type of misuse on the neighbor islands and rural Oahu where there are no back-up or alternate stations in close proximity. Thus, those with life-threatening trauma could well find that the nearest ambulance is engaged in transporting a non-emergency patient merely because the service is "free" and convenient. Therefore, your Committee wants to make it perfectly clear to the department of health that the amendment to the bill should not be interpreted to condone the present failure to collect fees for emergency ambulance service. On the contrary your Committee expects that the department will establish and collect such fees as soon as possible.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 733, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. 733, S.D. 1, C.D. 1.

Senators Yamasaki, Cayetano and Saiki  
Managers on the part of the Senate

Representatives Segawa, Kiyabu, Chun, Honda, Shito and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 46 on S.B. No. 878

The purpose of this bill is to provide for a refund through an income tax credit to commercial fishers of the fuel taxes paid on the purchase of liquid fuel.

Your Committee finds that the commercial fishing industry has the potential to become a much larger sector of Hawaii's economy, although little progress in developing this industry has been made in the past 50 years. Despite abundant resources, Hawaii's fish catch has remained virtually unchanged over the years. Your Committee further finds that recent fisheries studies have identified substantial fishery resources in waters around the Leeward Islands, stretching beyond the 200-mile federally established Fisheries Conservation Zone.

Upon review of this bill your Committee has eliminated section 1 of the bill amending the fuel tax law as unnecessary. Section 2 providing the income tax credit has been amended to clarify its application to commercial fishers only, to place the definition of commercial fishing vessel and principal operator which was in section 1 in section 2, and to conform the tax credit language to that used in the income tax law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 878, 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. 878, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Campbell, Cayetano, Henderson and Yee  
Managers on the part of the Senate

Representatives Kunimura, Matsuura, Andrews, Baker, G. Hagino, Kiyabu, Okamura, Say, Isbell and Marumoto  
Managers on the part of the House

Representatives Baker and Say did not sign the report.

Conf. Com. Rep. No. 47 on H.B. No. 1267

The purpose of this bill is to strengthen and better regulate the preference given to blind or visually handicapped persons for the operation of vending facilities and machines in State and county buildings.

Under this bill, the economic self-sufficiency of blind or visually handicapped persons is more effectively promoted by prohibiting the selling of food and beverages in any State or county buildings in which there is an authorized vending facility operated by such persons under a permit issued by the Department of Social Services and Housing. Your Committee finds, however, that the provisions of the bill do not adequately (1) prevent the advertising or solicitation of food and beverages in public buildings which are in competition with the duly authorized vending facility or (2) address the consideration of plans for the placement of a vending facility operated by the blind or visually handicapped in any planned new construction, substantial alteration, or renovations of State or county buildings.

Your Committee upon further consideration has made the following amendments to H.B. No. 1267, H.D. 1, S.D. 2:

(1) Subsection (d) on page 3 has been deleted and replaced with a new provision which specifically prohibits the advertising or soliciting the sale of food or beverages in any public building with a vending facility or machine operated or maintained by an authorized blind or visually handicapped person as prescribed by rules adopted under Chapter 91, Hawaii Revised Statutes. Violators will be subject to a fine of not more than \$1,000.

(2) A new subsection (h) has been added on page 4 which requires any department, agency, or instrumentality of the State or any of its political subdivisions to consider plans for a vending facility maintained or operated by a blind or visually handicapped person when planning the construction, substantial alteration, or renovation of any State or county building after July 1, 1981. The subsection also provides that the present vendor who is operating a vending facility shall not be displaced or dislocated from any State or county building because of renovations or substantial alterations, except as may be temporarily necessary for the completion of the work. Further, such vendor will have the first option to resume the operation of the vending facility upon completion of the renovations.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1267, 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. 1267, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Uwaine and Yee  
Managers on the part of the Senate

Representatives Chun, Kunimura, Kobayashi, Ige, Segawa and Lacy  
Managers on the part of the House  
Representative Ige did not sign the report.

Conf. Com. Rep. No. 48 on S.B. No. 1699

The purpose of this bill is to require the Board of Education to adopt rules governing the reporting and disposition of violent incidents and to impose sanctions for failure to report such incidents.

Your Committee finds that adequate statutory provisions are available to impose sanctions for the commission of acts of violence, regardless of whether such acts are committed on or off public school campuses. However, in order to prosecute persons responsible for criminal acts, it is crucial that such acts be reported to the appropriate authorities. This bill is intended to ensure proper reporting of violent incidents which occur within the context of the public education system.

Every student and employee of the Department of Education has an absolute right to a safe and secure school atmosphere. In order to protect this right, teachers and principals must exercise their authority over discipline in the schools without fear of intimidation and reprisals. In recommending favorable consideration of the measure, it is your Committee's intention to emphatically indicate to students and the public that all incidents of disruptive behavior and violence will be properly reported and appropriately handled.

It is your Committee's intent that the Board of Education, in adopting the rules mandated by this bill, differentiate degrees of disruptive behavior. Minor infractions should be addressed with dispatch within the framework of the Department of Education's authority to take disciplinary action. However, more serious violations should be required to be reported to appropriate law enforcement authorities.

It is also your Committee's intent that the Board of Education, in establishing procedures for disposing of any incident reported, shall include procedures for an appeal process covering the appeal of a dispositive decision of an incident reported.

Your Committee notes that the Senate draft of this bill contained a provision specifically providing that any person who compelled or induced certain employees of the Department of Education not to report violent incidents would be guilty of extortion within the meaning of the Penal Code. However, upon review of the Penal Code, your Committee finds that appropriate criminal statutes exist under which such acts can be prosecuted and punished and, therefore, it is unnecessary to create a specific criminal offense to prosecute acts of interference with reporting requirements. It is your Committee's intent that the appropriate law enforcement authorities vigorously pursue and prosecute, under applicable criminal statutes, any individuals who intentionally attempt to deter the making of reports required under this bill.

Upon consideration, your Committee has amended the bill to mandate that the rules adopted by the Board of Education require reporting of incidents of threats, assaults, and extortionate conduct. Additionally, the reporting requirement has been expanded to include threats, assaults and extortionate conduct directed to students, as well as officers and employees of the Department of Education.

Your Committee has further amended the bill by adding a new provision to have the State indemnify and hold harmless anyone participating in good faith in making a report from any civil liability arising therefrom. The intent of the amendment is to encourage reporting by allaying any fears of civil liability which may arise as a result of making a report.

Other amendments have been made to the bill for purposes of clarity and drafting style but which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1699, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1699, S.D. 1, H.D. 2, C.D. 1.

Senators Abercrombie, Cayetano and Ajifu  
Managers on the part of the Senate

Representatives Toguchi, Say, Waihee, Kawakami and Anderson  
Managers on the part of the House  
Representative Say did not sign the report.

Conf. Com. Rep. No. 49 on H.B. No. 293

The purpose of this bill is to provide for the identification, acquisition and possession of firearms.

The major provisions of the bill are as follows:

1. Permits shall be required to acquire any type of firearm; however, permits are not required for rifles with barrel lengths of sixteen inches or more and shotguns with barrel lengths of eighteen inches or more. Permits to acquire pistols and revolvers require a separate application for each acquisition.
2. Provides that no permit shall be issued until ten calendar days have elapsed and each application shall include pertinent information including fingerprints, photographs, address, sex, height, weight, birthdate and social security number.
3. Prohibits any alien from bringing a firearm into the State.
4. Requires all revolvers and pistols to be registered within five days of acquisition. Failure to register within the prescribed time period shall be a petty misdemeanor.
5. Provides for the issuance of a permit to minors with respect to the carrying and the use of any rifle or shotgun as set forth in section 134-5 (hunting and target shooting).
6. Requires a minimum of ten calendar days for the clearing of a fingerprint check before a permit to acquire may be issued and a maximum time limit of thirty calendar days for issuance of the permit to acquire, after the date of the application.
7. Requires that fingerprint impressions and photographs must be taken with each permit application; provided, however, if the application for a subsequent permit is made within a twelve-month period after issuance of a prior permit, no fingerprint check shall be required.
8. Provides that the prohibition against possession by a person with a mental history, is only for that type of disease, disorder or defect which renders him dangerous to himself or others or their property.
9. The ownership and possession of any firearm by a fugitive from justice, any person indicted or convicted of any crime of violence, under treatment for addiction to drugs or intoxicating liquor, admitted or detained at a psychiatric facility, or acquitted of a crime on the grounds of mental disease, disorder, or defect, is prohibited.
10. The owner must submit any revolver or pistol to the chief of police for a ballistics check within ten days after a permit to acquire has been issued.

Your Committee heard extensive testimony from various law enforcement agencies,

community organizations and individuals in relation to the bill and is in support of its purpose. Your Committee recognizes that the bill will assist the police in stemming the rising rate of violent crimes involving the use of firearms, by having more stringent procedures for the identification, acquisition, and possession of firearms. Your Committee has carefully reviewed the bill and the testimony presented, and, upon due consideration, has made the following revisions thereto:

1. Section 2 (§134-3 Permits to Acquire), which is Section 3 in H.B. No. 293, H.D. 1, S.D. 1, C.D. 1, has been amended so that the acquisition of any firearm requires a permit to acquire. Rifles and shotguns are no longer exempt from the permit requirement. Section 2 of the bill was further amended as follows:

- a. Any permit application requires information regarding the applicant's mental health history and permits the chief of police access to any records relating to that information.
- b. Lines 17 through 22 on page 4 relating to permits to minors for the purpose of carrying and using any rifle or shotgun were deleted.
- c. No person may possess a firearm which is owned by another, except as provided in the loaning procedure set forth in section 134-5, HRS.
- d. Except for sales to licensed dealers, law enforcement officers, for permits granted under section 134-9, or where a firearm is registered pursuant to section 134-2(a) a permit shall not be issued earlier than 10 days after the date of the application, nor shall a permit be issued or application denied later than 15 days after the date of application. The permits to acquire rifles and shotguns are valid for a period of one year.

The amendment is intended to waive the waiting period in the case of transfer of firearms between gun dealers, acquisition by law enforcement officers and persons who receive from the chief of police a permit to carry firearms on their persons, or where a firearm acquired in another jurisdiction is registered in the State. The Committee intends that the permit to acquire rifles and shotguns shall not be turned in at the time the rifle or shotgun is acquired, but shall be kept by the permittee, to be used for subsequent acquisitions.

Section 134-3, has been further amended to remove the requirement for a ballistic check of all pistols and revolvers within ten days after a permit has been issued.

2. Section 3 which is Section 2 in H.B. No. 293, H.D. 1, S.D. 1, C.D. 1, relating to §134-2 of the Hawaii Revised Statutes, has been amended to eliminate line 4 of page 7 so that the present language of the section will remain the same, and anyone arriving in the State who brings firearms must register them within forty-eight hours.

- a. Amended to require additional information on the registration form.

3. Section 4, which relates to §134-5, HRS. has been amended so that any United States citizen who is a minor shall obtain a permit to carry and use a rifle or shotgun (lawfully obtained by an adult) while actually engaged in hunting or target shooting, or going to and from such places. The permit shall expire on the date of the expiration of the hunting license. An adult need not obtain a permit if a hunting license has been obtained. §134-5 has been further amended as follows:

- a. To provide that a permit is not required when lawfully acquired firearm is loaned to another upon a target range or similar facility, and the firearm is used for a period not longer than its use then and there for target shooting.
- b. To provide that a lawfully acquired rifle or shotgun may be loaned to an adult for use within the State for a period not to exceed 15 days without a permit, and outside the State for a period not to exceed 75 days.

4. Section 5, which relates to §134-7, Hawaii Revised Statutes, has been amended to clarify the section and include a new subsection which relates to the disposal of firearms and ammunition when a person has been disqualified from ownership, possession, or control.

- a. Revised to provide that a violation of subsections 134-7 (a) or (b) is a class C felony. A felon violating 134-7(b) is guilty of a class B felony. Violations of subsections 134-7(c), (d) or (e) are misdemeanors.

Your Committee finds that since the bill will provide that permits to acquire a rifle or shotgun are good for subsequent acquisitions for a period of one year, the police department is requested to institute procedures to notify all gun dealers of any revocation of permits to acquire.

Section 6 (§134-9 - Licenses to carry; penalty.) has been added to insure that the chief of police shall establish appropriate procedures to insure that before a license to carry is issued, the licensee shall have been determined to be able to carry and use the firearm in a safe manner.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 293, 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. 293, H.D. 1, S.D. 1, C.D. 1.

Senators Carpenter, Anderson, Cayetano, Cobb, George, Uwaine and Yee  
Managers on the part of the Senate

Representatives Nakamura, Baker, Taniguchi, Waihee and Liu  
Managers on the part of the House  
Representative Baker did not sign the report.

Conf. Com. Rep. No. 50 on H.B. No. 300

The purpose of this bill in the form of S.D. 1 is to revise the present laws on rape and sodomy in the following manner:

(1) The definition of "forcible compulsion" is revised by eliminating the present requirement of physical force that overcomes resistance to a showing of physical force that causes a person to submit; by eliminating threat that might place a person in fear of death, bodily injury or kidnapping to a showing of a threat that causes a person to submit; and by eliminating physical or verbal resistance as an element in the definition of forcible compulsion.

(2) The provisions relating to rape and sodomy in the first degree are amended by deleting the provision regarding prior sexual intercourse with a voluntary social companion; and adds provisions which include a showing that a person is aided or abetted by one or more persons, or uses or threatens the use of a dangerous instrument. The penalty for rape and sodomy in the first degree is increased by establishing an indeterminate term of imprisonment for a class A felony, with the courts having the discretion to impose a sentence of life imprisonment shall be set by the Hawaii Paroling Authority. Additionally, a new section to chapter 706 has been established for the new sentencing provision. These revisions were made because of the serious nature of the crimes of rape and sodomy in the first degree. It is felt that the imposition of more severe sentencing would deter the rising incidents of these crimes.

(3) The provision relating to "Prompt complaint" is revised by increasing the time for making of a complaint to six months from three months. This amendment was made because it was found that six months was a more reasonable time for a person to file a complaint.

Numerous individuals and organizations testified in relation to the State's rape laws and indicated a compelling need for review and change. Accordingly, your Committee believes that certain changes are warranted, not only because of the current public concern, but also because of the serious nature of the crimes of rape and sodomy.

Your Committee upon further consideration has made changes and amendments to S.D. 1 pursuant to recommendations made by the Women's Legislative Coalition, Hawaii Women Lawyers, and the Honolulu Prosecuting Attorney's Office.

The changes and amendments in final form are as follows:

Your Committee has amended Section 1 of the bill to redefine "forcible compulsion" as the use or attempt to use to overcome a person, any one or more of the following:

- (1) a threat, express or implied, of bodily injury, or of being kidnapped, to the victim or another,
- (2) by a dangerous instrument, or
- (3) by physical force.

Your Committee, in deleting the term "resistance" from the definition of "forcible



compulsion", believes that the definition is now much clearer and will thus enable better enforcement of the laws concerning offenses against the person.

Section 2 of the bill has also been amended by amending Section 707-730, HRS to reinstate the "voluntary social companion" provision, but reducing the period of time from twelve months to thirty days.

The members of the committee agree in principle that the "social companion" provision should be deleted for the reason that a "social companion" is given preferential treatment over a stranger in the case of first degree rape or sodomy. It is, however, recognized that the consequence of eliminating the "social companion" provision may in fact result in a greater number of rape charges, presently prosecuted as a first degree rape, being prosecuted as second degree rape.

It is the intent of the Committee that a comprehensive study be conducted during the interim by the House and Senate Committees on Judiciary on the laws concerning rape and related offenses.

Your Committee recognizes that no other offense in the Hawaii Penal Code requires a separate section dealing with prompt complaints as does section 707-740, and has therefore repealed said section in its entirety. Your Committee believes that victims should be encouraged to report sexual crimes through education and assistance programs rather than an arbitrary time limit.

Your Committee has also repealed Section 9 of the bill, relating to the increase of penalties for the crimes of rape and sodomy in the first degree. Your Committee believes that the review of serious sexual crimes should be limited to clarifying the elements of the crimes and that mandatory sentencing for serious sexual crimes should be reviewed in the interim with all other pending mandatory sentencing measures.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 300, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 300, S.D. 1, C.D. 1.

Senators Carpenter, Anderson, Cobb, George, Kuroda, Soares and Uwayne  
Managers on the part of the Senate

Representatives Nakamura, Hirono, Kawakami, Waihee and Liu  
Managers on the part of the House

Conf. Com. Rep. No. 51 on S.B. No. 126

The purpose of this bill is to allow the Family Court to maintain jurisdiction over a person who has reached majority for offenses committed before eighteen, in the absence of any waiver of jurisdiction over the Circuit Court.

Under present law, there is a gap in jurisdiction that occurs when a person who has committed an offense before eighteen attains the age of twenty, at which time neither the Family Court nor the Circuit Court has jurisdiction over that person.

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

Your Committee finds that the provisions of the bill have inadvertently closed the gap only for persons who have committed an offense before age eighteen but are not apprehended until between the ages of majority (eighteen) and twenty, while leaving the jurisdictional gap open for persons who have committed an offense before age eighteen but not apprehended until age twenty or over.

Your Committee has revised section 571-13 of the Hawaii Revised Statutes to remedy this, so that the Family Court will have jurisdiction of all persons over majority for offenses committed before majority.

The result will be, in the case of a person who has committed an offense before eighteen but who is not apprehended until he is in his twenties or later, that the Family Court will still have jurisdiction over him and can institute waiver of jurisdiction proceedings against him for his trial as an adult, if it decides to so proceed. If the Family Court chooses not to waive jurisdiction, there will be no further proceedings, as no disposition by the Family Court of a person who has attained twenty is allowed under present law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 126, 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. 126, S.D. 1, H.D. 1, C.D. 1.

Senators Carpenter, Cayetano, O'Connor, Kobayashi and Soares  
Managers on the part of the Senate

Representatives Nakamura, Liu, Dods, Honda and Taniguchi  
Managers on the part of the House

Conf. Com. Rep. No. 52 on H.B. No. 919

The purpose of this bill is to provide for payment of a judgment resulting from a settlement agreement in a lawsuit entitled Sylvia Gamino v. State of Hawaii v. Yukio Yamamoto and Yama's General Contractors, Civil No. 59095.

Your Committee heard testimony in this matter and believes that it is in the best interest of the State that an appropriation in the sum of 4.1 million dollars be made to fully satisfy the judgment.

The bill has been amended to delete the provision that the appropriation shall be applicable for the fiscal year 1981-1982. The bill has been further amended to provide for payment of \$164,898.63 in interest to July 31, 1981. The funds appropriated under this bill shall lapse on June 30, 1981.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 919, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 919, S.D. 1, C.D. 1.

Senators Yamasaki, Anderson, Carpenter, Cayetano and Soares  
Managers on the part of the Senate

Representatives Nakamura, Kiyabu, Baker, Kunimura and Ikeda  
Managers on the part of the House

Conf. Com. Rep. No. 53 on H.B. No. 344

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 claims for refunds, reimbursements, and other payments were filed with the state director of finance who transmitted all claims with supporting data to the Legislature pursuant to procedure established by statute.

Your Committee has agreed that moneys for two additional claims for judgments and settlement of claims against the State, for Hawkins Audi Engineers, Inc. and Cassandra Burnett, should be appropriated. Your Committee has amended this bill to include these two claims.

This bill, as amended by your Committee, appropriates \$723,869.60, representing 58 claims under section 37-77 and chapter 662 of the Hawaii Revised Statutes.

Your Committee has also amended this bill to allow the State to pay these claims in the current fiscal year. Because of the state spending limit, created by the Legislature for the upcoming fiscal year in accordance with Article VII, section 9 of the state Constitution, any moneys appropriated out of the general fund will be counted toward the spending limit. The proposed state operating budget for next fiscal year, and the collective bargaining and pay bills already come close to the spending limit. Therefore, your Committee feels that funds should be appropriated from the current fiscal year to pay for the claims in this bill so as to avoid exceeding the state spending limit.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 344, 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. 344, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Carpenter and Anderson  
Managers on the part of the Senate

Representatives Kiyabu, Albano, Andrews, Morioka and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 54 on S.B. No. 815

The purpose of this bill is to increase the income tax credit provided to low-income renters from \$20 to \$30 per qualified exemption and to increase the adjusted gross income to \$25,000.

Presently, any taxpayer having an adjusted gross income of less than \$20,000 and paying more than \$1,000 rent during a taxable year is permitted an income tax credit of \$20 per qualified exemption. The present tax credit does not afford these low-income renters adequate protection against the recent inflation in rents attributable to rising resource and labor costs and general excise taxes included in rent payments. This bill would increase the present tax credit thereby providing adequate tax relief to these low-income renters.

Your Committee has amended the bill to provide for a \$50 renter's credit per qualified exemption and to maintain the adjusted gross income limit for the tax credit eligibility at \$20,000.

Your Committee has also eliminated "he" on line seven and substituted the language "the taxpayer". This technical change is consistent with the rest of the language in subsection (c).

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 815, 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. 815, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Anderson, Abercrombie, Ajifu, Campbell, Cayetano,  
Henderson, Kawasaki, Saiki, Yee and Young  
Managers on the part of the Senate

Representatives Shito, Honda, Kobayashi, Levin, Segawa and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 55 on S.B. No. 1298

The purpose of this bill, as received, is to amend the amount a legislator may receive to cover personal expenses while traveling on official business to be equal to that amount received by public employees excluded from collective bargaining, and to increase the traveling expenses of state officials while on official business.

Inflation has made it necessary to review the amounts allowed for such expenses so that a realistic allowance may be permitted.

Your Committee has amended the amount allowed by this bill to cover personal travel expenses of a legislator to be equal to the maximum allowance for such personal travel expenses payable to any public officer or employee.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1298, 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. 1298, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Anderson and Young  
Managers on the part of the Senate

Representatives Kunimura, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto,  
Kiyabu, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto,  
Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 56 on S.B. No. 1507

The purpose of this bill is to provide for the appointment of private attorneys to represent indigent criminal defendants when the public defender is unable due to a conflict of interest or when the interests of justice require such. The bill also establishes maximum fees payable to, and provides for the payment of necessary expenses incurred by, the appointed attorney. All fees and expenses are paid by the courts.

Your Committee has made several amendments to this bill, as follows:

- (1) Clarifying that it is private counsel which is to be retained when justice requires;

(2) Providing that private counsel is to be paid from money appropriated to the department of budget and finance for such purpose instead of the judiciary;

(3) Allowing payment in excess of and up to twice the amount in the schedule of fees when the case is complex;

(4) Adding an appropriation of \$800,000 for the fiscal biennium; and

(5) Making other nontechnical amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1507, 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. 1507, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Anderson and Carpenter  
Managers on the part of the Senate

Representatives Kiyabu, Taniguchi, Fukunaga, Kobayashi, Waihee and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 57 on H.B. No. 1167

The purpose of this bill is to establish a venture capital information center to carry out an invention development program.

This bill recognizes the need for supporting the development of inventions and new products and to assist and provide guidance for innovators and investors. Under this bill, an information center would be established by the department of planning and economic development to bring together investors with venture capital and developers of new products.

Your Committee has amended this bill to make an appropriation for the purpose of this bill as follows: for fiscal year 1981-82, \$50,000; for fiscal year 1982-83, \$100,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1167, 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. 1167, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Kunimura, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kiyabu, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 58 on S.B. No. 335

The purpose of this bill is to establish standards for grants, subsidies, and purchases of services pursuant to Article VII, section 4, of the State Constitution which requires that "no grant of public money or property shall be made except pursuant to standards provided by law." This means that all appropriations of public funds must be made in accordance with standards, whether these appropriations are made at the State or County levels. Accordingly, this bill applies to the State, the Judiciary and the Counties.

This bill establishes standards for providers and recipients for grants, subsidies, and purchases of service, the conditions with which applicants must comply, the procedures for the review and funding of requests, and the monitoring and evaluation of transfer for grants, subsidies, and purchases of service.

Your Committee has made the following amendments to the bill:

(1) New definitions are added to expand and more adequately describe terms used in the bill.

(2) Section 2 enumerates a wider spectrum of standards for qualification.

(3) Section 3 establishes conditions to be met before applicants to whom a grant or subsidy has been made, or a purchase of service agreement awarded, must agree to before receiving the grant, subsidy or purchase of service agreement. One of the conditions is that for nonprofit organizations no two or more members of a family or

kin of the first or second degree shall be employed unless specifically permitted in writing by the director. Another condition allows for the monitoring and evaluation of the applicants' program as well as its management and financial practices.

(4) Section 4 is expanded to permit agencies to review the efficiency and effectiveness of the grant, subsidy or purchase of service and agencies are to review the reasonableness of the applicant's personnel classification and compensation plans instead of only salaries. Reference to counties are deleted.

(5) Section 5 provides that the applicant's request must include the chief executive's recommendations to the legislature.

(6) Section 8 is a new section that requires recipients, providers, and participants in their programs to waive their right to hold the State liable for claims and damages resulting from the acts of recipients and providers.

(7) Section 10 is added which prohibits recipients and providers from applying for grants, subsidies or purchase of service for a period of five years should they violate either this chapter or the terms of their contract with the State.

(8) SECTION 2 directs the office of the legislative auditor to monitor and evaluate the implementation of this bill.

(9) SECTION 3 provides that section -4, -5, and -6 are to take effect on January 1, 1982, and all other sections are to take effect upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 335, 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. 335, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Ajifu, Cayetano, Kawasaki and Yee  
Managers on the part of the Senate

Senator Yee did not sign the report.

Representatives Kunimura, Andrews, Kobayashi, Nakasato and Lacy  
Managers on the part of the House

Conf. Com. Rep. No. 59 on S.B. No. 557

The purpose of this bill is to implement Article VII, section 6, of the Constitution of the State of Hawaii, which provides:

#### "DISPOSITION OF EXCESS REVENUES

Section 6. Whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years, the legislature in the next regular session shall provide for a tax refund or tax credit to the taxpayers of the State, as provided by law."

This bill, as received, provides an increase in the excise tax credit schedule in addition to a one-time tax credit of \$100 for each resident individual taxpayer multiplied by the number of exemptions to which the taxpayer is entitled.

Your Committee has amended this bill by deleting the increases to the excise tax credit schedule. The one-time \$100 credit for taxable year 1981 claimed when filing income taxes in 1982 has been retained. The effective date has also been amended to become effective upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 557, 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. 557, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Anderson, Abercrombie, Ajifu, Campbell, Cayetano, Henderson, Kawasaki, Saiki, Yee and Young  
Managers on the part of the Senate

Senators Campbell and Young did not sign the report.

Representatives Kunimura, Kiyabu, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 60 on H.B. No. 241

The purpose of this bill is to increase the amount of excise tax credit presently available to the taxpayers of this State.

Your Committee finds that the practice of tax credits was initiated by the 1965 legislature to offset the impact of the increased tax rates on low-income taxpayers by the omnibus tax bill enacted that year. The tax credit was limited to those in the income levels below \$6,300 and only 45 cents for those above.

In 1970, pressure was exerted to repeal the general excise tax on food and drugs to offer some measure of relief from the mounting cost of basic necessities. The 1970 legislature approved passage of an additional tax credit to further offset the general excise tax on drugs and medical expenses.

The 1974 legislature streamlined the tax credit system into a single excise tax credit and increased the range up to \$15,000 adjusted gross income.

Your Committee has again been besieged by not only the low and fixed-income groups and the elderly, but by those in the middle-income levels to exempt food and drugs from the general excise tax.

Your Committee finds that these groups are threatened by rising inflation which poses a double threat because it increases the cost of basic goods as well as the amount of excise tax that must be paid on them.

Your Committee finds that any serious tampering with the existing tax system such as exempting food and drugs from the general excise tax will be most inappropriate since the Tax Review Commission may be offering recommendations to design a new tax structure in its report.

Your Committee therefore finds it is appropriate to provide financial relief to all taxpayers to the extent that the sum total of credits will approximate the State's revenues from the excise tax on food and drugs.

Your Committee agrees that the tax credit method should continue to be utilized for the present as it provides equitable relief where it is most needed and your Committee supports this measure as a fair and reasonable means for granting immediate tax relief to the residents of Hawaii.

Your Committee has amended this bill by revising the excise tax credit schedule to restore the amounts and levels proposed in H.B. No. 241, H.D. 1, and S.B. No. 557, S.D. 1, H.D. 1, and to include the definition for determining qualified exemptions as proposed in S.B. No. 557, S.D. 1, H.D. 1.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 241, 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. 241, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Abercrombie, Campbell, Kawasaki, Young, Ajifu, Anderson, Henderson, Saiki, Yee and Cayetano  
Managers on the part of the Senate

Representatives Kunimura, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kiyabu, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 61 on S.B. No. 454

The purpose of this bill is to appropriate funds for collective bargaining cost items.

This bill is funding collective bargaining agreements for units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 13 in the executive branch, and units 1, 2, 3, 4, 9, 10, and 13 in the judicial branch, for the fiscal biennium 1981-1983.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 454, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 454, H.D. 1, C.D. 1.

Senators Yamasaki, Anderson, Abercrombie, Ajifu, Campbell, Cayetano, Henderson, Kawasaki, Saiki, Yee and Young  
Managers on the part of the Senate  
Senator Kawasaki did not sign the report.

Representatives Takitani, Kiyabu, Nakasato, Tungpalan and Marumoto  
Managers on the part of the House

Conf. Com. Rep. No. 62 on H.B. No. 1716

The purpose of this bill is to increase the amount of the monthly contribution required of the State and county governments, as public employers, for the health benefits plan for, and the dental plan for the children of, public employees.

Currently, the public employer's monthly contributions to the Public Employees Health Fund is \$14.14 for a single employee and \$45.08 for an employee with dependent or family coverage for the health benefits plan, and \$4.18 for the children's dental plan. (See section 87-4, Hawaii Revised Statutes.) Under S.D. 2 of the bill, these three monthly contribution amounts would have been increased, respectively, to \$14.37, \$46.21, and \$4.59.

After due deliberation, your Committee on Conference has amended the bill (S.D. 2) by increasing the three previously cited employer monthly contribution amounts as follows:

For the health benefits plan

(1) For each employee	\$14.88
(2) For each employee with dependents	\$47.34

For the children's dental plan

\$ 5.00

Your Committee has also amended the bill by reinserting (as Section 2 of the bill) the appropriations section, as had been worded in the H.D. 2 of the bill. Accordingly, your Committee has also renumbered Sections 2 and 3 of the bill (S.D. 2) as Sections 3 and 4.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1716, 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. 1716, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Ajifu, Anderson, Cayetano and Uwaine  
Managers on the part of the Senate

Representatives Takitani, Kunimura, Albano, Andrews, Tungpalan and Marumoto  
Managers on the part of the House

Conf. Com. Rep. No. 63 on H.B. No. 1879

The purpose of this bill, as received by your Committee on Conference, is to authorize and appropriate funds to provide for the salary increases and other cost adjustments for state officers and employees excluded from collective bargaining for the fiscal biennium 1981-1983.

This bill serves as the funding vehicle through which excluded employees in the executive, judicial, and legislative branches may receive appropriate salary increases as those which may be received by employees covered by collective bargaining agreements.

Your Committee has been informed by the Office of the Governor that the following sums represent the appropriate salary increases and other cost adjustments, authorized by Chapter 89C, Hawaii Revised Statutes, for the fiscal biennium 1981-1983 for officers and employees of the executive branch of the State excluded from collective bargaining:

	<u>FY 1981-82</u>	<u>FY 1982-83</u>
General Funds	\$2,603,888	\$5,675,442
Federal Funds	262,614	565,192
Special Funds	469,829	1,009,020
Other Funds	22,287	49,109

Your Committee has amended Section 1 of the bill by inserting or appropriating the above-listed sums.

Your Committee has been informed that the following sums represent the salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for officers and employees of the judicial branch of the State excluded from collective bargaining:

	<u>FY 1981-82</u>	<u>FY 1982-83</u>
General Funds	\$104,239	\$237,367

Your Committee has amended Section 3 of the bill by inserting or appropriating the above-listed sums.

Your Committee has also been informed that the following sums represent increases for officers and employees of the legislative branch of the State excluded from collective bargaining:

	<u>FY 1981-82</u>	<u>FY 1982-83</u>
Office of the Legislative Auditor	\$76,422	
Ethics Commission	8,900	
Legislative Reference Bureau	12,800	
Ombudsman	8,480	

Your Committee has amended Section 5 of the bill by inserting or appropriating the above-listed sums.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1879, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1879, S.D. 1, C.D. 1.

Senators Yamasaki, Anderson, Abercrombie, Campbell, Cayetano, Kawasaki, Young, Ajifu, Henderson, Saiki and Yee  
Managers on the part of the Senate

Representatives Takitani, Kunimura, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kiyabu, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 64 on H.B. No. 1724

The primary purposes of this bill (S.D. 2), as received by your Committee on Conference, are (1) to increase from four and one-half percent to seven percent the amount of interest credited to the post retirement fund of the Employees' Retirement System, and (2) to reduce the employer's contribution to the pension accumulation fund by any excess investment interest earnings over seven percent for the three successive fiscal years beginning with the fiscal year starting on July 1, 1982. However, beginning July 1, 1985, excess investment interest earnings, under S.D. 2 of the bill, will not be used to reduce the employer's contribution to the pension accumulation fund.

Senate Draft 2 of the bill also amends the method of determining the employer's normal cost and accrued liability contributions by requiring that actuarial valuations be based on a seven percent investment yield rate and such tables and factors as are adopted by the Board of Trustees of the Retirement System for the years ending June 30, 1980, 1981, and 1982, and thereafter at a rate to be established by the Board.

After due deliberation, your Committee on Conference has amended the bill (S.D. 2) in the following respects:

(1) By deleting the entirety of Section 1 of the bill which would have amended section 88-107, HRS, relating to interest.

(2) By amending Section 2 of the bill, which amends section 88-122, HRS, relating to the determination of employer normal cost and accrued liability contributions, as follows:



(a) By deleting the brackets on p. 2, lines 21 and 23 so that the reference to "regular interest and such mortality and other tables as are adopted by the board of trustees" is not deleted from section 88-122;

(b) By adding a new sentence, beginning on p. 3, line 12, of the S.D. 2, which in effect provides that the seven percent investment yield rate (on which the actuarial valuations for the three years ending on June 30, 1980, 1981, and 1982 are to be based) will revert back to four and one-half percent (the present investment yield rate) for the years ending on June 30, 1983 and thereafter; and

(c) By deleting the last sentence of the first full paragraph on p. 3, lines 12-19 of the S.D. 2. The deletion means that the Board of Trustees will not have discretionary authority to establish the investment yield rate as it deems fit for actuarial valuations as of June 30, 1983, and that assumptions as to the rate of salary increases for purposes of actuarial valuation shall continue to be established as is presently being done by the Board.

(3) By renumbering Sections 3 and 4 of the bill as Sections 2 and 3.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1724, 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. 1724, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Ajifu, Anderson, Cayetano and Uwayne  
Managers on the part of the Senate

Representatives Takitani, Kunimura, Andrews, Say and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 65 on H.B. No. 1239

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects authorized in H.B. No. 1, H.D. 1, the General Appropriations Act of 1981, and H.B. No. 2, H.D. 1, the Judiciary Appropriations Act of 1981.

The bill includes the declaration of findings required by the clause in Article VII, Section 13 of the State Constitution which states:

"Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds outstanding, will not cause the debt limit to be exceeded at the time of issuance."

The effect of the foregoing constitutional requirement is that the legislature must take into account the debt service on all bonds that count against the debt limit, including outstanding bonds, authorized bonds which are yet to be issued, constitutional debt limit will not be exceeded at the time the bonds are issued.

The required declaration in Section 1 of the bill sequentially is as follows:

Paragraph 1 sets forth the basic constitutional provision governing state debt.

Paragraph 2 shows the actual debt limit applicable for fiscal year 1980-81 and estimates of the debt limit for fiscal year 1981-82 to fiscal year 1984-85.

Paragraph 3 shows the debt service requirements from fiscal year 1981-82 to fiscal year 1987-88 for outstanding general obligation bonds which must be counted against the debt limit.

Paragraph 4 states the amount of authorized but unissued general obligation bonds as of December 31, 1980 and the amount of general obligation bonds authorized by this bill.

Paragraph 5 shows the schedule for proposed general obligation bond issuance and states the assumptions concerning bond maturities.

Paragraph 6 states that the total amount of general obligation bonds which the state proposes to issue is an amount sufficient to meet the requirements of all authorized unissued bonds and the bonds authorized by this bill.

Paragraph 7 notes that certain reimbursable general obligation bonds can be excluded, and while the amount of such excluded bonds cannot be precisely determined for each issuance, the legislature makes the conservative estimate that 10 per cent of each issuance is excludable.

Paragraph 8 presents a display which compares the debt limit applicable at the time of each proposed bond issue with the greatest debt service amount resulting from each issue.

Paragraph 9 establishes the overall and concluding finding that the total amount of principal and interest estimated for the general obligation bonds authorized by this bill and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

In making the declaration to support the authorization of bonds in this bill, your Committee has followed the cautionary guidelines expressed by the state's bond counsel who has advised:

"A court will not necessarily sustain findings of a legislative body which are merely a recitation of the requirements of a constitution or a statute. Consequently, we believe that the legislature must establish a reasonable basis for the finding that the estimated debt service...will not cause the debt limit to be exceeded at the time of issuance. We believe prudence requires the basis to be conservative in order to eliminate any allegation that the legislature first made the finding and worked back to assumptions which were consistent with such finding."

Your Committee understands that the declaration of findings in this bill fully follows the bond attorney's cautionary guidelines.

Your Committee has amended the declaration of findings in Section 1 to conform to the amount of general obligation bonds authorized by this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1239, 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. 1239, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Abercrombie, Campbell, Kawasaki, Young, Ajifu, Anderson, Henderson, Saiki and Yee  
Managers on the part of the Senate

Representatives Kunimura, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kiyabu, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 66 on H.B. No. 1470

The purpose of this bill is to mandate the Department of Transportation to enter into contracts for the sale and delivery of in-bond merchandise at Honolulu International Airport (HIA) with no more than two persons.

Under this bill the Department of Transportation would be required to actively supervise the operation of the contractors. The purpose of this requirement is set forth at length in S.C.R. No. 46.

Furthermore, this bill would prevent the Department of Transportation from conferring, for the period ending June 30, 1982, any rights to offer to sell, sell or deliver in-bond merchandise at HIA other than those pursuant to the contracts above mentioned.

Your Committee upon further consideration has amended H.B. No. 1470, H.D. 2, S.D. 2, to delete reference in subsection (j) of the purpose section of this bill to S.C.R. No. 46 and S.R. No. 133. This reference was deleted because the House of Representatives has not heretofore passed S.C.R. No. 46 and therefore has not heretofore embraced the principles set forth in its companion measure S.R. No. 133.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1470, 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. 1470, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Anderson, Cayetano, George and Kawasaki  
Managers on the part of the Senate  
Senator Kawasaki did not sign the report,

Representatives Taniguchi, Kunimura, Hashimoto, Say, Waihee and Ikeda  
Managers on the part of the House  
Representatives Kunimura and Ikeda did not sign the report.

Conf. Com. Rep. 67 on H.B. No. 1

The purpose of this bill is to provide appropriations for the fiscal biennium 1981-83.

#### I. MAJOR POLICY ISSUES

##### Debt Policy

This session, the Legislature faces for the first time a new constitutional requirement which affects capital investment appropriations and debt authorizations. All acts which authorize the issuance of general obligation bonds must now include a declaration of findings that the estimated principal and interest on the bonds which are authorized, plus the estimated principal and interest on bonds which were previously authorized and are still unissued, plus the debt service calculated on outstanding bonds will not cause the debt limit to be exceeded at the time of issuance.

This requirement means, in effect, that the Legislature cannot authorize more bonds than the State can legally issue. Thus, capital investment appropriations and their corresponding bond authorizations must be kept within those levels which would enable the Legislature to make the required declaration of findings.

Even if the Legislature did not have the requirement of issuing a declaration of findings, prudence would dictate the adoption of a reasonably conservative stance in making capital investment appropriations. Because of inordinately high interest rates, the State has encountered difficulty in entering the municipal bond market and, in fact, has not done so in the current fiscal year. This means that although hundreds of millions of dollars of appropriations were lapsed on June 30, 1980, as required by the Constitution, there still exists \$495 million in authorized but unissued bonds, related to June 30, 1980 encumbrances and appropriations made in the 1979 and 1980 sessions.

Because unencumbered appropriations from the 1979 and 1980 acts are not scheduled to lapse until June 30, 1982, the backlog of authorized but unissued bonds will continue to limit the Legislature's power to authorize new appropriations and bonds, at least through the 1982 session and possibly beyond.

Thus, the combination of high interest rates and the backlog of old appropriations has compelled your Committee to review all capital investment appropriation requests and to hold appropriation levels to that amount which can reasonably be expended or encumbered within the three-year limitation period specified by the Constitution.

The supporting bond authorization for the capital investment appropriations in this bill and in other appropriation bills which require general obligation bond financing is contained in a separate bill, together with the required legislative declaration of findings.

##### General Fund Expenditure Ceiling

The 1978 State Constitution required the Legislature to live within a general fund expenditure ceiling. Your Committee has followed that mandate for the 1981-83 fiscal biennium and managed to keep general fund appropriations below the \$1,233.7 million ceiling for fiscal year 1981-82 and \$1,371.9 million for fiscal year 1982-83.

##### Grants-in-Aid

Your Committee has provided a total of \$6.5 million in funds for grants-in-aid. Funds have been provided for health care programs provided by private, nonprofit agencies, many of which formerly received funding under Title XX of the Social Security Act. Your Committee finds that the services formerly provided under Title XX in the areas of alcohol/drug abuse, family planning, health support, and social rehabilitation (non-residential) serve a useful public purpose and deserve continued funding. Additionally, amounts have been provided in the areas of social services, culture and recreation, and education.

##### Reduction in Electricity

Your Committee has agreed that greater emphasis should be made by all state agencies, regardless of source of funding, to reduce electrical consumption. Hawaii's unique and nearly total dependency on imported oil for its energy needs makes conservation imperative.

Your Committee has, therefore, recommended that except for areas of special requirement such as correctional facilities, county/state hospitals, Waimano Training School and Hospital, the Hawaii State Hospital, the residential Hansen's disease program at Kalaupapa settlement, and the Aloha stadium complex, there should be a general reduction of electricity utilization by the state agencies.

## II. BUDGET OVERVIEW

The remainder of this report summarizes by major program areas, some of the budgetary decisions made by your Committee, and where appropriate, expresses program concerns and direction.

### Economic Development

Tourism. Tourism, the mainstay of the State's economy and a major provider of jobs and income for Hawaii's people, stopped growing in 1980 for the first time in thirty years. The formidable challenges of rising air fares, increased competition from other visitor destination areas, and negative publicity about violent crimes committed against visitors to Hawaii, raise legitimate concerns over the prospect of the further decline in the number of visitors to Hawaii and the impact such a decline would have on the overall economy of the State.

To address these concerns, your Committee has:

- . Provided \$1 million in fiscal year 1981-82 for a high-saturation advertising campaign with the expectation that it will attract those visitors who can afford to travel and who have higher disposable income.
- . Increased funds for the promotion of tourism in Japan. Your Committee feels that funding has not kept up with the increasing tourism market in Japan.
- . Provided funds for "Hawaii '82", the largest tourism promotional program ever undertaken by Hawaii, to begin in October 1981.
- . Provided capital improvement funds for improvements in Waikiki, the State's primary visitor destination.

In addition, \$75,000 in each fiscal year, has been provided for the continuance of the Aloha Week festival, which is enjoyed by visitors as well as residents.

New industries. Your Committee recognizes the need to reduce the State's vulnerability to economic fluctuations, caused by its present dependence on a few major industries. Therefore, economic diversification should be pursued through new industry development, particularly those industries which have potential in terms of employment, revenues, reduction of imports, increased export of Hawaii products, and compatibility with the lifestyle and environment of the Islands.

Funding in the amount of \$130,000 in each fiscal year of the biennium, has been provided for the implementation of the High-Technology Strategic Development program, which emphasizes the promotion of Hawaii as a center for the high-technology electronics industry. Many facets of this particular industry make it ideally suited for Hawaii. It is generally non-polluting; its high-value output can be airfreighted anywhere with little additional per unit cost; it can provide high wage, skilled employment opportunities; and because of labor shortages in existing industry centers, the impetus is present for expansion into new locations. Your Committee directs that the Department of Planning and Economic Development report on progress and prospects to the 1982 Regular Session.

Film industry. Additional funds and personnel have been granted to the Hawaii Film Office. Your Committee recognizes the emergence of the film industry as a definite boost to the State's economy. Not only does it provide desirable benefits to the State in terms of attractive jobs and added revenue, but it also bolsters Hawaii's promotion efforts through increased film, commercial, and television exposure.

Energy. To maintain initiatives which have been made in alternate energy development and energy conservation management, funds have been provided for a new division of energy in the Department of Planning and Economic Development. Funds have also been appropriated to the Natural Energy Laboratory of Hawaii to strengthen its efforts in developing energy which Hawaii's unique environment provides.

Commercial fishing. Funds have been provided to increase the Fishing Vessel Loan Program revolving fund. Your Committee finds that the high risk and high initial capitalization

required in the fishing industry have made private lenders reluctant to provide loans to new enterprises. The financial support is in line with recommendations made by the Department of Land and Natural Resources in their Hawaii Fisheries Development Plan.

Agriculture. Diversified agriculture continues to be a promising program deserving of state support. Additional funds and personnel have been provided for the Department of Agriculture to assist in the delivery of service to Hawaii's farmers.

Aquaculture. As promising as it is, there are problems currently being encountered by the prawn aquaculture industry, where it has been reported that the deficiencies in the number of free juvenile prawns provided by the Anuenue Fisheries Research Center affect many small aquaculture farmers and raise the issue whether these farmers will be able to survive if they cannot adequately stock their ponds. Your Committee has pursued this concern and has been reassured by the Department of Land and Natural Resources that efforts will be exerted to assist small farmers to reach adequate levels in stocking their ponds.

Regional headquarters. Funds to continue the promotion of Hawaii as a site for a regional headquarters of multinational firms have also been included in the budget.

Information system. The Department of Planning and Economic Development was previously authorized to develop a prototype model under the Hawaii Management Information System, and its development has focused upon that model known as the Economic Planning Information System (EPIS). Funding has been provided for the first year of the next biennium for the system. In the interim, the department is to consult with the other agencies of government involved in economic planning and development to determine the potential usefulness of the system by all concerned agencies, and it is to submit a report to the 1982 session of the Legislature concerning the status of the system and all of its proposed applications.

#### Employment

Disability compensation. Your Committee has included appropriations to fund the State Workers' Compensation Program Commission which reviews the workers' compensation law and makes recommendations on methods of reducing or stabilizing costs while maintaining benefits at existing levels.

Career information programs. Your Committee, concerned about the future employment of Hawaii's residents, has provided funds for the continuation of the school-based counseling and career information program known as the Career Resources Center.

Additional funds are appropriated for the services of the Hawaii Career Information Delivery System, popularly known as "Career Kokua", which provides occupational and educational information.

#### Transportation

General aviation. Your Committee has carefully reviewed all facets of the issue surrounding the need for and the site of a general aviation airport, and the state administration's proposal to construct such an airport at Poamoho. The advantages and disadvantages of the Poamoho site have been thoroughly debated in the 1980 and 1981 sessions of the Legislature.

Your Committee finds that with the emphasis of the new national administration on shifting control and responsibilities to state government, in order to effect savings, the prospects are more promising to secure approval for the joint use of a military airfield. Your Committee believes that if a definite plan for construction of general aviation facilities is presented to the new national administration, with funding to be assumed entirely by the State, the chances of securing approval for the joint use of a military airfield would be favorable. Of the various military airfields, the most logical would be Wheeler Air Force Base, which has been underutilized, and could be shared for general aviation use if improvements are made, including the possibility of constructing another runway. Therefore, your Committee has provided funds for general aviation at Wheeler Air Force Base, and directs the state administration to develop a specific proposal for presentation to the national administration and to secure Congressional support for the proposed development.

State highway fund. Your Committee recognizes that there is a potential problem of declining revenues for the State Highway Fund. Here as elsewhere in the United States, the soaring costs of gasoline, the high price of cars, and the growing shift by the motoring public to fuel efficient cars have all combined to alter conventional driving patterns.

The result has been a decline in fuel consumption, which in turn has resulted in a reduction in revenues from the highway fuel tax. This trend will seriously affect the ability of the fund to meet the long-term operational and maintenance obligation of the highway program. Thus, additional revenues have been provided for three years through separate legislation, at which time the Legislature will review the funding mechanism.

Your Committee also recognizes the problem of poor and untimely highway maintenance. Your Committee has, therefore, authorized increased expenditures for special maintenance purposes and has put priority on the resurfacing of roads.

Your Committee also finds that the problem of traffic congestion caused by population growth and changing land use patterns of Oahu needs to be addressed. In order to meet the need for formulating effective transportation policies and programs for the 1980s and beyond, funds have been provided for an update of a transportation plan for Oahu.

#### Health

Emergency medical services. Your Committee has provided an additional appropriation to reimburse the city and county of Honolulu for an anticipated deficit in the Emergency Medical Services Program for fiscal year 1980-81.

#### Lower Education

Special needs funds. Your Committee is continuing the program, first initiated by the Legislature in 1977, of appropriating funds to meet the special needs of each individual school. This method of funding recognizes that each school is unique and that decisions as to how funds for special needs should be expended can best be made at the school level--by the principals in consultation with teachers and to the extent practicable, with parents and students.

Other regular instruction. Your Committee has included funds for the continuation and expansion of Other Regular Instruction programs. Funds have been provided for the expansion of the Intensive Basic Skill program with the expectation that the program will assist students in meeting the revised graduation requirements which were approved by the Board of Education in 1978. In addition, your Committee has provided for additional funds for the Asian and Pacific Language program, Hawaiian Studies program, and the Marine and Aquatic Education program.

Alternative education. Your Committee has provided additional funds for the Comprehensive School Alienation Program. However, your Committee recognizes that there are numerous individual alternative education programs, funded through the DOE budget, for which coordination by the department seems to be lacking. It is the intent of your Committee that the DOE report to the next legislature with a plan for integrating these individual programs under the Comprehensive School Alienation Program.

Compensatory education. Funds are included to accommodate additional students whose first or home language is other than English. This program will assist students in acquiring the necessary level of language proficiency to allow them to perform satisfactorily in regular classes where English is the instruction medium.

School violence. A broad range of programs has been included to stem the rising tide of violence and crime in our public schools. These programs include provisions to deal with delinquent and criminal behavior as well as those which promote campus security through the prevention of anti-social conduct.

These appropriations include:

- . \$777,700 for school security aides.
- . \$897,204 for additional school counselors.
- . \$981,575 for 32 full-time and 6 half-time athletic directors to develop intramural sports programs to increase student participation in sports.
- . \$191,220 for alternative learning centers and school alienation programs.
- . \$208,616 for additional vice principals to assist those schools with high incidences of delinquency.

Asbestos removal. Your Committee has provided an additional \$5.8 million in funds to eliminate the asbestos health hazards in public school classrooms.

#### Higher Education

The legislatures of the past two decades have, on numerous occasions, requested the University of Hawaii to adopt policies regarding instructional workloads and overloads; but to date have not had any satisfactory response from the university. The Legislative Auditor, in the 1981 Management Audit of the University of Hawaii, concludes that, "the university is no closer to developing and implementing clear, consistent, and reasonable policies on faculty workload than it was 10 to 15 years ago...."

Your Committee agrees with the Legislative Auditor's recommendation that in light of the existing circumstances "the Legislature appropriate no new instructional positions for UHM until it has a teaching load policy in place," and, accordingly, has denied all requests for new permanent positions, except where there appears to be obvious acute needs to serve the students.

Since the Manoa student enrollment has been on a general decline, the university must make every effort to utilize existing resources before requesting additional positions and funds from the legislature. Your Committee recognizes the difficult and often painful task of internal reallocations; however, the legislature is equally faced with the arduous task of setting statewide fiscal priorities based on limited resources and the constraints of a publicly mandated expenditure ceiling.

Continuing education for women. Your Committee has provided funds for the Continuing Education for Women program administered through the Manoa's College of Continuing Education and Community Services.

Women's athletic programs. Greater opportunities for athletic competition and scholarship need to be provided for women athletes. Funds have been provided toward the goal of bringing about greater parity between the women's and men's athletic programs. It is the Committee's intent that these funds are in addition to the programs normal allocations.

Graduate assistant stipends. Your Committee recognizes that graduate assistant stipends have been significantly outpaced by inflation, and therefore, it has provided additional funds to enable stipends to keep up with the increases in the cost of living.

Kapiolani Community College. Your Committee finds that the crowded, noisy, and inadequate study atmosphere and parking facilities of the Pensacola Campus of Kapiolani Community College fail to provide a conducive educational environment for the students. Therefore, your Committee is in agreement with the University's desire to construct a new campus facility for Kapiolani Community College at the Diamond Head site.

University of Hawaii law school. Your Committee agrees with the University's desire to provide permanent facilities for the University of Hawaii law school. However, your Committee, in its deliberation of this issue, focused its concern on the cost over-runs and the general requirements of facilities needed for accreditation. Your Committee has therefore provided funds to construct the law school facility on an alternate site adjacent to the law school library on Dole Street. This site should suffice in meeting all the requirements for law school accreditation and a reduction in the over-all costs of providing new law school facilities.

#### Social Problems

Child abuse. Your Committee has provided a significant increase in resources, in terms of both funds and positions, for the child protective services program.

Funds have also been provided for the State Interagency Coordination Council on Child Abuse and Neglect. Your Committee finds that there is a need to coordinate activities carried out by various agencies in the area of child abuse and neglect in order to obtain the optimum benefits from available resources.

Medicaid. There is a likelihood of drastic alteration by the federal government of the Medical Assistance program. Therefore, funds will need to be conserved, and the State will need to step up its efforts to curb fraud and abuse. Toward that end, funds have been provided to the Department of the Attorney General for the specific purpose of investigating Medicaid fraud cases.

Your Committee has provided additional funds and positions on all islands due to case load increases in the areas of financial assistance, Food Stamps, and Medicaid.

Your Committee intends that the error rates of underpayments and overpayments be kept at a minimum to assure the maintenance of federal standards.

Senior companions. Funds have been appropriated to expand the Senior Companion program to the islands of Maui, Kauai, and Hawaii over the next two years. This program, through which senior citizens assist less able senior citizens in their own homes, is designed as a more humane and an effective alternative to institutionalization.

Other concerns. Your Committee is concerned about the lack of systematic plans for review and selection of grant proposals received by the Progressive Neighborhood Program, the Hawaii Office of Economic Opportunity, and the Executive Office on Aging. Your Committee feels that criteria should be established to review all grant requests so that grant funds will be made available to private agencies on a priority basis. The Legal Aid Society has been funded for only one year by this bill. Your Committee notes with concern the class action suits which the Society has instituted against the State and from which it has collected attorney's fees in addition to appropriations made by the State. Your Committee encourages the Society to discontinue this type of action and to concentrate its endeavors on assisting the individual families which are their clients.

#### Public Safety

Your Committee has taken steps to relieve the overcrowded conditions at the Oahu Community Correctional Center. Funds have been provided to renovate the second floor of the administration building for use as inmate housing and for a site selection study and purchase of land in the Halawa area for a 500-bed, medium-security correctional facility. Additional positions and funds for operation of the new facilities have also been included in the budget.

Your Committee has provided for the installation and maintenance of emergency (automatic dialer) telephones in 30 state parks located in outlying areas. These phones are to be connected directly to police and emergency rescue units, thus providing an alternative park security measure in those locations where the permanent allocation of enforcement manpower would not be feasible.

#### Recommendation

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

Senators Yamasaki, Anderson, Abercrombie, Ajifu, Cayetano, Henderson,  
Kawasaki, Saiki, Yee and Young  
Managers on the part of the Senate

Senators Henderson, Kawasaki and Young did not sign the report.

Representatives Kunimura, Kiyabu, Albano, Andrews, Fukunaga, G. Hagino,  
Hashimoto, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto,  
Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 68 on H.B. No. 2

The purpose of the bill is to appropriate funds to the Judiciary for the fiscal biennium July 1, 1981 to June 30, 1983.

The bill provides \$15,340,000 for the Judiciary's capital improvements program. General obligation bond authorization for these projects has been included in H.B. No. 1239, H.D. 1, S.D. 1, C.D. 1.

Your Committee has also deleted \$247,000 in fiscal year 1981-82 and \$282,000 in fiscal year 1982-83 from funds requested to purchase services from Budget and Finance's Electronic Data Processing Division (EDPD). Your Committee resolved that the current policy, under which all computer services required by the Judiciary are provided by EDPD, shall continue. A sum equal to \$200,000 for each fiscal year of the biennium is provided for this purpose.

The positions and funding requested for the implementation of the juvenile intake agency, as mandated by Act 303, Session Laws of Hawaii 1980, have been deferred. Your Committee contends that further analysis on the structure, management and operations of the juvenile intake agency is needed.



A total of 40 positions requested by the judiciary has been deferred for future consideration. Additional adjustments include delays in hiring of new positions and other minor adjustments.

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

Senators Yamasaki, Abercrombie, Campbell, Kawasaki, Young, Ajifu, Anderson, Henderson, Saiki, Yee and Cayetano  
Managers on the part of the Senate

Senators Kawasaki, Henderson and Saiki did not sign the report.

Representatives Kunimura, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kiyabu, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong  
Managers on the part of the House

Conf. Com. Rep. No. 69 on H.B. No. 629

The purpose of this bill, as received by your Committee on Conference, is to provide for a one time, across the board salary adjustment of seven percent for officials of the Judiciary whose compensation is presently fixed or limited by Statute. The salary increases would be applicable to the supreme court judges, intermediate appellate court judges, circuit court judges, district court judges, district family judges, and the administrative director of the courts. Also, the bill provides that the sheriff, and first and second deputy sheriffs be compensated in accordance with the public employee's compensation law.

Your Committee on Conference, after thorough review and consideration, has amended this bill to provide for judicial salary increases representing an eight percent salary increase effective July 1, 1981 and a ten percent salary increase effective July 2, 1982, as follows:

(1) Chief Justice of the Supreme Court - \$51,300 effective July 1, 1981 and \$56,430 effective July 1, 1982;

(2) Associate justices of the Supreme Court - \$48,600 effective July 1, 1981 and \$53,460 effective July 1, 1982;

(3) Chief Judge of the Intermediate Appellate Court - \$48,600 effective July 1, 1981 and \$53,460 effective July 2, 1982;

(4) Associate judges of the Intermediate Appellate Court - \$47,250 effective July 1, 1981 and \$51,975 effective July 1, 1982;

(5) Circuit court judges - \$45,900 effective July 1, 1981 and \$50,490 effective July 1, 1982;

(6) District court and district family judges - \$43,200 effective July 1, 1981 and \$47,520 effective July 1, 1982; and

(7) Administrative Director - \$43,200 effective July 1, 1981 and \$47,520 effective July 1, 1982;

Your Committee on Conference has further amended this bill by inserting a new Section 9 to appropriate the sum of \$711,390 to Administrative Director Services (JUD 201) for fiscal biennium 1981-83 to provide for the salary increases and other adjustments made by this bill.

Your Committee on Conference has also amended this bill by (1) making a number of technical, non-substantive changes and (2) renumbering Sections 9 and 10 as Sections 10 and 11.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 629, 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. 629, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Carpenter, Uwayne, O'Connor and Yee  
Managers on the part of the Senate

Representatives Nakamura, Kunimura, Andrews, Hashimoto, Kiyabu, Nakasato, Takitani, Taniguchi, Waihee, Anderson and Medeiros  
Managers on the part of the House

Conf. Com. Rep. No. 70 on H.B. No. 1870 (Majority)

The primary purposes of this bill (S.D. 1), as received by your Committee on Conference, are to provide for salary adjustments or increases for certain elected or appointed officers of the Executive branch of State government whose compensation is either presently fixed or limited by statute; to statutorily fix or limit the salaries of certain Executive branch officers whose salaries are not so statutorily fixed or limited; and to amend the statutory provisions relating to the salary of the appointed heads of certain agencies under the Legislative branch and the chairmen of certain quasi-judicial boards or commissions.

In part, the bill (S.D. 1) amends various sections of the Hawaii Revised Statutes which set or limit the annual salaries of certain high level officers of the State, such as the Governor, the Lieutenant Governor, department heads and their deputies, and other administrators within the Executive branch. Under S.D. 1 of the bill, these annual salaries would generally be increased by seven percent.

Additionally, S.D. 1 of the bill statutorily sets limits on the annual salaries of certain other officers or administrators in the Executive branch which are not currently fixed by statute. See Section 4 of the bill, which amends section 26-52, HRS (relating to the salaries of certain department heads and executive officers), especially the proposed additions to section 26-52 in the form of paragraphs (5) to (25) on pages 6 to 9 of the S.D. 1.

S.D. 1 of the bill also fixes specific salary amounts for the chairmen of certain quasi-judicial agencies (Hawaii Public Employment Relations Board, Public Utilities Commission, and the Labor and Industrial Relations Appeals Board) and the heads of three legislative service agencies (Legislative Reference Bureau, Legislative Auditor, and Ombudsman) whose salaries are currently tied-in to, or are the same as, the salary of circuit court judges. Relatedly, S.D. 1 of the bill fixes specific salary amounts for the members (not chairmen) of the aforementioned quasi-judicial boards and commissions and for the first assistants or deputies of the aforementioned legislative service agencies whose current salaries, under law, are either set at or cannot exceed ninety-five percent of the salary, respectively, of the chairman of the board or commission or the head of the legislative service agency.

After due deliberation, your Committee on Conference has also amended the bill (S.D. 1) by deleting any references to the following positions or officers and their salaries:

- (1) Legislative Auditor and the First Assistant or First Deputy;
- (2) Director of the Legislative Reference Bureau and the First Assistant;
- (3) Chief Negotiator, Office of Collective Bargaining;
- (4) Director, State Immigrant Services Center;
- (5) Director, Progressive Neighborhoods Program;
- (6) Director, Office of Children and Youth;
- (7) Director, Hawaii Office of Economic Opportunity;
- (8) Director, Hawaii Crime Commission;
- (9) Executive Director, Hawaii Housing Authority;
- (10) Executive Director, Campaign Spending Commission;
- (11) Executive Secretary, Public Employees' Retirement System;
- (12) Administrator, Hawaii Public Employees Health Fund;
- (13) Stadium Manager and the Deputy Manager (Stadium Authority);
- (14) Administrator, State Health Planning and Development Agency;
- (15) Special Assistant to the Governor for Agriculture;

- (16) Executive Director, Ethics Commission; and
- (17) Ombudsman and the First Assistant.

In deleting the references to the seventeen above-listed positions or officers, your Committee has amended the bill (S.D. 1) by:

- (a) Deleting Section 1 of the bill (relating to the Legislative Auditor; see item or "position" (1) listed above);
- (b) Deleting Section 2 of the bill (relating to the Legislative Reference Bureau; see item or "position" (2) listed above);
- (c) Deleting from Section 4 of the bill, which amends section 26-52, HRS, the following proposed paragraph additions to section 26-52: paragraphs (13) through (25) relating, respectively, to items or "positions" (3) through (15) listed above. (See pages 7-9 of the S.D. 1).

Because of the deletion of these proposed paragraph additions to section 26-52, HRS, each of which paragraphs relate to a specific position and its annual salary, your Committee has also found it necessary to amend the bill by deleting the following sections of the bill which relate to a number of the deleted positions: Section 9 (Public Employees Health Fund), Section 11 (Office of Collective Bargaining), Section 13 (Stadium Authority), Section 14 (State Immigrant Services Center), Section 19 (State Health Planning and Development Agency), Section 22 (Hawaii Housing Authority), and Section 27 (Office of Children and Youth).

- (d) Deleting Section 8 of the bill (relating to the Ethics Commission; see item or "position" (16) listed above); and
- (e) Deleting Section 12 of the bill (relating to the Ombudsman; see item or "position" (17) listed above).

Your Committee on Conference has amended the bill to provide that the salaries of the chairmen and members of the Public Utilities Commission, the Hawaii Public Employment Relations Board and the Labor and Industrial Relations Appeals Board shall be tied in with or related to the salary of circuit court judges, as currently provided by law.

Your Committee on Conference has also increased the salaries of the high level elected or appointed officers of the Executive Branch (e.g., Governor, Lieutenant Governor, department heads and their deputies and certain other enumerated positions)--which positions are left in the bill--from the proposed seven percent increase in S.D. 1 of the bill to an eight percent increase effective July 1, 1981, and a ten percent increase effective July 1, 1982.

Your Committee has further amended the appropriation Section of the bill to provide \$892,138 for the fiscal biennium 1981-83 for salary increases and other adjustments for public officers authorized by this bill.

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

Senators Yamasaki, Uwaine, Campbell and Yee  
Managers on the part of the Senate

Senator Uwaine did not concur.

Representatives Takitani, Kunimura, Kiyabu, Waihee and Anderson  
Managers on the part of the House

## STANDING COMMITTEE REPORTS

## SCRep. 1 Legislative Management

Informing the Senate that S.C.R. No. 1 and S.R. Nos. 1 to 13 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 2 Legislative Management

Informing the Senate that S.C.R. Nos. 2 to 6, S.R. Nos. 14 to 24 and S.B. Nos. 1 to 165 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 3 Legislative Management

Informing the Senate that S.C.R. Nos. 7 to 19, S.R. Nos. 25 to 29 and S.B. Nos. 166 to 248 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 4 Legislative Management

Informing the Senate that S.R. No. 30 and S.B. Nos. 249 to 279 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 5 Legislative Management

Informing the Senate that S.C.R. No. 20, S.R. Nos. 31 and 32 and S.B. Nos. 280 to 299 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 6 Ways and Means on H.B. No. 3

The purpose of this bill is to authorize funds for the expenses of the legislature up to June 30, 1982, and also for the expenses of the legislative support agencies during the fiscal year 1981-82.

Your Committee has provided the following specific appropriations:

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$1,967,492 and the amount appropriated for the House of Representatives is \$2,554,174. Your Committee finds that the increase is necessary to meet operating costs of the legislature covering such items as equipment, supplies, staff services, and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,444,913 to meet the basic operating budget of the office of the legislative auditor. The total includes \$50,000 to initiate a program of budget review and analysis. Such a program is intended to provide the legislature with in-depth analysis of selected program areas requiring rigorous scrutiny of aspects such as program costs, proposed budgetary levels, budgeted versus actual expenditures, adequacy of program design, program staffing and organization, program implementation, and program effectiveness. It is the expectation of your Committee that the legislature will express its priorities for analysis prior to the end of the session in the conference committee report to the General Appropriations Bill or some other mechanism of expression. Your Committee directs the department of budget and finance, the department of accounting and general services, and all agencies affected by legislative appropriations to cooperate fully with the legislative auditor in providing data, such as departmental and program budget requests and such other information as the legislative auditor may require in the conduct of budget review and analysis. \$150,000 is also included in the total for special studies and other purposes to be jointly determined by the president

of the senate and the speaker of the house of representatives.

#### STATE ETHICS COMMISSION

Your Committee approves the appropriation of \$133,900 to the state ethics commission. The appropriation includes \$12,000 to cover an anticipated deficit in commission operations for the 1980-81 fiscal year.

#### LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,603,258 for the legislative reference bureau. The sum appropriated for information systems technical staff costs may be utilized for the hiring of analysts and programmers, equipment, supplies, and other purposes directly related to the efficient operation of the information systems of the legislative reference bureau.

#### OMBUDSMAN

Your Committee approves the appropriation of \$310,482 for the office of the ombudsman.

#### RETROACTIVE SALARY INCREASES

Your Committee approves the appropriation of the following sums for the retroactive implementation of salary increases for officers and employees of these agencies excluded or exempt from collective bargaining and who are or were employed for the fiscal biennium beginning July 1, 1979.

	<u>FY 1979-1980</u>	<u>FY 1980-1981</u>
Office of the		
Legislative Auditor	\$18,731	\$34,962
Ethics Commission	3,603	5,602
Legislative Reference Bureau	7,596	11,880
Ombudsman	4,775	8,440

#### LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1982.

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

Signed by all members of the Committee.

SCRep. 7      Legislative Management

Informing the Senate that S.R. Nos. 33 and 34, S.B. Nos. 300 to 434 and Stand. Com. Rep. No. 6 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 8      Legislative Management

Informing the Senate that S.C.R. No. 21, S.R. Nos. 35 to 38 and S.B. Nos. 435 to 694 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 9      (Majority) Ways and Means on S.B. No. 233

The purpose of this bill is to clarify that payment may be made to non-Oahu legislators of the additional allowance of \$20 a day, and payment may be made to legislators required to remain away from their island of residence but within the State while on authorized legislative business during the days of mandatory recess required by Article III, section

10, of the constitution.

The 1978 Constitutional Convention and election amended Article III, section 10, of the state constitution, requiring a mandatory recess for each regular session. Clarifying the \$20 per diem allowance for non-Oahu legislators and the \$30 per diem allowance when a legislator is required to remain away from the island of legal residence but within the State while on authorized legislative business to cover the period of the mandatory recess conforms the statutes that presently allow these allowances during periods of recess pursuant to a concurrent resolution to the constitutional amendment.

The bill has been amended to provide for an annual allowance for incidental expenses allowed each member of the legislature of \$2,500 instead of \$1,500. This allowance has not been raised since 1975 and is long overdue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Abercrombie.  
Senator Campbell did not concur.

SCRep. 10                      Legislative Management

Informing the Senate that S.C.R. Nos. 22 to 25, S.R. Nos. 39 to 57, S.B. Nos. 695 to 883 and Stand. Com. Rep. No. 9 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 11                      Legislative Management

Informing the Senate that S.R. Nos. 58 to 60 and S.B. Nos. 884 to 2131 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 12                      Legislative Management

Informing the Senate that S.R. No. 61 has been printed and is ready for distribution.

Signed by all members of the Committee.

SCRep. 13                      Agriculture on H.C.R. No. 3

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to oppose the petition from the Republic of Malawi for Generalized System of Preferences classification for shelled macadamia nuts.

Your Committee has received testimony from the Board of Agriculture and the Hawaii Farm Bureau in favor of this concurrent resolution. Approval of the Republic of Malawi's petition for inclusion of macadamia nuts within the Generalized System of Preference would result in unfair competition and damage to Hawaii's macadamia nut industry. The precedent established by approval of this petition would enable other developing countries to export significant quantities of macadamia nuts duty free to the United States resulting in greater economic damage to Hawaii's macadamia nut industry.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 3, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 14                      Agriculture on S.B. No. 356

The purpose of this bill is to amend the laws relating to agricultural activities.

Your committee has amended the original bill to include a range of subjects, all of which relate directly to the intent and purpose of the bill.

Your committee on Agriculture is in accord with the intent and purpose of S.B. No. 356, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 356, S.D. 1, and be referred back to the Committee on Agriculture for further consideration.

Signed by all members of the Committee except Senator Holt.

SCRep. 15                      Legislative Management

Informing the Senate that S.C.R. Nos. 27 to 29, S.R. Nos. 62 to 86, Stand. Com. Rep. Nos. 13 and 14 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 16                      Agriculture on S.B. 440

The purpose of this bill is to make illegal the sale and distribution of misbranded devices and to change the duration of a pesticide license from a period of one year to a period of three years.

Your Committee received testimony from the chairperson of the board of agriculture in support of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. 440 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 17                      (Majority) Agriculture on S.B. No. 442

The purpose of this bill is to grant civil service status to employees assigned to the five positions established by Act 218, SLH 1973, Part III, Section 8, for agricultural planning and marketing in the department of agriculture.

Your Committee received testimony from the chairperson of the board of agriculture who expressed support for this bill. Passage of this bill will continue the practice of granting civil service status to the employees of new divisions once that division has become an integral part of the department's operations. Passage of this bill, along with S.B. No. 441 which grants civil service status to the milk control division personnel (except the commissioner), will bring all employees in the department of agriculture under the civil service system.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 442 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. 18                      Agriculture on S.B. No. 634

The purpose of this bill is to provide funds for the Future Farmers of America (FFA) program in the State of Hawaii.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 634 and recommends it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 19                      (Majority) Agriculture on S.B. No. 1206

The purpose of this bill is to increase the limit on farm loans made to cooperatives and corporations and extending the term of operating loans.

The loan limits have not undergone major changes since 1969. Your Committee finds that there has been a tremendous increase in the cost of land, equipment and facilities since that time. Inflation and higher energy costs have increased the cost of fertilizer, pesticides and transportation.

Your Committee adopted the recommendation of the board of agriculture to amend sections 155-5(b) and 155-6(b) by substituting a reference to class "F" for the reference to class "E". This change will conform these sections to an earlier amendment which added the new class "F" loans. The board also recommended that the maximum time period before which the first payment of principal on certain class "C" loans is due be extended

from five years to seven years. Your Committee has amended the bill to adopt this recommendation.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1206, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 20                    Agriculture on S.B. No. 1208

The purpose of this bill is to appropriate funds for a feasibility study on the desirability and economic viability of establishing one or more anaerobic digester facilities on Oahu.

Your Committee received testimony from the chairperson of the board of agriculture, the engineering firm of Kennedy/ Jenks, and Dr. James Koshi of the 50th State Dairy Farmers' Cooperative. The chairperson of the board of agriculture had no objection to the bill. The other testimony was in support of the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1208 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 21                    Agriculture on S.B. No. 1217

The purpose of this bill is to appropriate funds for an agricultural training program conducted and administered by Hawaii county for disadvantaged youths and the unemployed or underemployed who are potentially capable and interested in pursuing a career in agriculture.

Your Committee received testimony from the chairperson of the board of agriculture who supported the bill. Mr. Charles Rose of the Hawaii County Economic Opportunity Council also testified in favor of the bill, pointing out that the proposed program would be a follow-up to a seasonal farm worker program now being administered by the Hawaii County Economic Opportunity Council.

Your Committee has amended this bill by deleting the last sentence in Section 2 which provided for the lapse of any unencumbered portion of the appropriation for either year on June 30, 1983. Any portion of the appropriation which is unencumbered at the close of the fiscal year for which the appropriation is made will lapse automatically, as required by the Hawaii Constitution.

Your Committee has made several non-substantive, technical amendments to the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1217, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 22                    Agriculture on S.B. No. 1870

The purpose of this bill is to provide for the availability of lands in the State for agricultural uses, including implementation of Article XI, Section 3 and Article XI, Section 10 of the Constitution of the State of Hawaii by appropriating funds for such uses.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. 1870 and recommends it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 23                    (Majority) Agriculture on S.B. No. 1872

The purpose of this bill is to establish funding and staffing for a permanent program to discover crops suitable to Kohala, to develop crop management practices appropriate



to the environment and soils of the Kohala area, and to enhance the continuing use of Kohala lands for agricultural purposes.

Your Committee received testimony on this bill from Interim Dean Noel Kefford, College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa.

Your Committee has amended the bill to provide that the governor's agriculture coordinating committee be the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. 1872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1872, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 24      Legislative Management

Informing the Senate that S.C.R. Nos. 30 to 35, S.R. Nos. 87 to 90 and Stand. Com. Rep. Nos. 16 to 23 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 25      Government Operations and Intergovernmental Relations on S.B. No. 469

The purpose of this bill is to amend Section 12711, Hawaii Revised Statutes, to increase the limit the governor may expend from the Major Disaster Fund from \$500,000 to \$1,000,000 for each disaster.

Testimony submitted by the Adjutant General indicates that the construction cost index in the State has increased 337 per cent since 1957 when the \$500,000 limit was established.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 469 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. 26      Government Operations and Intergovernmental Relations on S.B. No. 263

The purpose of this bill is to amend Section 52-16, Hawaii Revised Statutes, to require that any person requesting a funeral escort pay the standard special duty rate and hire only off-duty police officers as funeral escorts.

Testimony was presented by a representative of the Honolulu Police Department to the effect that providing on-duty officers for free funeral escorts places an undue burden, both from a financial and personnel utilization viewpoint, upon the police department and results in an inefficient use of personnel, equipment and taxpayers' money.

Testimony of a representative of the funeral industry indicates that their concerns involve the following:

- (1) The availability of motorcycle officers as funeral escorts;
- (2) The permissive language of the bill which gives county police departments the option of providing police escorts; and
- (3) The method in which charges for the police escort will be determined.

In order to meet these concerns, your Committee has amended the bill to mandate the county police departments to provide special duty motorcycle police officers as escorts and added language providing for the adopting of rules under chapter 91 establishing the rates to be charged for escort services. Your Committee has further amended the bill by making style and language changes which have no substantive effect.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 263, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 27      Transportation on S.B. No. 256

The purpose of this bill is for the appropriation of \$730,000 from the general revenues of the State for the improvement of certain State roads in Waianae in anticipation of their transfer to the City and County of Honolulu.

Your Committee heard testimony from the Director and Chief Engineer, Department of Public Works, City and County of Honolulu that these roads, presently owned by the State, will be transferred to the City and County of Honolulu once needed improvements pertaining to resurfacing, reconstruction, street lighting, and related matters are completed.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 256 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. 28      Transportation on S.B. No. 318

The purpose of this bill is to amend Chapter 249, Hawaii Revised Statutes, by adding a new section allowing the refund of the unused portion of prepaid weight tax to the owner of a stolen vehicle.

Your Committee heard testimony from the Director of Finance and the City and County of Honolulu that the law presently allows such a refund in the case of stored, junked, or otherwise unused vehicles and that fairness dictates that the same treatment be afforded those whose vehicles are stolen. The amendment provides for a refund computed at 8 1/3% of the annual tax for each full month remaining in the registration year following the theft. It also provides for the method of refund application and for repayment in the event the vehicle is recovered.

Your Committee has made a non-substantive, technical amendment to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 318, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 29      Transportation on S.B. No. 268

The purpose of this bill is to appropriate \$1,832,000 from the general obligation bond fund of the State to assist the City and County of Honolulu in completing improvements to Salt Lake Boulevard.

Your Committee heard testimony from the Director and Chief Engineer, Department of Public Works, City and County of Honolulu, that the funds proposed represent approximately one-half of the estimated local share of the construction and inspection costs. The remaining one-half of the local share as well as certain planning, engineering, and land acquisition costs will be borne by the City and County. All remaining costs will be borne by the federal government under the Federal-Aid Urban System program.

Your Committee on Transportation is in accord with the intent and purpose of S.B. 268 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. 30      Transportation on S.B. No. 255

The purpose of this bill is to appropriate \$2,250,000 from the general obligation bond fund of the State to assist the City and County of Honolulu in completing improvements to Hamakua Drive in Kailua.

Your Committee heard testimony from the Director and Chief Engineer, Department of Public Works, City and County of Honolulu as well as from representatives of the

Kailua Chamber of Commerce and the Kailua Community Council in strong support of the measure.

Your Committee has amended the bill to clarify cost-sharing arrangements.

Your Committee notes that this project has been pending for almost a decade and now enjoys the support of the State and City and County administrations and members of the State's Congressional delegation. Completion of Hamakua Drive is designated as the first priority project by the Kailua Chamber of Commerce, the Kailua Junior Chamber of Commerce, the Kailua Community Council, and Windward Rotary.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 255, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 31      Transportation on S.B. Nos. 301, 302, 303, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316 and 408

Your Committee on Transportation is in accord with the intent and purpose of S.B. No.'s 301, 302, 303, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, and 408 and recommends that they pass First Reading by title and be recommitted to the Committee on Transportation for further consideration.

Signed by all members of the Committee.

SCRep. 32      (Majority) Transportation on S.B. No. 88

The purpose of this bill is to appropriate \$275,000 from the general revenues of the State to construct drainage improvements on Kaahumanu Avenue in Kahului.

Your Committee heard testimony from the Department of Transportation that the project is necessary but that the County of Maui should, either in advance or concurrently, provide a drainage system for a nearby subdivision on the Wailuku side of Wakea Avenue which is responsible for most of the runoff.

Your Committee has amended the bill to add the provision that the County of Maui provide the drainage system, either in advance or concurrently, as a condition of the release of the funds.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 88, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 88, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 33      Transportation on S.B. No. 328

The purpose of this bill is to permit the counties to collect registration taxes on bicycles and mopeds on a triennial rather than an annual basis, set the rate of the triennial tax, and establish fees for the issuance of duplicate bicycle tags. It would also repeal the present \$3.00 per annum registration tax.

Your Committee heard testimony from the Director of Finance, City and County of Honolulu, that the volume of registration applications under the present law creates a cost burden for the Department of Motor Vehicles and Licensing which the bill would remedy. However, the Director of the Department of Transportation and a representative of the Moped Service Center and the Hawaii Moped Association testified that it would be impossible to effectively administer the pending annual moped safety inspection program, mandated by Section 291C-202(c), Hawaii Revised Statutes, should the bill be adopted. From the standpoint of practicality, the registration period and the inspection period must be synchronous. Questioned about the particular source of the registration problem, the Director of Finance testified that 57,300 bicycles and 6812 mopeds were registered in 1980.

Your Committee has amended the bill to allow triennial registration of bicycles while retaining annual registration for mopeds.

Your Committee feels that triennial registration of bicycles is desirable in terms of

efficiency and cost savings, but that annual registration of mopeds is necessary in order to assure a workable safety inspection program.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 328, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 34      Agriculture on S.B. Nos. 361 and 367

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No.'s 361 and 367 and recommends that they pass First Reading by title and be recommitted to the Committee on Agriculture.

Signed by all members of the Committee.

SCRep. 35      (Majority) Agriculture on S.B. No. 828

The purpose of this bill is to provide means and funding to initiate programs within the marketing research and development plan proposed by the department of planning and economic development and the action council of the floriculture industry.

Essentially, the bill will provide funds to the DPED in support of the Hawaii floriculture industry.

Your Committee adopted an amendment, substituting the term "plan" for the term "firm" in the last paragraph of Section 1 of the bill. This clarifies that paragraph, as no "firm" was mentioned or defined in the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 828, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 36      Agriculture on S.B. No. 830

The purpose of this bill is to provide the means and funds to underwrite the costs of implementing a strategic market plan for Hawaii's guava industry.

The bill would provide for funds to the department of agriculture to contract with a marketing firm to prepare a plan to help market Hawaiian guava, as production level of Hawaiian guavas is expected to expand in the immediate future. This marketing plan would be at least partially based on a currently forthcoming consultant's study on the industry.

Your Committee received testimony from the departments of planning and economic development and agriculture, C. Brewer and Company, a representative from the guava industry and the Hawaii Farm Bureau. All testimony supported the bill.

Your Committee adopted the recommendation that moneys appropriated for the purposes of this bill be expended by the department of agriculture, rather than the department of planning and economic development, and so amended S.B. No. 830.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 37      Agriculture on S.B. No. 938

The purpose of this bill is to provide funds for the acquisition of land for agricultural parks in Maui County.

Your Committee received testimony from the chairpersons of the boards of agriculture and land and natural resources, both of whom expressed their support of the intent of the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 938 and recommends that it pass First Reading by title and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 38      Agriculture on S.B. No. 1521

The purpose of this bill is to appropriate funds for the construction of an agricultural produce storage facility at Kawaihae Harbor, Hawaii.

Your Committee received testimony from the chairperson of the board of agriculture, the chairperson of the governor's agriculture coordinating committee and a representative from the Hawaii Farm Bureau in support of this bill.

Your Committee has amended this bill by correcting the reference to the governor's agriculture coordinating committee and by making several technical, nonsubstantive changes.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1521 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1521, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 39      Consumer Protection and Commerce on S.B. No. 1396

The purpose of this bill is to permit insurance companies to ratably deduct their assessments to the Hawaii Insurance Guaranty Fund.

The Hawaii Insurance Guaranty Fund was established in 1971 to protect policyholders and claimants by imposing a duty on insurance companies to guarantee obligations of an insolvent or potentially insolvent insurer.

The insurance industry, under heavy public and governmental pressures to minimize costs, has questioned the fairness of requiring solvent companies to bear the costs of the unwise business practices of insolvent insurers. A possible "domino effect" could occur by having solvent insurers experience financial difficulties by guaranteeing the policies of another company.

Your Committee recognizes this problem and the importance of protecting the policyholders and claimants of an insolvent insurer. It also recognizes that the benefit from the fund could be outweighed by a series of "domino effect"-triggered insolvencies of healthy companies. Your Committee finds that the provisions of the bill would not result in a large revenue loss to the State and would not impair the efficacy of a guaranty fund.

Your Committee made a technical, non-substantive change to conform the bill to recommended drafting style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1396, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 40      Consumer Protection and Commerce on S.B. No. 529

The purpose of this bill is to authorize the director of regulatory agencies to establish, amend or repeal registration, renewal and late renewal fees.

Your Committee finds that a number of regulatory programs placed in the department of regulatory agencies for enforcement do not have provisions for registration fees needed to defray the administrative cost of implementation. Wherever possible, the regulatory programs should be self-sustaining and appropriate fees should be assessed to carry out the intent of the law. Your Committee believes that the director of regulatory agencies should be given the authority to do this by rule pursuant to chapter 91.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 529 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. 41      Tourism on S.B. No. 395

The purpose of this bill is to provide \$6,084,000 in state funds for capital improvement projects at Waikiki, Oahu.

Waikiki is the center of Hawaii's tourist industry which annually brings in more than \$2 billion and accounts for more than one out of very five jobs in our State. In recent years Waikiki's public facilities and services such as sewage, roads, and drainage have become inadequate and inefficient due to increased usage and carrying capacity. If Hawaii is to remain competitive in the tourist trade, the State and city must provide resources necessary to create a Waikiki that is safe and attractive to both residents and tourists.

Your Committee received favorable testimony on this bill from the mayor of the city and county of Honolulu, the Hawaii Hotel Association and the Waikiki Improvement Association.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 395 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 42      Tourism on S.B. No. 962

The purpose of this bill is to make an appropriation of \$75,000 for each year of the 1981-1982 biennium to allow the Aloha Week festival to continue in operation.

Aloha Week, modeled after the makahiki festival of old Hawaii, is a showcase and celebration of talents and culture of Hawaii. In addition, Aloha Week festivals now include participation and an appreciation of all of the peoples who comprise our multi-cultural society.

The events of Aloha Week, such as the annual Molokai-to-Oahu Canoe Race, provide our people a cultural opportunity and have become international attractions promoting Hawaii and the unique spirit that is the true drawing force of visitors to our islands.

Aloha Week has been recognized by every legislature of the State as a valuable promotional effort. From 1962 to 1970, \$85,000 was appropriated annually for the program. This amount was raised in 1970 to \$100,000, the funding level in effect until 1977 when it returned to approximately \$85,000.

The Tenth Legislature retained this level of funding for fiscal years 1979 and 1980, however, it enacted a proviso that from fiscal year 1981, the Hawaii Visitors Bureau would raise private donations to replace the State's annual appropriation. (Session Laws of Hawaii 1979, Act 214).

During the last biennium, the Hawaii Visitors Bureau and the Aloha Week organizers conducted a massive fund-raising campaign, operating expenses were trimmed dramatically, and certain events were canceled. Despite these good faith efforts to comply with the spirit of Act 214, deficits were incurred and it is recognized that it is not feasible to operate the Aloha Week festival without State assistance.

Aloha Week is truly an internationally popular event and its benefits to the State have always far exceeded the annual appropriations made by the legislature. Therefore, your Committee endorses a level of funding that has remained in effect for virtually the last twenty years without even a modest adjustment for inflation, as an emergency measure to permit Aloha Week to survive.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 962 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. 43      Tourism on S.B. No. 1340

The purpose of this bill is to provide funds to enable the department of planning and economic development to contract with the Hawaii Visitors Bureau for a high saturation advertising campaign to complement the "Hawaii '82" program.

Tourism is Hawaii's leading source of income and jobs and the health of the State's economy depends directly on the well-being of the visitor industry. Unquestionably, a substantial reduction in the number of visitors to the islands would result in detrimental effects for every resident of our State.

Presently, due to a number of factors, including a sagging national economy, intensifying competition, bad publicity, and higher air fares, outlook for tourism during the next biennium, fiscal years 1981-1982, is one of probable decline.

"Hawaii '82" is a joint government/private business promotional program being planned for fiscal year 1982 to provide a boost to the visitor industry. It will be an ambitious program, however, this bill recognizes a long-standing need of Hawaii's tourism promotional efforts to be complemented with direct consumer advertising. This bill appropriates \$1.3 million for a high saturation advertising campaign to implement this objective.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 1340 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. 44      Tourism on S.B. No. 1757

The purpose of this bill is to provide an appropriation for tourism promotion in the western United States and Canada for fiscal year 1981.

Tourism is Hawaii's leading source of income and jobs, and the western United States and Canada are the leading sources of visitors to the islands. Despite the State's vital interests in the area, Hawaii's tourism promotional activities have never even approached the scale of one-fourth of a million dollars a year, while our competitors, many from destination areas closer in proximity are presently waging multi-million dollar campaigns to lure away visitors from our State. In addition, a sagging national economy has resulted in less discretionary income that would normally be spent on tourism.

An erosion of Hawaii's share of the tourism market in these prime areas would be a serious and perhaps crippling blow to the economy of the State. Although an ambitious government/private business promotional program is being planned for 1982, nothing comparable, even on a modest scale, is being proposed for fiscal year 1981. This bill provides an appropriation to keep Hawaii competitive in these key areas during fiscal year 1981.

Your Committee amended the effective date of the bill to correct a technical error.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 1757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 45      Tourism on S.B. No. 1765

The purpose of this bill is to provide an appropriation for tourism promotion in Japan for fiscal year 1981.

Tourism is Hawaii's leading source of income and jobs, and Japan is one of the most important sources of visitors to the islands. Despite the State's vital interests in the area, Hawaii's tourism promotional activities have never even approached the scale of one-fourth of a million dollars a year, while our competitors, many from destination areas closer in proximity, are presently waging multi-million dollar campaigns to lure away visitors from our State.

An erosion of Hawaii's share of the tourism market in this prime area would be a serious and perhaps crippling blow to the economy of the State. Although an ambitious government/private business promotional program is being planned for 1982, nothing comparable even on a modest scale is being proposed for fiscal year 1981. This bill provides an appropriation to keep Hawaii competitive in this key area during fiscal year 1981.

Your Committee has amended the bill to clarify that the appropriation is for fiscal year 1981-1982 and to conform the bill to recommended drafting style.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 1765, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 46 (Majority) Tourism on S.B. Nos. 1875 and 1876

The purpose of these bills is to provide the funds to send the Royal Hawaiian Band and the Hawaii Air National Guard color guard on a concert tour of Europe to promote Hawaii's tourism.

Your Committee heard testimony from the Royal Hawaiian Band and the State Department of Defense in favor of these bills. It was noted that such a tour would be a unique and worthwhile opportunity to extend the aloha spirit and goodwill to the people of Europe, a potential new visitor market.

Your Committee on Tourism is in accord with the intent and purpose of S.B. Nos. 1875 and 1876 and recommends that they 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. 47 (Majority) Transportation on S.B. No. 655

The purpose of this bill is to designate a site for a satellite general aviation airport on Oahu and to authorize the issuance of airport revenue bonds for its planning, design and construction.

The mounting concern over the mix of commercial and general aviation aircraft at Honolulu International Airport requires that a decision be made expeditiously on the site for a general aviation airport.

A number of efforts toward solution of the problem of impending critical overcrowding at HIA have been made since 1961. Little urgency accompanied the earlier proposals, as it was felt that a variety of options existed and that the serious overcrowding was quite far in the future. Pressures for urban expansion were just beginning to be felt, and a number of sites were identified as reasonably "available".

As our options have been foreclosed, one by one, through the intervening years, the necessity to choose a site has become more and more urgent.

While it is tempting to return once more to imploring the federal authorities to let us share the use of one or more military airfields on Oahu, to do so would only be to abdicate our responsibility to make a firm decision that can reasonably be expected to be implemented in the near future.

In November of 1979 the Deputy Secretary of Defense in a letter to Congressman Cecil Heftel ruled out the availability of Bellows Air Force Station, Barbers Point Naval Air Station, Wheeler Air Force Base and Hickam Air Force Base for any "short- or long-term civilian-military joint use." To pursue again the possibility of sharing these facilities after little more than a year would seem to be a gratuitous reiteration of a question that has already been firmly answered.

While a new administration in Washington has replaced some of the top-level decision-makers, almost all speculation about policy changes with respect to the military presence in Hawaii has led to assumptions that we should expect no reduction in military activities here and indeed can probably anticipate some increase.

An example of this predicted augmentation of military activity might be the new Army National Guard Aviation Company to be established in Hawaii on April 1, 1981. It is to be headquartered at Wheeler Air Force Base, principally, and will consist of 22 helicopters (12 at Wheeler and 10 on the Big Island) with 155 National Guard members in addition to civilian administration personnel.

In further argument against trying to revive the possibility of sharing military installations, James M. Cox, chief of the Airports Division of the FAA, Pacific Asia Region, testified before your Committee on Transportation on February 20, 1981 that: "... the possible joint use of existing military facilities.... can be nothing more than an interim solution,



assuming there is no major military pullout. We cannot expect that the needs of aviation on Oahu can be satisfied by all of the potential joint use combined." (Emphasis added.)

It seems hardly necessary to point out that Bellows Air Force Station, once designated by the Air Force as available to the State for its use as a general aviation facility, is no longer available for either exclusive or shared use, although it continues to be mentioned as a possible reliever airport site. Continuing to list it as "available" serves only as an exercise in wishful thinking; an impediment to achieving a decision on a reliever airport site that is within the State's capability to acquire and develop.

Proposals for solutions to our crowded skies sometimes suggest that part of the answer may lie in expansion of the State's present airport facilities on Oahu outside of Honolulu International. Dillingham Airfield is presently used only to about 60% of its capacity, and could, with the improvements presently planned by the Department of Transportation, conceivably absorb some additional air traffic, as long as by its nature the additional traffic is compatible with Dillingham's present mix of glider and propeller-plane activity. Even at maximum use, however, Dillingham cannot relieve HIA's congestion to any significant degree.

The Navy's Ford Island air strip is available to the State for limited use, and serves admirably for civil training (non-passenger) purposes. Indeed, without the Dillingham and Ford Island components in Hawaii's Oahu airport system, our air safety situation might well put us in violation of FAA safety criteria. Honolulu International and Anchorage Airport already share the unhappy distinction of being the only two U.S. airports awarded red stars--the Air Line Pilots Association designation for "seriously deficient" safety standards. ALPA has even seriously considered giving HIA its black star, a designation identifying the airport as "critically unsafe". Los Angeles International is the only U.S. airport so labelled.

Your Committee has carefully reviewed current and past testimony, studies and correspondence from a variety of sources: military and civilian, technical and lay, federal and state, individual and community, pilot and groundling.

First, we have reached the conclusion that a site must be selected in order that construction of a reliever airport can begin; that the option of postponing a selection, or deciding to modify HIA to continue to absorb general aviation traffic, is not available to us as responsible participants in a decision affecting the safety and welfare of so many of the citizens of our state.

We have reached the further conclusion that the host of studies, professional and lay discussions, and legislative hearings undertaken locally over the years in conjunction with such federal activities as congressional hearings, Federal Aviation Administration assessments, and Department of Defense studies have effectively narrowed the choice of sites to two: Waipio Peninsula and Poamoho.

In evaluation of the Waipio site, your Committee has given consideration to the following:

1) It provides good ground access and convenience to potential users and is close to designated training areas, as well as designated air routes. But this convenient proximity also places the site uncomfortably close to existing air traffic patterns. A Waipio pattern to the south would overlap Ford Island's airspace, forcing closure of the Ford Island facility concurrently with the opening of the new Waipio airfield. (This assumes that the Navy would agree to this closure.) A Waipio pattern to the north would entail overflight of Waipahu and part of Pearl City. Within a two-mile radius of the southern Waipio single-runway configuration, there are approximately 7,500 housing units. This number would greatly increase if a northern pattern or a two-runway configuration were to be planned.

2) Relocation of the FCC communications station would be required, with costs falling on the State. It is not known whether the FCC would agree to being transplanted.

3) The bird population on Waipio Peninsula includes three endangered species, so your Committee predicts delays due to the preparation of a full EIS and the probable necessity to undertake mitigating measures.

4) Only about 30 acres of presently cultivated sugar cane land would be lost from production, in contrast to the approximate 75 acres that would be lost in the case of Poamoho.

5) If the Waipio flight pattern were to force the closing of Ford Island, in order to achieve a net gain in system capacity it would be necessary to expand to a second Waipio runway.

One way of doing this would entail a taking of 100 additional acres of cane land. This acreage is essential to filter irrigation runoff so that discharges into the receiving waters of Pearl Harbor are acceptable. Acquisition of these cane lands would require that the State pay an amount sufficient to provide the growers with some alternative system of filtration, and might even entail ongoing State responsibility for maintenance of the filtration system.

Expanding into this agricultural land would also require that the Navy reduce still further its blast zone perimeter. Naval authorities responded to your Committee's inquiry on 25 February, 1981, in a letter stating "No further reductions of the blast zone size requirements can be foreseen." This appears to foreclose the first course of action.

It has been suggested that a second Waipio runway could also be accommodated by acquisition of a part of the Ted Makalela Golf Course. When your Committee explored this possibility, it was learned that it is surplus property transferred to the City and County for public park purposes and that approval of the Secretary of the Interior would be required for release. Such approval would require a determination that there is no feasible and prudent alternative, and it is highly unlikely that such a determination could be supported.

Your Committee reluctantly concluded that the problems connected with the Waipio site are greater in number and more serious in nature than proponents of this location have realized.

Your Committee then turned to an evaluation of the site at Poamoho which is advocated by the Department of Transportation, and has given consideration to the following:

1) Selection of Poamoho for a general aviation airport would remove about 75 acres of prime agricultural land from production. Your Committee understands that possibilities for a land exchange are now being explored, and hopes that it might be possible to complete acquisition of this site in such a manner that there would be no net loss of agricultural production. Your Committee further understands that while the total figure for land acquisition is about 200 acres, all but the central 75 acres would be designated as buffer zone, and could be leased back to producers for retention in agricultural use.

2) The site can be given comparatively good marks for noise impact, as there are only about 50 housing units within a two mile radius of Poamoho, in contrast to the approximately 7,500 housing units within the same radius at Waipio.

3) While Poamoho is in close proximity to designated training areas and is relatively remote from urban development and from the air traffic congestion in the vicinity of HIA and Barbers Point, its remoteness places it at the outer limits of FAA's "reasonable surface travel time" for the majority of potential users. As with any airport built with the assistance of federal funds, access to HIA cannot be denied or restricted to any class of users unless there is a reasonably convenient alternate airport which is publicly owned and operated. Even though Poamoho is toward the outer limits of this distance, FAA has determined that the site does meet its criterion of "reasonable", and an airport at Poamoho would enable the Department of Transportation to regulate access to HIA for those users it wishes to relocate.

Parenthetically, your Committee wishes to observe that Dillingham Field, while a useful component in the Oahu airport system, unfortunately does not meet this FAA criterion. So even if Dillingham were to be expanded to its ultimate available capacity, the Department of Transportation cannot use monetary disincentives to displace general aviation traffic from HIA to that location.

4) Critics of the Poamoho site have frequently made reference to adverse weather conditions there, but your Committee has concluded that by mainland standards Poamoho can be said to have idyllic weather. Your Committee has been reminded that the general aviation fields which act to relieve Los Angeles International often have what we would consider severe problems of adverse weather and reduced visibility due to smog, yet flight schools abound, student pilots are trained, and general aviation is a growing and lively part of the commercial and recreational activities in southern California. If kona weather brings occasional turbulence and low cloud bases to Poamoho, surely some operations can be postponed or cancelled, and others deemed to be essential transferred on a temporary basis to available slots at Honolulu International.

5) A second full-length runway can be constructed at Poamoho, an important consideration as predictions as to the volume of general aviation traffic twenty years downstream

can only be speculation, and an investment of this size should not be made under circumstances which provide no flexibility for future expansion should that prove necessary.

Your Committee further notes that the FAA has stated that "there does not appear to be a suitable GA reliever airport site on Oahu which is . . . suitable for development of a precision instrument approach procedure", so we discounted this factor in weighing the characteristics of both Poamoho and Waipio, since the disadvantage pertains to both.

Thoughtful consideration was given by your Committee to the caution given by James M. Cox, the FAA official previously cited in this report. He suggested that it might be imprudent to make a legislative selection of a site prior to the final approval of a federal environmental impact statement, because "to do so would raise questions as to whether or not there was a predetermined conclusion". On the somewhat obvious grounds that somebody has to pick a site before the impact on it can be studied, your Committee decided that this is properly a matter for determination through legislative policy rather than abdication to administrative selection.

If the Legislature chooses a site, and the impact on the environment turns out to be unacceptable at this location, the problem will be returned to the Legislature for a new decision.

Your Committee can recall a number of occasions when the Legislature has selected a site for a project and the requisite EIS procedures have followed without challenge to the propriety of the Legislature's role in making the selection. The Barbers Point harbor, the H3 corridor, the reef runway and the alignment of Fort Weaver Road are all offered as possible cases in point.

Your Committee had earlier made the determination that the status quo option is not available to us, and that it is our responsibility to select a general aviation site. But if circumstances dictate that this decision is not achievable during this session, your Committee wishes to point out that if no reliever airport is built or planned, the \$1.1 million HIA master plan study now near completion will have to be rethought in the light of new needs at that site. The preliminary draft of that study points out that in the absence of a reliever airport it will be necessary to relocate and extend existing runways and probably construct a new runway to accommodate the overload. These changes would necessitate the acquisition of military lands and make it desirable to postpone a number of planning decisions such as whether or not to allow industrial use of Keehi Lagoon.

Your Committee has been made aware that failure to construct a reliever airport would have major financial implications beyond the cost of the necessary capital improvements outlined above. It is obvious that there would be costly delays at HIA both in the air and on the ground during the period of reconstruction -- delays which would be translated into higher air fares at a time when tourism is essential to the health of our economy.

Your Committee also suggests that a one-time general aviation airport cost of around \$20 million (an expenditure which the overseas carriers support and will in large measure subsidize) pales into relative insignificance when contrasted to the unidentified but very substantial capital improvements which would have to be undertaken at HIA if it were to continue to absorb the predicted growth in general aviation.

Your Committee has therefore reached the inescapable conclusion that a general aviation airport must be built on Oahu, and that Poamoho affords the last remaining location for that airport which is both available and suitable. We recognize that Poamoho presents certain drawbacks and limitations, but have weighed these against the drawbacks and limitations presented by the Waipio site and find that only the latter site must be characterized as unacceptable.

Your Committee, recognizing the potential for disaster implicit in deferral of a decision, or in deciding not to build a reliever airport at all, selects Poamoho as the site for which the Department of Transportation should expedite the requisite environmental impact process.

Your Committee has amended the bill to insert the sum of \$20,500,000, to identify past appropriation measures to be used to supplement this appropriation, and to make certain nonsubstantive, technical changes.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 655, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.  
Senators Kuroda and Toyofuku did not concur.

SCRep. 48 (Majority) Transportation on S.B. No. 1767

The purpose of this bill is to transfer to the state highway fund general excise taxes derived from the sale of liquid fuel and to restructure the liquid fuel tax to a percentage, rather than a "per gallon", tax.

The bill provides that general excise tax revenues collected from the retail sale of liquid fuels used for operating motor vehicles upon the public highways be deposited to the credit of the state highway fund in accordance with a formula set annually by the Director of Taxation in consultation with the Governor.

The bill also provides that the method of calculating the liquid fuel tax on the wholesale sale of gasoline be changed from a fixed rate per gallon to an ad valorem (percentage) rate based upon gross distributor sales. It sets the initial liquid fuel tax rate at 6%, establishes a biennial rate readjustment process, limits the rate to no more than 8% in the next biennium, and extends the tax to diesel oil and liquid petroleum gas sold for both on and off road use and to gasoline sold for agricultural use.

Your Committee heard extensive and detailed testimony on this bill from numerous government agencies and private organizations. The department of transportation testified that the current rate of inflation and a reduction in fuel consumption have combined to create a circumstance wherein the existing highway tax and fee structure will soon be inadequate to cover highway operational, maintenance and construction costs. Projections for the next six years now show a deficit in the state highway fund averaging \$25 million per year. Funding structure changes as proposed in this bill will resolve the problem.

Citing a February 23, 1981 opinion from the state attorney general, departmental officials also testified that the proposed transfer of general excise tax revenues poses no legal problems with regard to prohibited double taxation.

In a February 27, 1981 memorandum to the department of transportation, the state attorney general confirmed departmental testimony that the proposed transfer would not impact upon the constitutional spending ceiling.

The department of taxation testified that there are certain grounds for concern about the strategy of shifting tax revenues from the general fund to special funds, specifically with respect to protecting the integrity of the present tax structure. However, departmental officials did not express strong opposition to the bill.

Representatives from numerous private organizations testified in near unanimity that the transfer of general excise tax revenues to the state highway fund is desirable under existing circumstances, but that adoption of an ad valorem liquid fuel tax is ill-advised. Citing anticipated administrative problems for gasoline dealers in keeping accurate gross sales records on a variably priced commodity such as gasoline, the difficulty of making accurate revenue projections given the volatile nature of the petroleum market, and the assorted administrative problems experienced by those states with an ad valorem tax on gross fuel sales, they recommended that the ad valorem fuel tax proposal be deferred until such time as the effect of the general excise tax transfer can be properly assessed and the longer-term condition of the petroleum market can be more confidently predicted. The Tax Foundation of Hawaii joined the various fuel supply organizations in this recommendation.

Your Committee finds the arguments on behalf of transferring the general excise tax revenues to the state highway fund persuasive and is likewise impressed with the arguments opposing any change in the present fuel tax structure.

Your Committee has amended the bill to delete those portions changing the fuel tax from a gallonage to an ad valorem basis.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1767, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 49 Ecology, Environment and Recreation on S.B. No. 1471

The purpose of this bill is to provide enforcement officers of the department of land and natural resources with legal authority to act with full police powers within all State and county lands.

Currently, the department's conservation and resources enforcement officers are empowered to enforce all laws of the State within the areas under jurisdiction of the department. However, they are not empowered to enforce State law on county lands.

Testimony before your Committee in support of this bill by the Honolulu Police Department and the department of land and natural resources suggests that the bill would increase the effectiveness of the department's enforcement officers and would promote cooperation between those officers and county enforcement officers. The testimony also supports the bill's provision that the enforcement of Title 12 laws and rules would remain the primary responsibility of the department's officers.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1471 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 50 Ecology, Environment and Recreation on S.B. No. 1932

The purpose of this bill is to appropriate funds to be expended by the department of health to contract with certified personnel to continue an environmental monitoring program for radioactivity in and around Pearl Harbor.

Your Committee received testimony in support of this bill from a representative of the American Friends Service Committee, Gamma Corporation and the state advisory committee on radiological safety. The testimony revealed that the environmental monitoring program around Pearl Harbor was begun last year and will have to be terminated unless additional funds are appropriated. The testimony further revealed that the results of the monitoring program will be incomplete unless additional data is collected.

Your Committee has amended this bill to provide that radioactive materials which emit alpha radiation also be monitored under this program.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1932, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 51 Judiciary on S.B. No. 1044

The purpose of this bill is to authorize the lieutenant governor's office to produce a Voters Information Pamphlet as a practical way of giving voters information about candidates and the electoral process.

Under present law, there is no provision that authorizes the lieutenant governor to produce a pamphlet for voters giving them information about candidates, nor are there funds appropriated to do so. This bill authorizes the lieutenant governor to produce a pamphlet to be mailed to all residential households in the State prior to each election covering all the candidates running for office in that election. This bill provides an appropriation for fiscal year 1982-1983.

Your Committee finds that there is much community support for this measure, and that the bill should provide a viable means of achieving an informed voter population.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1044 and recommends that it pass Second Reading and be referred to the Committee in Ways and Means.

Signed by all members of the Committee.

SCRep. 52 Judiciary on S.B. No. 558

The purpose of this bill is to make it unlawful to disclose information contained on

general excise tax returns to any person other than the taxpayer filing such return, the taxpayer's authorized agent, or persons with material interest in such returns.

The bill will provide the same protection now provided to income tax returns.

Your Committee has made non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 558, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 53      Judiciary on S.B. No. 978

The purpose of this bill is to establish provisions for the transfer of personnel, equipment, appropriations, authorization and other property of the Hawaii Criminal Justice Data Center from the Judiciary to the Department of the Attorney General.

Your Committee finds that although the Criminal Justice Data Center was established by Act 269, SLH 1980, which provided that the Center be attached to the Judiciary for administrative purposes until July 1, 1981, and thereafter to be attached to the Department of the Attorney General, no provisions were made for transfer of the above items. This bill provides for such transfer.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 978 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. 54      Judiciary on S.B. No. 450

The purpose of this bill is to authorize state departments, boards, commissions, and agencies charged with the responsibility for the collection of state funds and revenues to receive and dispose of disputed payments, if any, made to the State under protest.

Testimony submitted by the Director of the Department of Budget and Finance indicated that the bill if enacted, will simplify both the accounting and budgetary processes relating to disputed payments, promote more efficient management of State finances, and conform the statutes to what is now being done administratively.

Your Committee adopted the recommendation of the Department of Budget and Finance by amending section 1 of the bill by deleting the phrase "submit to the legislature a request for an appropriation, to be paid from the general fund, in the" on page 4, lines 11 to 13, and adding the following phrase:

"include in their respective budget requests to the department of budget and finance an".

The purpose of the amendment to the bill is to eliminate confusion, if any, resulting from the wording of the amendment.

Your Committee has made other grammatical amendments.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 450, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 55      Judiciary on S.B. No. 611

The purpose of this bill is to expand the list of persons who may apply to the Court to examine tax returns of persons suspected of wilful failure to pay or report taxes, to include county prosecutors and the Hawaii Crime Commission. At present, section 842-12, only provides for application to the Court by the chiefs of police of the several counties or their authorized representatives.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 611, 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. 56      Judiciary on S.B. No. 657

The purpose of this bill is to increase the statutory fee for an identification certificate from \$2 to \$6.

The attorney general testified that the increase in fee is necessary to meet the rising costs of providing civil identification services and that changes are necessary to provide fast, efficient, and effective services to applicants, agencies, and the general public. In 1964, the fee for the identification card was raised administratively by fifty percent to \$3, pursuant to section 92-28, Hawaii Revised Statutes. The \$3 fee has remained unchanged. The actual increase proposed by this bill is \$3.

Your Committee has made non-substantive grammatical changes to the bill and eliminated references to gender.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 657, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 57      Judiciary on S.B. No. 294

The purpose of this bill is to require any person sentenced to imprisonment, whether in prison or on furlough, to spend at least forty-eight hours each week in an educational, training, or work program or a combination thereof.

Your Committee is in agreement with the purpose of this bill and notes that the person and society may benefit from it.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 294 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. 58      Judiciary on S.B. No. 163

The purpose of this bill is to authorize the preparation and publication of a new index to the Hawaii Revised Statutes.

Testimony submitted by the revisor of statutes indicated that the present index has reached the stage where it should be republished. Portions of the index have been rendered obsolete by changes in the law and the increasing size of the pocket supplement will soon make further publication of the supplement impracticable.

Your Committee has amended the bill to make proper reference to the fiscal years involved.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 163, as amended herein, and recommends that it pass second reading in the form attached hereto as S.B. No. 163, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 59      Judiciary on S.B. No. 676

The purpose of this bill is to make an appropriation for plans and construction for a secured intermediate facility for status offenders.

Your Committee has amended the bill to expand the use of the appropriation to include contracts with private agencies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 676, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 60      Judiciary on S.B. No. 942

The purpose of this bill is to appropriate \$50,000 for the construction of five temporary watch towers at the Oahu Community Correctional Center.

The module walls were intended to provide a secure perimeter for the facility, but have failed to prevent numerous escapes. Your Committee finds that the towers are necessary to maintain surveillance of inmate traffic routes and to prevent or detect attempts to escape from the facility.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 942 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 61      Judiciary on S.B. No. 1792

The purpose of this bill is to allow a contributor's receipt, canceled check, or copy of the canceled check to be an adequate receipt form for purposes of taking a tax deduction. The bill also requires a candidate who does not file an affidavit with the commission to inform the contributor immediately upon receipt of a contribution that it will not be tax deductible.

Testimony submitted by the Hawaii County Council indicates that in the past the requirement to use official tax receipt forms has resulted in a duplication of effort by the candidate or the candidate's campaign committee.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1792 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. 62      (Majority) Judiciary on S.B. No. 1920

The purpose of the bill is to provide funds for a pilot study operational program using the Transcendental Meditation (TM) Rehabilitation Program in correctional facilities in the State.

Many correctional facilities throughout the nation have instituted the TM program for the benefit of inmates over the last decade. These facilities have reported consistent success of the TM program in reducing anxiety and stress, improving mental health, and significantly reducing the rate of recidivism of participating inmates.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1920, 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 George did not concur.

## SCRep. 63      Judiciary on S.B. No. 2038

The purpose of this bill is to provide funds for the reapportionment commission and the reapportionment advisory councils.

Article IV of the Hawaii Constitution mandates that the reapportionment commission must be constituted on or before March 1 of the 1981 reapportionment year in order to reapportion the State Legislature and, as may be required by federal law, to redraw congressional district lines for the districts from which the members of the United States House of Representatives allocated to this State shall be elected and to apportion such members among single member districts.

Section 25-5, Hawaii Revised Statutes, mandates that reapportionment commission members shall receive \$50 per meeting but not to exceed \$1000 per month and shall be allowed actual and necessary expenses incurred in the performance of the member's duties. Section 25-7 mandates that members of reapportionment advisory councils shall receive compensation of \$50 per meeting but not to exceed \$500 per month and shall be allowed actual and necessary expenses incurred in the performance of the member's duties.



Your Committee finds that funding is necessary for said salaries and expenses and for the hiring of necessary staff.

Your Committee has made non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2038, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2038, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 64 (Joint) Human Resources and Judiciary on S.B. No. 279

The purpose of this bill is to authorize the issuance of general obligation bonds and to make an appropriation for the plans and construction of a maximum security psychiatric facility in this State.

Your committees find that there is no such facility with proper security in this State that can accommodate those persons who have committed serious crimes, are dangerous to the community, and are in need of psychiatric help. Therefore, such a facility would assure a safer and more secure environment for our community.

Your Committees on Human Resources and Judiciary are in accord with the intent and purpose of S.B. No. 279 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 65 Ecology, Environment and Recreation on S.B. No. 1292

The purpose of this bill is to reduce the incidence of crime in State parks.

Your Committee received testimony on this bill and related measures from the department of land and natural resources, the Sierra Club, the State Crime Commission, the Honolulu Police Department, the Parks Department of the City and County of Honolulu, and the Environmental Center of the University of Hawaii. All agreed that crime in the State parks is a serious problem which needs to be addressed immediately.

The department of land and natural resources, the Honolulu Police Department, and Honolulu Parks Department testified that the best way to address the problem is to strengthen the present State park enforcement group, the Division of Conservation and Resources Enforcement (DOCARE). The Sierra Club and Environmental Center testified that a new park ranger service should be established.

Your Committee finds that an unacceptable amount of disruption and inefficiency would result if a park ranger service were established immediately. Instead, your Committee finds that the addition of 20 staff positions to the existing DOCARE unit is the most efficient and effective means of addressing the crime problem.

Your Committee believes that the addition of these positions is essential in order to provide an acceptable degree of security in the State parks. Your Committee finds that DOCARE is understaffed and that as a result, its officers have spent only about 10 per cent of their time patrolling the parks. Your Committee finds that this figure is unacceptably low and intends that in the future at least 40 per cent of DOCARE's resources should be expended in patrolling parks.

Your Committee further finds that there is considerable merit in the park ranger concept and that serious consideration should be given to gradually establishing a park ranger group within DOCARE in future years. Your Committee finds that the department should investigate the possibility of having certain DOCARE officers specialize in park enforcement, and, if feasible, allow such specialization on a trial basis. Your Committee also finds that the department should investigate the possibility of providing such officers with special interpretive and educational training which would enable them to increase public enjoyment of the park system.

Your Committee has amended the bill to provide funding for 20 additional staff positions in the department of land and natural resources' division of conservation and resources enforcement.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1292, as amended herein, and recommends it pass First Reading

in the form attached hereto as S.B. No. 1292, S.D.1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 66      Economic Development on S.B. No. 97

The purpose of this bill is to provide funding for administrative support to Hawaii's soil and water conservation districts.

The State's limited land mass must be protected from the serious problem of soil erosion and its waters from resultant sediment pollution. Testimony submitted by the health department indicates that the present conservation program support provided by the U.S. Soil Conservation Service and the state's own association of soil and water conservation districts is inadequate to rectify the situation. Supplemental funding is deemed imperative for administering a comprehensive state-wide conservation program to preserve Hawaii's land and its waters.

Your Committee has made certain nonsubstantive, technical amendments to the bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 97 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 97, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 67      Economic Development on S.B. No. 1441

The purpose of this bill is to delete the provision that allots State funds for certain commercial fishery development projects only if federal or other sources of matching funds are forthcoming.

The affected projects and their general fund amounts are: research into the culture of mullet and milkfish for use as baitfish, (\$100,000); surveys of potential distant-water grounds for the State's aku fishery, (\$100,000); and surveys of potential distant-water grounds for the State's longline fishery, (\$56,000). These projects have received approval from the Pacific Tuna Development Foundation for federal funding in FY 1980-81. The federal fiscal year, however, starts in October, three months out of phase with the State's fiscal year. Further complications arose when the awarding process for Federal Saltonstall-Kennedy Fisheries development funds was delayed several times. It now appears as though the final award of the federal matching funds will be further postponed beyond June 30, 1981, which would cause the 1980 allocations of the State funds to lapse.

The proposed amendment of Section 9B, Act 300, SLH 1980, would permit the department of land and natural resources to initiate the implementation of these projects with the State general funds even if final release of the federal matching funds is delayed until after the end of FY 1980-81.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. 1441 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. 68      Economic Development on S.B. No. 1804

The purpose of this bill is to identify and determine the extent of the State's geothermal resources.

The State of Hawaii is situated on a potentially vast and unique energy source. The escalating costs associated with energy production necessitates the continuance of geothermal research programs being conducted.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1804 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. 69      Economic Development on S.B. No. 270

The purpose of this bill is to fund the large vessel purchase, construction, renovation, maintenance, and repair loan program.

This loan program was established by Act 193, SLH 1965, to enhance and assist the development of commercial fishing in the State by providing financial assistance for the construction of new fishing vessels in order to expand fishing activity in areas of greater resources and to complement the U.S. Fishing Fleet Improvement Act of 1964. Act 167, SLH 1975, enlarged the scope of the program to include purchase, renovation, maintenance, and repair of large fishing vessels. Act 167 also transferred the program from the department of land and natural resources to DPED. This program is identified by DPED rules and regulations as the "Large Fishing Vessel Loan Program" and provided assistance to vessels five net tons and over.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. 270 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. 70      Agriculture on S.B. No. 1403

The purpose of this bill is to appropriate funds for the expediting of implementation of the Kula Agricultural Park in Kula, Maui.

Your Committee received favorable testimony on this bill from the Chairpersons of the Boards of Agriculture and Land and Natural Resources.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. 1403 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. 71      Legislative Management

Informing the Senate that S.C.R. Nos. 36 and 37, S.R. Nos. 91 to 96 and Stand. Com. Rep. Nos. 25 to 70 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 72      Transportation on S.B. No. 265

The purpose of this bill is to exempt government service companies contracted to operate transportation systems from paying general excise taxes on the reimbursements for costs they receive from the contracting government organization.

Your Committee heard testimony from the Director of the Department of Transportation Services, City and County of Honolulu, that MTL, Inc., a private, non-profit management company that operates the bus system for the city, must pay general excise taxes on the funds it receives from the City in reimbursement for the employee salary and fringe benefit costs it incurs in operating the system. By treating this reimbursement as income and taxing it, the State in effect raises the cost of operating the bus system by some \$1.2 million per year. The bill would eliminate this unnecessary expense to the public transportation system.

Your Committee has made a technical, nonsubstantive amendment to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 265 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 265, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 73      (Majority) Transportation on S.B. No. 397

The purpose of this bill is to exempt from the use tax all aircraft and aircraft related equipment required by law which is purchased and imported into the State.

Under the present law, leased and purchased oceangoing vessels engaged in intrastate

operations are exempt from the use tax while only leased or rented aircraft in intrastate operations are exempt. This bill extends the exemption to purchased aircraft so engaged and, thus, provides equal treatment for local airline companies.

Your Committee heard testimony from representatives of the Tax Foundation of Hawaii and Hawaiian Airlines that the exemption is needed to provide equal treatment for local airline companies and that it is in accord with the purpose of the use tax statutes in that aircraft and flight equipment purchased abroad does not compete with locally manufactured products. Your Committee also heard testimony from the director of the department of taxation that passage of the bill, while providing equity, would result in requests for similar exemptions from still other industries.

Your Committee has amended the bill to specifically include barges and barging equipment from the existing exemption for oceangoing vessels and, in conformity with recent federal actions on deregulation, to delete all reference to both the shipping and airline industries as public utilities. Your Committee has also made certain nonsubstantive, technical amendments to the bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 397, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 74      Transportation on S.B. No. 567

The purpose of this bill is to amend the present motor vehicle accident reparations statutes to designate the University of Hawaii community college manpower training office as the expending agency for the special drivers' education fund account.

Your Committee heard testimony from the director of the department of transportation and the motor vehicle insurance division that this program involves a motorcycle safety course which the community college manpower training office is better equipped to manage than the department of transportation, the agency currently charged with its management. As a consequence, the department of transportation seeks to transfer responsibility for the program.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 567 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 75      (Majority) Transportation on S.B. No. 568

The purpose of this bill is to clarify that only persons arrested for driving while under the influence of intoxicating liquor have the option of submitting to a test of the alcohol level in the person's blood or suffering the civil penalty of having the person's license revoked for six months. The bill also desexes the language of the existing law.

The present law does not specify the type of arrest which would give rise to the option of submitting to the blood or breath test or suffering the civil penalty. Your Committee finds that persons arrested on more serious charges (for example, negligent homicide) invoke the present law as the basis for refusing to submit to a blood or breath test. This practice permits the arrestee to withhold evidence of the arrestee's blood alcohol level which, but for the present law, would be legally obtainable. The only penalty to the arrestee is six months suspension of the arrestee's license.

Your Committee has made nonsubstantive, technical amendments to this bill, including the substitution of a reference to "director of transportation" in lieu of the reference to "highway safety coordinator" in compliance with a 1977 amendment to the law.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 568, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 568, S.D.1, and be referred to the Committee on Judiciary.

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

SCRep. 76 (Majority) Transportation on S.B. No. 569

The purpose of this bill is to clarify and simplify the present law relating to driving under the influence of intoxicating liquor.

Your Committee finds that the present law relating to driving under the influence of intoxicating liquor is difficult to enforce. The department of transportation supports this bill as a means of eliminating questions about whether or not an arresting officer had reasonable grounds to make the arrest when the arrestee has a blood alcohol content of 0.10 per cent or more. It will be possible to consider driving under the influence violations in a way similar to speed violations. A driver may be capable of safely traversing the highway at a speed in excess of the limit; nonetheless, the driver is considered to be driving unsafely if the driver exceeds the limit. An objective measurement, like the 0.10 per cent blood alcohol content, will save time and money which would otherwise be spent arguing in court, and would be a more effective deterrent to driving while under the influence of intoxicating liquor.

Your Committee has amended this bill to provide that a person driving while the alcohol concentration in the person's blood is 0.10 per cent or more is presumed guilty, rather than guilty per se.

Your Committee has also made nonsubstantive, technical amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 569, S.D.1, and be referred to the Committee on Judiciary.

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

SCRep. 77 Transportation on S.B. No. 578

The purpose of this bill is to amend the present aeronautics statutes to raise the annual grant to the Civil Air Patrol from \$100,000 per annum to \$150,000 per annum.

Your Committee heard extensive testimony from Civil Air Patrol officials regarding the necessity for additional operational funds.

Your Committee has amended the bill to provide for an annual grant of \$120,000.

Your Committee is aware that rising costs necessitate increased budgets simply to maintain a consistent level of programming. However, your Committee is also aware of the rather dramatic increase in the operating budget of the Civil Air Patrol over the past several years and feels that the present request for a 50% increase represents excessive budgetary growth. Like so many other agencies and institutions, the Civil Air Patrol must readjust its perspectives to accommodate the necessity of fiscal restraint.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 578, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 78 (Majority) Transportation on S.B. No. 1199

The purpose of this bill is to appropriate \$150,000 from the general revenues of the State for the planning and construction of improvements at the junction of Haleakala Highway and Pukalani Street on Maui.

Your Committee heard testimony from the department of transportation that this project is needed but that the initial cost estimate was some \$50,000 too low and that still another \$100,000 is needed for traffic signals.

Your Committee has amended the bill to increase the amount appropriated to \$300,000.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1199, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 79      Transportation on S.B. No. 1343

The purpose of this bill is to appropriate \$25,000 from the general revenues of the State to construct a pedestrian walkway between Jack Hall Memorial Housing and Paiwa Street.

Your Committee heard testimony from the Director of the Department of Transportation that this project should fall within the purview of the City and County of Honolulu.

Your Committee has amended the bill to make the City and County the expending agency.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1343, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 80      Transportation on S.B. No. 1350

The purpose of this bill is to appropriate \$2,000,000 from general revenues of the State for the planning and construction of an interchange on the Interstate Route H-2 highway near Mililani Memorial Road.

Your Committee heard testimony from the department of transportation and a representative of The Gentry Companies that the project is needed and desirable. However, the deputy director of the department of transportation also testified that the project will take some eight years to complete, largely because of the limited availability of the particular type of federal aid funds which will be used in the construction phase, and that the only immediate need is for planning funds.

Your Committee has amended the bill to delete all reference to construction funds and to reduce the sum appropriated to \$200,000, the amount necessary for planning.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 81      Transportation on S.B. No. 1351

The purpose of this bill is to appropriate \$2,000,000 for design and construction for the widening of Kamehameha Highway between Mililani Memorial Park and the Waipahu Interchange.

Your Committee heard testimony from the Director of the Department of Transportation that there is departmental support for the project but that design funds only are required at this time.

Your Committee has amended the bill to delete reference to construction funds and to reduce the amount appropriated to \$360,000, the amount suggested for design work.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1351, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 82      Transportation on S.B. No. 1361

The purpose of this bill is to make an appropriation from the general revenues of the State for a bridge across the Ala Wai Canal at the makiki end of University Avenue.

Your Committee has amended the bill to require that the project be funded on a matching funds basis in conjunction with the City and County of Honolulu and that the City and

County of Honolulu be designated as the expending agency.

Your Committee also noted that the title contains the word "Makiki" where the word "makai" was intended, and has corrected this typographical error in the title.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 83      Transportation on S.B. No. 1745

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$3,719,000 for the design and construction of improvements at Kewalo Basin.

Your Committee heard testimony from the department of transportation that the improvements are necessary and desirable.

Your Committee has made technical, nonsubstantive amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1745 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1745, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 84      Transportation on S.B. No. 1881

The purpose of this bill is to appropriate certain funds from the general revenues of the State to construct a pedestrian overpass on Kalihi Street near Bishop Museum.

Your Committee heard testimony from the department of transportation that it would be far more cost effective and just as safe to install a chain link fence in the area which would cause people to use a nearby signalized intersection.

Your Committee has amended the bill to delete all reference to the overpass, insert reference to the chain link fence, and provide \$25,000 in construction funds.

Your Committee has further amended the bill to make certain technical, nonsubstantive changes.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1881, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 85      Transportation on S.B. No. 375

The purpose of this bill is to amend the present traffic violations statutes to expand the prohibitions against consuming, possessing, or transporting intoxicating liquor while operating or riding in a motor vehicle.

Your Committee heard testimony from the Director of Transportation that alcohol remains a major factor in traffic accidents and that this bill should reduce the number of alcohol-related accidents.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 375 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 86      Public Utilities on S.B. No. 681

The purpose of this bill is to eliminate the residency requirement for employment with any public utility of the State by repealing Chapter 270, Hawaii Revised Statutes.

Your Committee heard testimony stating that, in the opinion of the office of the attorney general, Chapter 270, HRS, is unconstitutional.

Your Committee on Public Utilities is in accord with the intent and purpose of S.B. No. 681 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 87      Economic Development on S.B. No. 1994

The purpose of this bill is to amend the present statutes to allow for the leasing of public lands to eleemosynary organizations at nominal consideration.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1994, 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. 88      Economic Development on S.B. No. 1784

The purpose of this bill is to conduct and complete an inventory of public lands.

Your Committee finds that an inventory is essential to derive the maximum benefit to the special land and development fund.

Your Committee is in accord with the intent and purpose of S.B. No. 1784, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 89      Economic Development on S.B. No. 1803

The purpose of this bill is to promote the development of high technology industries.

Your Committee recognizes the enormous growth potential for high technology industries in Hawaii. Furthermore, your Committee desires to promote high technology industries as the cornerstone for diversification of the state's economic base.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1803 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. 90      Economic Development on S.B. No. 878

The purpose of this bill is to amend the present statute by providing for a refund of the 8-1/2 cents state tax on gasoline and the 7-1/2 cents state tax on diesel fuel to commercial fishermen.

Your Committee finds that the fishing industry has outstanding potential for future development and expansion. To this end, positive incentives should be given to enhance the industry's growth.

Your Committee has amended the bill by amending the definition of "commercial fishing vessel."

The purpose of this amendment to the bill is to make the definition of a commercial fishing vessel consistent with the purposes of the Act.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 878 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 878, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.



## SCRep. 91 Economic Development on S.B. No. 1956

The purpose of this bill is to fund the public's share of the redevelopment of the Aloha Tower Complex.

Your Committee has amended the bill by increasing the appropriation to \$33,260,000.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1956, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 92 Economic Development on S.B. No. 1858

The purpose of this bill is to provide for supplemental energy grants.

Your Committee has amended the purpose to provide for the subsidization of electricity bills for certain low-income households.

Your Committee finds that consumers are being hard-pressed to keep up with their rapidly rising electricity costs. People in the low, fixed income brackets, those whose incomes have not increased to keep up with basic, necessary costs of living; that is food, clothing, housing, medical care and utilities, these people especially need assistance. Average electricity charges have increased 93.7% since July of 1979 while welfare assistance has not been increased.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1858 as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1858, S.D.1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

## SCRep. 93 Transportation on S.B. No. 26

The purpose of this bill is to amend the present county vehicular tax statutes to allow an exemption from the vehicle weight tax for a specially-equipped motor vehicle owned or used by a handicapped person.

Your Committee heard testimony from representatives of the Commission on the Handicapped, the Handicaps for Rehabilitation, and the Rehabilitation Hospital of the Pacific that many handicapped persons must live on limited incomes but, because of their disabilities, require specially-equipped vehicles for mobility. These vehicles are, almost without exception, both costly and heavy. Hence, the vehicular weight tax adds directly to the already onerous economic burden upon these persons and their families. An exemption is in order to help relieve this burden and to assist the handicapped in gaining a greater measure of self-sufficiency.

Your Committee has amended the bill to change its effective date from July 1, 1981 to January 1, 1982 to allow the counties time to adopt the rules, regulations, and procedures necessary for implementation.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 26, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 94 Higher Education on S.B. No. 891

The purpose of this bill is to amend the existing law relating to the University of Hawaii's seed distribution program revolving fund.

The amendments proposed by this bill will allow the seed distribution program's research and development activities to be expanded to include other agricultural services such as soil, plant tissue, and other types of diagnostic services. For clarification purposes, your Committee has added a statement of purpose to be included as section 1 of this bill. In addition, the amendments increase the statutory limit on the funds that may be retained

in the revolving fund from \$35,000 to \$500,000 annually in order to accommodate the broader range of activities that this bill will allow.

This bill will also increase the University's ability to attract extramural funds for research and training and will be yet another step toward recognition of the university as a major instructional and research institution.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 891, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 891, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 95 Higher Education on S.B. No. 959

The purpose of this bill is to expand the State Student Loan Program to ameliorate the impact of expected Federal cuts, and to appropriate a necessary sum out of the general revenues of the State of Hawaii to the University of Hawaii for the fiscal year 1981-1982.

Your Committee received testimony from the University that it is not able at this time to substantiate a need for additional funds to augment those currently requested for the State Higher Education Loan Fund (SHELF).

The University further testified that since the available SHELF funds had not been fully utilized in the past, they believe that the immediate impact of the proposed changes in the federal loan programs does not require an increase in the level of funding at this time; that the University will request such funds in the future if circumstances warrant.

Your Committee received oral testimony from a local private college that if federal funds for student loans are cut as anticipated, banks and credit unions will not make student loans which are tied into federal funds.

Your Committee has amended Section 1 of the bill to correct a spelling error.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. 959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 959, S.D.1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 96 Higher Education on S.B. No. 1616

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii a certain sum of money as may be necessary for the student health service at the University of Hawaii at Manoa in the fiscal years 1981-1983.

Your Committee received testimony from the University of Hawaii that there is a strong possibility that the University next year will lose \$40,165 of Title XX support provided through the State department of social services and housing. If this occurs, the services to students will be diminished and become more costly.

Although the Chancellor has indicated that the program can be funded internally, the possibility exists that students will be paying more for health services.

Your Committee also received testimony from the Lobbying Committee of The Associated Students of the University of Hawaii, Manoa Campus. The ASUH Committee expressed concern about the possible cutback of Title XX funding and lent its support to this bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. 1616 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. 97 Higher Education on S.B. No. 1621

The purpose of this bill is to amend existing law to provide that there shall be an

accounting to the Legislature by the University of Hawaii on a fiscal year basis, concerning all discretionary funds.

Your Committee received testimony from the University that existing laws require comprehensive financial and budgetary reports from the State Comptroller and Director of Finance; that under Section 40-5, the State Comptroller is required to and does submit an annual financial report to the Governor and the Legislature; that Section 37-75 provides for a variance report to be submitted annually to the Legislature, including a comparison of budgeted and actual expenditures.

Further, the University prepares an annual financial report, copies of which are sent to the Legislative Reference Bureau and the Legislative Auditor, and that copies can be made available to this Committee.

Your Committee, however, received oral testimony from the department of budget and finance that the delays experienced in gathering the figures seemed excessive.

Your Committee has amended Section 1 of the bill to correct a typographical error.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. 1621 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1621, S.D.1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 98 Higher Education on S.B. No. 1614

The purpose of this bill is to create within the College of Tropical Agriculture a position of authority to organize and direct a multi-disciplinary team of experts to develop information required to rapidly expand papaya exports.

Your Committee received testimony from the College of Tropical Agriculture and Human Resources that the College agrees with the intent and purpose of S.B. No. 1614; that the University of Hawaii is interested in making a concerted effort with the private sector to provide funding for a chair in pomology.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1614 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 99 (Majority) Higher Education on S.B. No. 1942

The purpose of this bill is to remove the statutory ceilings on the salaries of the president and other executive and managerial administrators of the University of Hawaii, and to allow the board of regents to prescribe these salaries.

If the University of Hawaii is to realize its full potential as a quality institution of higher learning, it must as a first step be able to compete effectively in recruiting and retaining competent faculty and administrators. The salary of the University president has remained at the same statutory ceiling of \$45,000 since 1976; all excluded executive and managerial salaries have been frozen since 1977 at the statutory ceiling of not more than 95 per cent of the president's salary, or \$42,750. This artificial ceiling has resulted in a compression of the executive and managerial pay scales such that pay ranges no longer reflect differing levels of responsibilities.

Testimony presented to your Committee included a 1980 study by the Advisory Committee to the board of regents on Administrative Salaries at the University of Hawaii which revealed that as of July 1, 1980, 166 employees covered by collective bargaining agreements were compensated beyond the salary level of the excluded executives and academic administrators. This problem has resulted in some administrators returning or expressing a desire to return to their faculty positions. Furthermore, candidates for various high-level posts were of necessity recruited on the basis of the acceptance of salary offered.

The Advisory Committee sought salary data on comparable institutions, which would reflect salaries of those professional groups from which the University was likely to recruit its administrators. The Committee selected from the annual administrative salary survey of the College and University Personnel Association a group of 40 public universities of comparable size with enrollments of 20,000 or more. The results indicated that University of Hawaii salaries lie far below counterpart salaries in comparable institutions. The

median salary (adjusted for 1980-81) for presidents of comparable institutions was \$71,432 per year, the median salary for chancellors was \$65,657 per year, and the median salaries for deans of the various college disciplines ranged from \$40,788 to \$78,164. By comparison, the salary of the president of the University of Hawaii is \$45,000, the salary of the Manoa Chancellor is \$42,750, and the salary ceiling for Manoa deans is \$42,750.

Previous legislation in Sections 304-11 and 30413 of the Hawaii Revised Statutes indicates that the legislature has recognized the need for establishing comparability for University of Hawaii faculty members with similar institutions on the mainland with respect to certain conditions of employment. In order for the University to maintain its role as a major institution of higher education, it is now apparent that the concept of comparability must be extended to include executive and administrative personnel. To accomplish this, it is imperative that we remove the statutory ceilings on executive and managerial salaries, including that of the University president. In addition, it is proposed that the salary range for the president of the University, and for executive and managerial personnel, be established by the board of regents in accordance with pay scales of comparable institutions.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1942 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 Abercrombie did not concur.

SCRep. 100 Higher Education on S.B. No. 2127

The purpose of this amendment is to provide an appropriation to bring a distinguished scholar from the Pacific region to the University of Hawaii each year, and promoting student/faculty exchanges between the University of Hawaii, the University of the South Pacific, and the University of Papua New Guinea.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2127 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2127, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 101 Higher Education on S.B. No. 2027

The purpose of this bill is to make an appropriation to increase secretarial time in the Women's Studies Program in order to continue service to students and faculty.

Your Committee received testimony from the University of Hawaii at Manoa supporting the passage of S.B. No. 2027.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2027, 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. 102 Higher Education on S.B. No. 1720

The purpose of this bill is to amend existing law in order to raise the maximum limit on the University of Hawaii research and training revolving fund from \$600,000 to \$2,000,000 annually from indirect overhead sources generated by federal and other research and training contracts and grants. This bill also requires that the University of Hawaii prepare and submit an annual report on the status of the research and training revolving fund twenty days before the start of each regular session of the legislature.

The quality of instruction at the University of Hawaii is largely dependent on the university's excellence in research. To assist the university in attaining prominence as a research institution, flexibility must be allowed in the use of seed moneys provided by the research and training revolving fund. Significant contributions have been made by the university's research and training activities in areas such as tropical agriculture, marine research, alternate energy research, astronomy, public health, chemistry, physics, and Asian and Pacific studies. Written testimony submitted by the university indicates that for each dollar of State general funds allocated to the university's organized research units, \$1.89 to \$3.95 in extramural funding is generated. By comparison, \$7.20 to \$13.51

in extramural funds is generated for each dollar of startup or seed money provided by the research and training revolving fund.

Raising the ceiling on the research and training revolving fund will increase the university's ability to compete effectively for extramural funds, with a concomitant increase in ability to attract distinguished faculty who can fully utilize these funds to conduct research and training programs. The presence of top-caliber faculty in turn will further attract extramural grants.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1720 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. 103 Higher Education on S.B.No. 1622

The purpose of this bill is to provide for changes in standards of eligibility and the amount of award from the higher education loan fund in order to bring the standards closer to those of the federal student loan fund.

Your Committee received testimony from the University of Hawaii that the proposed amendments in the legislation would bring the eligibility and loan limitation requirements into line with comparable federal programs which will simplify the administration of financial aids. The University supports this bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1622 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. 104 Higher Education on S.B. No. 1516

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$141,789, or so much thereof as may be necessary for fiscal year 1981-83, for student aid at the University of Hawaii at Hilo.

Your Committee received testimony from the University of Hawaii at Hilo that a portion of these funds are included in the Executive Budget which was also part of the Regents' Budget; that although they might be able to utilize such funds effectively, the additional funds were not identified as needed and of sufficient priority to be recommended to the governor.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. 1516 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. 105 Higher Education on S.B. Nos. 793, 1035, 1036, 1307, 1038, 1039, 1040, 1041, 1515, 1517, 1590, 1592, 1596, 1600, 1611, 1613, 1620, 1634, 1655, 1760, 1934, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2028, 2030, 2031, 2033, 2034, 2035, and 2037.

Your Committee on Higher Education is in accord with the intent and purposes of S.B. No.'s 793, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1515, 1517, 1590, 1592, 1596, 1600, 1611, 1613, 1620, 1634, 1655, 1760, 1934, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2028, 2030, 2031, 2033, 2034, 2035, and 2037 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. 106 Government Operations and Intergovernmental Relations on S.B. No. 555

The purpose of this bill is to amend Act 279, Session Laws of Hawaii 1980, to mandate the creation of property tax appeals boards by the counties.

Under the provisions of the bill as introduced, each county is mandated to create an appeals board to hear property tax appeals. The bill further sets out the composition, powers and duties of the appeals board.

The director of finance of the city and county of Honolulu testified that the bill should be amended to delete all specific requirements of county boards of review as the individual counties have already enacted ordinances establishing appeal procedures.

Your Committee has adopted the recommendation of the director of finance and made appropriate amendments to the bill.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 555, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 107 Government Operations and Intergovernmental Relations on S.B. No. 1357

The purpose of this bill is to provide funds to construct a facility to replace the State's Multi-Purpose Center in Kaunakakai, Molokai, which was completely destroyed by fire on February 10, 1980.

Your Committee amended the bill by inserting \$2,000,000 as the amount for appropriated funding.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1357, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 108 Government Operations and Intergovernmental Relations on S.B. No. 1809

The purpose of this bill is to provide \$960,000 for various projects in the city and county of Honolulu.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1809 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. 109 Government Operations and Intergovernmental Relations on S.B. No. 99

The purpose of this bill is to provide the city and county of Honolulu \$1,000,000 to purchase Camp Kailani which adjoins Kailua Beach Park.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 99 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. 110 Government Operations and Intergovernmental Relations on S.B. No. 259

The purpose of this bill is to amend section 27-14, Hawaii Revised Statutes, to provide for the reversion, or payment in lieu thereof, to any county for any real property taken over by the State for public school purposes when such real property will not be required for school use in the future.

Your Committee has amended S.B. 259 to clarify the language in order to prevent any misunderstanding of your Committee's intent and objective. No change in substance was made.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 259, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 111 Government Operations and Intergovernmental Relations on S.B. Nos. 158, 1508, 1509, 1510, 1523, and 1848

The purpose of these bills is to provide funds for various county projects in the county of Hawaii.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. Nos. 158, 1508, 1509, 1510, 1523, and 1848 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. 112 Government Operations and Intergovernmental Relations on S.B. No. 335

The purpose of this bill is to establish standards for grants, subsidies, and purchases of service pursuant to Article VII, section 4 of the State Constitution which requires that "no grant of public money or property shall be made except pursuant to standards provided by law."

The "grant of public" money, as used in Article VII, section 4 of the State Constitution is intended to apply to all appropriations of public funds to private recipients and organizations. This bill defines the kinds of funds or transfers to be made available to private parties as grants, subsidies, and purchases of services, establishes standards for recipients; and provides procedures for review, funding, monitoring, and evaluation of requests for grants, subsidies, and purchases of service.

Your Committee finds that the original bill can be improved as to scope and clarity. Accordingly, your Committee has amended the bill as follows:

1. Section 1 has been amended to create a new chapter rather than a new part to chapter 37 since it covers a different subject matter than chapter 37.
2. Definitions have been added to clarify how appropriations are made. Definitions have also been added for agency, chief executive, county, director, and legislative body so that this bill can be applied to state and county governments. Because the standards contained in this bill, as amended, are pursuant to Article VII, section 4, the counties are subject to a constitutional rather than a legislative mandate. Thus, your Committee finds that this bill does not create a "new program or increase the level of service" of the counties within Article VII, section 5 of the State Constitution.
3. A new section has been added to establish standards for providers and recipients of public funds which meet criteria for nondiscrimination, licensing and accreditation, subjecting qualified personnel to salary review, prohibitions on nepotism and use of public funds for entertainment and perquisites, a volunteer, non-profit organization governing board with no conflict of interest, and other requirements as the director may prescribe to ensure adherence to federal, state, and county laws. Recipients and providers must also open their records and files to ensure proper and effective use of public funds.
4. Procedures for reviewing requests have been broadened to include the judiciary and counties. A provision has been added to require the director to adopt rules for transfers rather than to establish policies and guidelines.
5. Provisions for the submittal of requests to legislative bodies have been expanded to include the judiciary and counties and to require greater detail in the justification of requests submitted to legislative bodies by the chief executive. To provide flexibility for requests which have not been reviewed in accordance with the standard review procedures required under section -3 of this bill, a separate review procedure has been provided.
6. Provisions have been added to establish the responsibilities of government agencies for making fair and proper allotments, executing contracts in accordance with legislative intent, and for monitoring and evaluating transfer programs.
7. Your Committee, by addition of a new section, has designated the office of the legislative auditor to undertake the responsibility of monitoring and evaluating the implementation of the Act and to submit status reports on its findings to the regular sessions of 1982 and 1983.
8. A new section 3 clarifies the dates at which varying portions of this bill will take effect.
9. Amended the bill to clarify its intent and to conform to recommended drafting style.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 335, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 113 Government Operations and Intergovernmental Relations on S.B. No. 1390

The purpose of this bill is to amend section 143-8, Hawaii Revised Statutes, to empower each county with the flexibility to determine and charge impoundment fees reflective of the actual costs of impounding dogs. This Act will relieve each county of the need to seek legislative amendment should the actual cost of impounding dogs differ from county to county.

Your Committee has amended the bill to correct a typographical error and to conform the bill to recommended Ramseyer format.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1390, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 114 Government Operations and Intergovernmental Relations on S.B. No. 939

The purpose of this bill is to provide a grant-in-aid to the city and county of Honolulu.

Your Committee amended the bill by listing the various water projects on Oahu for the grant-in-aid and appropriated the sum of \$681,000.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 939, as amended herein, and recommends that it pass Second Reading in the form attached as S.B. No. 939, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 115 Government Operations and Intergovernmental Relations on S.B. No. 390

The purpose of this bill is to authorize the establishment of a state revenue sharing program for the disbursement of general excise tax collections via a trust fund to be known as the State Revenue Sharing Fund as entitlements to the four counties. This bill will substantially revise section 248-6, Hawaii Revised Statutes, which presently governs the distribution of grants-in-aid to the counties. The statute was enacted as Act 114, Session Laws of Hawaii 1973. Under Act 114, a fixed amount was established, based on the amount distributed in fiscal year 1972, and the amount was disbursed each year subject to adjustments for county functions assumed by the State. The counties received \$19,447,551 in fiscal year 1972; in fiscal year 1980, they received basic grants of \$18,173,045. This bill proposes to abolish this current state grants-in-aid program and replace it with a "revenue sharing program".

The proposed "revenue sharing program" consists of two parts:

(a) The initial establishment of a \$38,708,000 trust fund. This sum was arrived at by taking the current \$18,173,045 grants-in-aid allocation to the counties and increasing that amount by the State's general fund expenditure growth between fiscal year 1971-72 to fiscal year 1979-80. This increase was calculated to be 113 per cent.

(b) Effective every July 1, thereafter, the amount in the trust fund shall be increased by the rate of the "state growth" as defined by the State's general fund expenditure ceiling. (HRS Sec. 37-91)

Your Committee is in agreement with the concept of revising the current state grants-in-aid program and replacing it with a more equitable and fair "revenue sharing program" contained in S.B. No. 390. It is a known fact that the current grants-in-aid program does not provide the counties, especially the City and County of Honolulu, with an equitable share of the State's broad-based tax collections. The inequity and discriminatory effect of the existing formula on Oahu County is clearly apparent when the following factors are considered:



- (a) Over 80 per cent of the excise tax collections are generated on Oahu;
- (b) Approximately 79 per cent of the total population of the State reside on Oahu;
- (c) Oahu taxpayers have "subsidized" the remaining counties since 1973.

It, moreover, does not respond to the growing needs of the counties. Furthermore, due to inflation, the counties' grants-in-aid have decreased in real dollars during this period.

Your Committee has amended S. B. No. 390 by revising the state revenue sharing formula proposed in the bill in the following respects:

(a) Deleted in its entirety the provision which allocates a minimum entitlement fund of \$3,000,000 to each county to be disbursed from the trust fund;

(b) The trust fund of \$38,708,000 to be allocated according to the federal general revenue sharing entitlement formula received by each county "during fiscal year two years preceding entitlement year". See exhibit attached to this committee report for details as to formula, percentage, and fund allocations to each county. The federal general revenue sharing entitlement formula which will be in effect, except for fiscal year 1981-82, for the respective counties is as follows:

Honolulu	73.2%
Maui	9.2%
Hawaii	12.6%
Kauai	5.0%
	<u>100.0%</u>

It should be emphasized that each county will receive at least the amount distributed to that county in fiscal year 1981 under Act 114, Session Laws of Hawaii 1973. A one-time subsidy for fiscal year 1981-82 in the sum of \$1,180,921 to Kauai County is provided to carry out this intent and objective.

This one-time subsidy to Kauai will revise the revenue sharing entitlement formula to the following percentages:

Honolulu	71.1%
Maui	8.9%
Hawaii	12.2%
Kauai	7.8%
	<u>100.0%</u>

It is the intent of your Committee that subsequent to fiscal year 1981-82, the initial entitlement formula specified in (b) hereinabove will be operative and in full force and effect.

It is the consensus of your Committee that Senate Draft 1 of S.B. No. 390 will rectify the inequities of the past and will result in providing each county with the financial ability to operate on a self-sufficient basis.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 390, S.D. 1, and be referred to the Committee on Ways and Means.

STATE REVENUE SHARING PROGRAM  
SENATE BILL 390 S.D. 1  
Fiscal Year 1981-82

(See following page.)

County	County's Basic Entitlement	Per Cent	Subsidy	Total Entitlements	Per Cent	Per Capita
Honolulu.....	\$28,334,256	73.2	\$ ----	= \$28,334,256	71.1	\$37.19
Maui .....	3,561,136	9.2	----	= 3,561,136	8.9	49.92
Hawaii .....	4,877,208	12.6	----	= 4,877,208	12.2	52.89
Kauai .....	<u>1,935,400</u>	<u>5.0</u> +	<u>1,180,921</u>	= <u>3,116,321</u>	<u>7.8</u>	<u>79.67</u>
Total.....	<u>\$38,708,000</u>	<u>100.0</u> +	<u>\$1,180,921</u>	= <u>\$39,888,921</u>	<u>100.0</u>	

Signed by all members of the Committee.

SCRep. 116 Government Operations and Intergovernmental Relations on S.B. No. 254

The purpose of this bill is to reimburse the city and county of Honolulu for improvement district assessments on state-owned and exempt property.

Federal and state-owned properties are exempt from payment of improvement district assessments. Therefore, the city and county has assumed the cost of improvements for certain projects which have benefited state property. Section 70-111 permits the State to reimburse a county for what would normally have been assessed a similarly-situated property owner. This bill provides for such a reimbursement.

Your Committee finds that the concept implemented by this bill is an equitable one. However, it amended the measure to limit reimbursement to the cost of improvements to publicly owned property.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 254, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 117 Government Operations and Intergovernmental Relations on S.B. No. 1948

The purpose of this bill is to authorize the survey division, department of accounting and general services, to sell copies of land court maps under the custody and control of the bureau of conveyances by adding a new section in chapter 501. This bill also amends section 502-22, Hawaii Revised Statutes, to empower the registrar of conveyances to authorize the survey division to sell file plan maps to the public.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1948 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. 118 Government Operations and Intergovernmental Relations on S.B. No. 2000

The purpose of this bill is to appropriate funds to Kauai County to provide transportation services for the elderly, disabled, handicapped, and other disadvantaged persons, including preschool children.

Your Committee has amended the bill to change the amount appropriated from \$75,000 to \$50,000. Your Committee has determined that this amount will be sufficient to provide the required services for fiscal year 1981-1982.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2000, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 119 Government Operations and Intergovernmental Relations on S.B. No. 1540

The purpose of this bill is to provide a grant-in-aid to the city and county of Honolulu for plans and construction of a swimming pool in the Ewa Beach area.

Your Committee determined that \$50,000 is an adequate amount for this project and amended the bill accordingly. Your Committee further amended the bill to conform to recommended drafting style.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1540, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 120 Government Operations and Intergovernmental Relations on S.B. No. 1532

The purpose of this bill is to create a charter commission for the county of Kalawao.

Your Committee finds that the residents of Kalawao County, who have long been denied the right of local self-government, should be afforded the option of managing their own county.

Your Committee has amended the bill by deleting the last two sections proposed in Section 3 of the bill. These sections do not relate to operations of a charter commission. Your Committee feels it is not desirable to have Kalawao County exempted from laws of general application throughout the State. If Kalawao County becomes a federal National Park in the future, it will be necessary to provide for appropriate statutory authority at that time.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1532, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ajifu.

SCRep. 121 Human Resources on S.B. No. 106

The purpose of this bill is to increase the tax credit to be given to an individual who is gainfully employed and supporting a qualified child or disabled dependent.

The resident of the Hawaii State Division of the American Association of University Women testified that an increase in the tax credit incentive will encourage parents to enter into the work force, thus generating more tax revenue and aiding taxpayers with dependents.

The director of taxation testified that this child care credit conforms to the Internal Revenue Code provision relating to the federal tax credit for child and dependent care expenses which allows for a twenty percent credit of qualifying expenses paid for child care services.

Your Committee has amended the bill by reducing the allowable tax credit from twenty percent in the bill as introduced to ten percent. The bill as amended would aid taxpayers with dependents to support by increasing the tax credit from five percent to ten percent, although the tax credit would still be less than the federal tax credit.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 106, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 122 (Majority) Human Resources on S.B. No. 451

The purpose of this bill is to increase the interest paid to public employees who contribute to the system from 4 1/2% to 7% a year.

As testified by the Employees' Retirement System, the increase in interest rate would reduce the general fund appropriation to \$119 million for fiscal year 1982-1983. It would also affect the estimated net contributions to the system for fiscal years 1984-1987.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. 451 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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

SCRep. 123 Human Resources on S.B. Nos. 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463 and 464

The purpose of these bills is to obtain legislative approval and funding for adjustments in wages, hours or other terms and conditions of employment for public officers and employees covered by collective bargaining under chapter 89, Hawaii Revised Statutes.

Fund authorizations and appropriations by the legislature are necessary, in accordance with section 89-10 (b), HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining units representing State public officers and employees for the fiscal biennium commencing July 1, 1981.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. Nos. 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464 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. 124 Human Resources on S.B. No. 465

The purpose of this bill is to amend the present health fund statutes to permit all public employers, State and County, to advance the amount of their employee-beneficiaries' contributions to the health fund. These advanced premium payments shall be due on or before the first day of each month.

The department of budget and finance testified that in the past, advance premium payments have been made by the Board of Trustees for both State and County employees using State appropriations.

However, on April 7, 1980, the State Attorney General advised the health fund that it could not use State appropriations to make advance premium payments for County employees.

On August 7, 1980, the Board requested that all County directors of finance advance premium payments for their respective County employees to the health fund. However, the directors stated that they do not have any legislative authority to do so.

This amendment to the health fund will provide a legal basis and authority by which Counties can advance premium payments for their employers.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 465 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. 125 Human Resources on S.B. No. 491

The purpose of this bill is to amend Part I of the Employment Practices Law, Chapter 373, Hawaii Revised Statutes, by clarifying and supplementing various sections in order to extend coverage to all employees in the public sector. It assures that women are provided equal treatment in employment when disabled by pregnancy or maternity. It further provides the general public with a statute and procedure that is easier to comprehend and more compatible with the Federal Civil Rights Act and EEOC's national charge processing system.

This bill provides public employees with protection from discrimination in employment.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 491 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. 126 Human Resources on S.B. No. 535

The purpose of this bill is to clarify the language in section 346-71, Hawaii Revised Statutes, by holding natural or adoptive parents liable for the support of their children, natural or adoptive.

This bill is consistent with the federal program, Aid to Families with Dependent Children (AFDC). In AFDC, if natural parents are living with natural children, the department enforces support liability on both parents.

There are more and more instances in which parents are living without the benefit of marriage or remarriage as in the case of divorced parents who are reunited. Under the proposal, income and resources of both parents, whether or not they are ceremonially married to each other, will be considered for each other and their natural or adoptive children in the calculation of benefits. Enactment of this bill will clearly allow the department to include both parents as applicants in behalf of their children and fully consider the income and resources of both parents living in the same household.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 535 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. 127 Human Resources on S.B. No. 539

The purpose of this bill is to specifically authorize the department of social services and housing to provide payments for medical care received by eligible state and county retirants and pensioners under the provisions of section 88-4, Hawaii Revised Statutes. Additionally, the bill amends the law to require that certain third party benefits available to retirants and pensioners be added to the income of retirants and pensioners in determining whether they are eligible for free medical care.

Presently, section 88-4, Hawaii Revised Statutes, entitles eligible state and county retirants and pensioners and their spouses to free medical care from state and county employed physicians and at state and county medical facilities. However, because of the limited availability of such services, the department of social services and housing has been providing for medical care to eligible retirants and pensioners through its medical assistance program. This bill amends section 88-4 to specifically authorize the department to continue to provide payments for medical care to eligible retirants and pensioners.

Your Committee finds that the proposed amendment is necessary and desirable to provide retirants and pensioners with needed medical care because of the limited availability of state and county employed physicians and health care facilities.

Your Committee has amended this bill to correct typographical errors in matters relating to drafting style which have no substantive effect.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 539, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 128 Human Resources on S.B. No. 677

The purpose of this bill is to provide deaf and speech impaired persons greater access to certain government offices and state agencies.

Your Committee adopted the recommendations compiled by the coordinated efforts of representatives from the department of social services and housing and the Hawaiian Telephone Company. Generally, the proposed amendments shall authorize the director of the department of social services and housing to establish a 24 hour Telecommunications Device for the Deaf (TDD) relay service on the islands of Oahu and Maui. It was agreed that the most cost effective means of establishing these relay services would be through competitive bidding.

Amendments were made to authorize the director of social services and housing to provide TDD terminals in emergency service dispatch centers and in designated state departments to allow TDD users direct access to each of these locations on each island with the exceptions of Niihau and Kahoolawe.

The adoption of this bill, as amended, would provide for more equality of opportunity, equal access, and equal rights to handicapped persons.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 677, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 677, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 129 Human Resources on S.B. No. 831

The purpose of this bill is to establish a salary structure and schedule for excluded non-managerial white-collar employees.

Prior to 1980, the compensation of all excluded white-collar employees was covered under chapter 77, Hawaii Revised Statutes, and was therefore tied closely to the negotiated scales of included employees. In 1980, the legislature recognized the need to eliminate this linkage and it authorized the chief executives and chief justice to establish a separate pay structure and schedule for excluded managerial white-collar positions. The salaries of excluded non-managerial white-collar employees however is still covered by chapter 77 and is still closely linked to those of included employees. As originally drafted, this bill would have established a separate excluded personnel salary schedule to remedy the situation.

Your Committee, though in accord with the basic intent of establishing a separate and independent compensation structure and schedule for this class of excluded employees, finds that the same flexibility and fairness that is employed in establishing salary structure for excluded managerial positions, should also be provided for non-managerial positions. Your Committee amended the bill accordingly to authorize the chief executives and chief justice to establish the pay structures and schedules for both excluded managerial and non-managerial white-collar positions.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 130 Human Resources on S.B. No. 866

The purpose of this bill is to incorporate the provisions of the federal Randolph-Sheppard Act, amended in 1974. The amendments include comprehensive new authorities designed primarily to ensure that blind persons licensed by state licensing agencies are afforded a priority in the operation of vending facilities on federal property.

The Randolph-Sheppard Act further establishes certain responsibilities for state licensing agencies in the effective management of the vending facility program for the blind in each state and for uniformity of treatment of blind vendors by departments, agencies, and instrumentalities.

Your Committee adopted the recommendation of the department of social services and housing by inserting "facilities and" between the words "vending" and "machines", in section 102-14 (a), page 1, line 13 of the bill.

Additionally, your Committee inserted "harbor facilities, airports", between the words "Center", and "and" in section 102-14 (a), page 2, line 15 of the bill for the purpose of excluding these premises from the provision of this statute.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 131 Human Resources on S.B. No. 1284

The purpose of this bill is to provide Employees' Retirement System mortgages at a minimum down payment of 10%.

Under the present statutes, the Employees' Retirement System may enter into first mortgages provided that the amount of the obligation shall not, at the time the investment is made therein, exceed 75% of the value of the real estate mortgaged to secure it, except that if the obligation is for an amount of \$75,000 or less, the amount of the obligation shall not exceed 80% of the real estate and improvements mortgaged to secure it.

Because of the continuing rise in real estate prices and interest rates, S.B. No. 1284 will allow the Board of Trustees to increase the loan-to-value ratio to 90%, provided that the obligation is insured or guaranteed against default or loss under a mortgage insurance policy issued by a casualty insurance company licensed to do business in the State. The coverage provided by the issuer should be sufficient to reduce the system's exposure to no more than 75% of the value of the real estate used to secure it. Such insurance coverage shall remain in force until the principal amount of the obligation is reduced to 75% of the original value of the real estate and improvements mortgaged to secure it, at which time the coverage shall be subject to cancellation at the option of the Board of Trustees.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1284 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. 132 Human Resources on S.B. No. 1447

The purpose of this bill is to eliminate the requirement that a person must survive for at least 30 days after the date of filing for retirement.

Presently, for an employee who dies within 30 days after the date of filing his application, his beneficiary would receive his accumulated contributions, his contributions to the post retirement fund, and up to a maximum of his yearly salary. This method would prevail unless it was proven that his death was of a terminal nature.

If the employee dies within 30 days after the date of filing his retirement application, this bill would allow the beneficiary of the employee to receive the allowance under the option selected by the employee which would have been payable had the employee retired.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1447 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. 133 Human Resources on S.B. No. 1467

The purpose of this bill is to obtain legislation for approval and funding for adjustments in wages, hours, or other terms and conditions of employment for public officers and employees excluded from collective bargaining under chapter 89C, Hawaii Revised Statutes.

Fund authorizations and appropriations by the legislature are necessary, in accordance with section 89-10(b), Hawaii Revised Statutes, to cover the expected cost of implementing negotiations for State officers and employees excluded from collective bargaining for the fiscal biennium commencing July 1, 1981.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1467, 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. 134 Human Resources on S.B. No. 1475

The purpose of this bill is to provide the flexibility necessary to accommodate the different pay structures of the several bargaining units and to allow for more timely, fair, and appropriate adjustments to be made when a shortage is declared.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1475, 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. 135 Human Resources on S.B. No. 1486

The purpose of this bill is to expand the scope of collective bargaining negotiations to include contributions to the Hawaii public employees health fund.

Testimony presented by the director of the department of personnel services concurs with the purpose of this bill.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1486 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. 136 (Majority) Human Resources on S.B. No. 1583

The purpose of this bill is to permit the Board of Trustees to purchase gold bullion, silver bullion, or platinum for investment.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1583, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

Senators Anderson and Henderson did not concur.

SCRep. 137 Human Resources on S.B. No. 1660

The purpose of this bill is to establish centers for career planning, employment counseling and work exploration to public high school students. These centers offer educational and occupational counseling and help students to formulate realistic career goals based on information regarding current and future employment trends.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1660 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. 138 Human Resources on S.B. No. 1743

The purpose of this bill is to clarify collective bargaining units for public employees.

Testimony from the vice-president of the University of Hawaii stated that enactment of this bill should result in having employees with similar duties and responsibilities in the same bargaining unit.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1743 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. 139 Human Resources on S.B. No. 1827

The purpose of this bill is to permit the Department of Labor and Industrial Relations to apply Hawaii's pension offset in section 383-23.5, Hawaii Revised Statutes, in a more equitable manner and to precisely conform the language of Hawaii's law to the federal law.

As testified by the director of the Department of Labor and Industrial Relations, effective September 26, 1980, Public Law 96-364 amended section 3304 (a)(15), FUTA, to low states to apply a less stringent standard than originally enacted in 1976. Under the less stringent standard, a state may limit pension offset to only pensions received from a



base period or chargeable employer and takes into account contributions made by a worker to the pension plan. In addition, with the exception of social security pension and railroad retirement payments, no offset is applicable unless the worker's base period services or remunerations affected entitlement to the pension or increased the pension.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1827 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. 140 Human Resources on S.B. No. 1828

The purpose of this administration bill is to conform section 383-170, Hawaii Revised Statutes, to section 202(a) of the Federal-State Extended Unemployment Compensation Act, as amended by Public Law 96-499 and to provide for the denial of extended benefits to any individual who fails to accept suitable work, as defined in this bill, or a referral to such work, or for failure to engage in a systematic and sustained search for work.

Testimony from the director of labor and industrial relations stated that enactment of this bill will avoid the loss of certification of the Hawaii Employment Security Law for employer tax credit.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1828 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. 141 Human Resources on S.B. No. 1840

The purpose of this bill is to remove statutorily based ceilings on compensation for public officers and employees who are excluded from collective bargaining units.

Chapter 89C, Hawaii Revised Statutes, authorizes the chief executives of the state and counties, the board of education, the board of regents and the chief justice of the supreme court to make appropriate adjustments in the compensation, hours, terms and conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining coverage. However, under section 89C-2 any adjustments in the compensation are limited as follows:

- (1) For officers and employees covered by chapter 77 and 297, to a maximum of ninety-five per cent of the maximum compensation for the first deputy or first assistant to the head of a department; and
- (2) For officers and employees covered by chapter 304, to a maximum of ninety-five per cent of the compensation paid to the president of the University of Hawaii.

The same limitations are placed on adjustments in compensation for officers and employees whose salaries are fixed by the appointing authority.

This bill amends section 89C-2 to remove the limitations on the compensation described above.

Your Committee is in agreement that the limitations on the adjustment of compensation is inequitable in that no such limitations are imposed on employees included within bargaining units.

As introduced, the bill made appropriate amendments to chapter 89C-1 to bring legislative employees within the ambit of chapter 89-1. Upon consideration of the measure, your Committee has amended the bill to delete such proposed amendments.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1840, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 142 Human Resources on S.B. No. 1952

The purpose of this bill is to provide an option to negotiate a salary conversion plan to reduce the number of steps within the salary ranges for civil service employees provided by Act 253, Session Laws of Hawaii, 1980.

Three bargaining unit - nurses, non-supervisory blue-collar employees, and supervisory blue-collar employees - successfully negotiated conversion plans under the initial option. The costs of these plans are currently pending legislative approval and appropriations.

There are six bargaining units remaining (units 3, 4, 10, 11, 12, and 13), all involving white-collar employees, without a conversion plan. Representatives of these bargaining units have expressed a desire to have the option to negotiate such a plan.

Enactment of this bill provides the same option as that provided under the original Act and further extends the option for two more years.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1952 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. 143 Human Resources on S.B. No. 416

The purpose of this bill is to amend seven different laws to prohibit discrimination based on a person's "sexual orientation".

In addressing the issue of discrimination, your Committee on Human Resource's view was best summarized by the Reverend Denis E. Moore.... "It is a simple question of human right: the right to a job, the right to shelter, and the right to live a productive life."

Your Committee on Human Resources is in accord with the intent and purposes of S.B. 416 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

Signed by all members of the Committee.

## SCRep. 144 Human Resources on S.B. No. 616

The purpose of this bill is to ensure that an employee will not be disciplined by an employer for participation in the criminal justice system as a witness.

Testimony from the chairman of the Hawaii Crime Commission stated that enactment of this bill will prevent an employee from losing his wages because his presence or testimony was required in court.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 616 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

Signed by all members of the Committee.

## SCRep. 145 Housing and Hawaiian Homes on S.B. No. 392

The purpose of this bill is to amend subsection (c) of section 53-16, Hawaii Revised Statutes, to allow the legislative bodies of the counties to establish the interest rate of bonds for financing redevelopment projects. This bill will remove the existing six per cent interest rate ceiling on urban renewal bonds established in the 1949 legislation.

The city and county of Honolulu presented testimony in support of this bill. The six per cent interest limit has caused an increase in borrowing costs for its urban renewal projects. In 1980, it was forced to obtain a direct federal loan at 9.5 per cent interest instead of a seven per cent loan from the private sector because of the interest rate limitation. The six per cent interest rate ceiling prevents it from taking advantage of its ability to finance projects through bond issues, thus hampering its renewal programs.

Your Committee concurs that the present six per cent interest rate ceiling is not appropriate. Your Committee also supports allowing counties the discretion to set the

interest rates on urban renewal bonds so that redevelopment may be carried out effectively at low costs.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 392 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     Housing and Hawaiian Homes on S.B. No. 426

The purpose of this bill is to make an appropriation to ensure the continuing operation and effectiveness of the Office of Hawaiian Affairs.

In testimony the office presented a tentative breakdown of its expenditures for fiscal year 1981-1982. Although the specifics of the budget have not yet been determined, the office estimates that it will require approximately \$442,272 to hire the necessary staff to plan and implement its programs. The appropriation will be matched by the office (less \$200,000 for a required audit) with funds derived from public trust lands.

Your Committee finds that the operation and development of the Office of Hawaiian Affairs are of sufficient importance to justify the requested appropriation and that the annual audit required by section 10-13 will insure accountability.

Your Committee has amended the bill to reduce the amount initially provided therein to that requested by the office.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 147     Housing and Hawaiian Homes on S.B. No. 473

The purpose of this bill is to amend sections 213, 214, and 215 of the Hawaiian Homes Commission Act by increasing statutory ceilings on home loans and home repair loans.

Currently ceilings on guaranteed loans for home repairs are set at \$10,000. S.B. No. 473 would increase it to \$15,000. Ceilings on home loans would increase from \$35,000 to \$50,000.

The increase would alleviate severe constraints on quality and size requirements. This bill would allow participants to keep up with inflation and borrow needed funds.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 473 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. 148     (Majority) Housing and Hawaiian Homes on S.B. No. 475

The purpose of this bill is to amend the procedure for determining compensation to be paid to lessee upon termination of a lease.

Your Committee has amended this bill to clarify the amount paid to a former lessee upon termination. The amendment provides that the department may employ two methods to compute the amount payable to the lessee upon surrender or cancellation of the lease. The first method allows the department to purchase the lessee's interest at a total sum of: The original cost of the improvements to the lessee; the original cost of the improvements added by the lessee, less any luxurious or maintenance improvements; and simple interest on the lessee's equity in the improvement at 7 per cent a year. The second method allows the department to conduct an appraisal of the improvements when the department feels that such an appraisal will produce a value less than that obtained by the first method. The sum paid to the lessee shall be the lesser of the two amounts.

Your Committee has also made other nonsubstantive, technical corrections to the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 475, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 149 Housing and Hawaiian Homes on S.B. No. 476

The purpose of this bill is to allow funds in the Hawaiian home replacement fund to be used for the construction of new dwellings and repair of existing homes on agricultural or pastoral lots.

Presently, the Hawaiian Homes Commission Act, 1920, as amended, does not allow the Hawaiian home replacement loan fund to be used for homes on lots other than residential lots.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 476 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 Housing and Hawaiian Homes on S.B. No. 477

The purposes of this bill are to:

- 1) Allow the Department of Hawaiian Home Lands to adopt rules for administering programs financed by the Native Hawaiian Rehabilitation Fund (NHRF);
- 2) Allow the department to administer the program apart from the guidelines established the administration of other funds, i.e., those funds from which loans can be made; and
- 3) Direct the department to deposit any interest or earnings derived from the fund back into the fund.

The NHRF was established by a constitutional amendment in 1978 to finance programs for the rehabilitation of native Hawaiians.

Rehabilitation programs differ from other departmental programs, but are still subject to the same guidelines. Guidelines for administering residential and agricultural loan funds, as provided in sections 214 through 217 of the Hawaiian Homes Commission Act, 1920, as amended, do not pertain to rehabilitation loans made through the NHRF. The bill exempts the fund from sections 214 through 217 and allows the department to issue guidelines for these loans and issue rules for administering programs financed by the fund.

The bill also enables the department to deposit any interest or earnings derived from the fund back into the fund. The interest shall go to the Hawaiian loan interest fund for home development and operation of the department.

Your Committee has amended the bill to correct drafting errors which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 477, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 151 Housing and Hawaiian Homes on S.B. No. 656

The purpose of this bill is to provide the State Comptroller with full knowledge of deposits by the Office of Hawaiian Affairs and the Hawaii Housing Authority, in depositories other than the state treasury.

Presently, the Office of Hawaiian Affairs and the Hawaii Housing Authority are not required to report certain financial transactions to the State Comptroller. In order to

keep the State Comptroller aware of the total finances of the State, this bill amends section 10-3 and section 356-26, Hawaii Revised Statutes, applicable to the Office of Hawaiian Affairs and Hawaii Housing Authority, respectively, to require those agencies to report to the Comptroller on deposits of moneys in depositories other than the state treasury.

Your Committee has amended the bill to correct typographical errors and by making changes relating to drafting style which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 656, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 152    Housing and Hawaiian Homes on S.B. No. 663

The purpose of this bill is to provide general excise tax exemptions to lower the cost of government-assisted housing.

This bill expands the present exemption for construction to include planning, design, financing, sale, lease, or rental management. This bill also amends and clarifies procedural aspects of the program and also provides an exemption for federally assisted programs.

Your Committee has amended the bill by making several nonsubstantive corrections.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 663, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 153    Housing and Hawaiian Homes on S.B. No. 679

The purpose of this bill is to appropriate funds to provide congregate services in state housing projects operated by the Hawaii Housing Authority.

Your Committee believes that there is a need for congregate services in the authority's state-aided housing projects, and recommends that funds be appropriated for that purpose but has left the amount of the appropriation to the discretion of the Committee on Ways and Means.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 679 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. 154    Housing and Hawaiian Homes on S.B. No. 692

The purpose of this bill is to increase the home exemption under the real property tax law from \$12,000 to \$20,000.

Your Committee is aware that the provisions of this bill may become moot inasmuch as the real property tax function will be transferred to the counties on July 1, 1981. However, the passage of this bill will transmit the intent of the legislature to provide relief to homeowners from the effects of inflation on property tax assessments.

Your Committee has amended the bill to correct a typographical error.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 692, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 155 Housing and Hawaiian Homes on S.B. No. 805

The purpose of this bill is to provide a means through which individual landowners, acting through an association, can implement a plan for joint development, redevelopment, or rehabilitation of property.

The land readjustment approach has been widely used in Japan and other nations to cooperatively redevelop property within areas under existing diverse ownership. Your Committee finds that land readjustment offers considerable promise in effectuating a standard of flexible, high quality community design which supports the individual financial and life-style objectives of smaller landowners.

Your Committee has amended this bill in a number of respects, including (1) making the petition, designation, and implementation process more explicit; (2) adding provisions relating to project termination and completion; (3) elimination of bond financing provisions through the Hawaii Housing Authority; and (4) clarification of the Authority's powers, responsibilities, and procedures for this program. Numerous amendments have been made for the purposes of clarity and conformity with style.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 805, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 156 Housing and Hawaiian Homes on S.B. No. 806

The purpose of this bill is to provide \$5,000 for a grant-in-aid for the urban design and planning studio practicum, University of Hawaii, to study development and housing issues in the State.

Your Committee received testimony from Professor Minerbi of the urban and regional program, University of Hawaii in support of this bill. The Tenth Legislature commended the practicum program in Senate Resolution No. 446 for its studies on Kakaako. Your Committee supports the intent of the program to study and examine innovative solutions to development and housing problems in the State.

Your Committee has amended the title of the bill to correct the spelling of "programme" to "program". A corresponding correction has been made in the body of the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 806, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 157 Housing and Hawaiian Homes on S.B. No. 815

The purpose of this bill is to amend section 235-55.7, Hawaii Revised Statutes, to increase the income tax credit for low-income renters from \$20 to \$50 per qualified exemption.

This increased tax credit for low-income renters would not offset the proportionately higher tax burden on renters as compared to homeowners. Renters receive no home exemption under the property tax and may also have the four per cent general excise tax levied on their rent payments.

Your Committee has retracted language establishing a ceiling on total credit claimed. This retraction will allow larger families to continue at their present credit allowance.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 815, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 158    Housing and Hawaiian Homes on S.B. No. 1050

The purpose of this bill is to prohibit the eviction of certain elderly and handicapped persons prior to a potential conversion of their rental unit into a condominium.

Condominium conversions can create severe problems for elderly and handicapped renters because they often lack the financial or physical flexibility to find alternative housing.

The provisions of this bill preclude landlords from evicting elderly and handicapped persons when such evictions are a result of the landlord's intent to convert the rental unit into a part of a horizontal property regime. Your Committee finds that elderly and handicapped persons should be afforded some measure of protection from being displaced by condominium conversions.

Your Committee has amended this bill to:

- 1) Incorporate the definition of "elderly" found in section 359-52. This definition includes certain mentally and physically handicapped persons and serves as a basis for State elderly housing programs.
- 2) Require the landlord, as a condition to evicting an elderly tenant, to demonstrate that the tenant can afford and find reasonable alternative housing.
- 3) Add a new provision which precludes rent increases or decreases in services once a landlord contemplates conversion to a horizontal property regime, except when they are required by increased costs.
- 4) Terminate the provisions of this act on December 31, 1985, rather than December 31, 1983 as provided in the bill as introduced, and protect from its application developments for which notices of intent under chapter 514A have been filed prior to its effective date.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 159    Housing and Hawaiian Homes on S.B. No. 1315

The purpose of this bill is to appropriate to the Hawaiian loan guarantee fund, the sum of \$500,000, to support the guarantee of repayment of loans made by government agencies or private institutions to persons holding leases or licenses issued under Section 207, Hawaiian Homes Commission Act, 1920, as amended.

Presently, the Hawaiian loan guarantee fund guarantees approximately \$12.5 million in outstanding loans. The additional funds will enable the department to guarantee hula mae funds loaned to lessees.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1315 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    Housing and Hawaiian Homes on S.B. No. 1323

The purpose of this bill is to extend the applicability of the Land Reform Act to leases with terms of fifteen years or more.

The law presently applies to leases with terms of twenty years or more. This amendment will enable more lessees to petition for condemnation and ultimate acquisition of fee simple title to their property.

Your Committee recommends passage of this bill since it is consistent with the Lease Rent Renegotiation Act, which requires that renegotiations not be scheduled more than once every fifteen years.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1323 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 161 Housing and Hawaiian Homes on S.B. No. 1329

The purpose of this bill is to increase lower and moderate income government housing construction through the issuance of special purpose revenue bonds.

Your Committee has amended the bill to increase the ceiling on Hula Mae program revenue bond issuances from \$225 million to \$475 million.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1329, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1329, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 162 Housing and Hawaiian Homes on S.B. No. 1497

The purpose of this bill is to establish a trust fund of \$10,000,000 for the Office of Hawaiian Affairs. The income generated will provide the office with an initial source of funding for the development and implementation of programs to benefit all Hawaiians. The corpus of the trust will revert to the state general fund in 1985 at which time the development of the office will be reviewed.

Your Committee finds that the development of the Office of Hawaiian Affairs will best occur if, for a period of time, the office is provided with a degree of fiscal autonomy and stability which will enable it to develop an independent philosophical and programmatic foundation. The office has testified that funds derived from public trust lands which were constitutionally designated for use by the office cannot totally satisfy this purpose. Funds are limited to those of 50 per cent or more Hawaiian ancestry (native Hawaiians). Therefore, your Committee finds that an additional independent source of funding, in lieu of an annual legislative appropriation, would best facilitate the development of the office and assist all Hawaiians.

Your Committee has amended the original bill to:

- (1) Clarify the findings section and bill's purpose;
- (2) Provide board approval of trust fund investments;
- (3) Provide for the reversion of the trust corpus in 1985 in order to insure timely legislative review of the progress of the office;
- (4) Delete section 3(a) of the bill; and
- (5) Make nonsubstantive, technical amendments.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1497, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 163 Housing and Hawaiian Homes on S.B. No. 1542

The purpose of this bill is to allow the broker for a residential condominium project to compile a reservation list of the names of individuals who desire to purchase apartments without intending to become owner-occupants. The existing statute requires the broker to compile such a list for intended owner-occupants.

This amendment would provide non-owner-occupants the same opportunity extended to intended owner-occupants but would prohibit brokers from collecting earnest money deposits from prospective non-owner occupants.



Your Committee has amended the bill to correct a technical defect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1542, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 164     Housing and Hawaiian Homes on S.B. No. 1547

The purpose of this bill is to make an appropriation to conduct a study of land use permits by county central coordinating agencies.

Your Committee has amended the bill to include an appropriation of \$50,000 and to change the effective date of the bill to July 1, 1981 instead of upon approval.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1547, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 165     Housing and Hawaiian Homes on S.B. No. 1770

The purpose of this bill is to redirect funds appropriated pursuant to Act 300, S.L.H. 1980, to other designated housing projects.

This bill amends items F. 39A., F. 39B., and F. 39C. of Act 300, which amends section 120 of Act 214, Session Laws of Hawaii 1979. Your Committee has made minor technical changes in this bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1770 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1770, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 166     Housing and Hawaiian Homes on S.B. No. 1940

The purpose of this bill is to dispel any concern that public housing agencies and agency or instrumentality public housing agencies are not exempted from all taxation by the State. This Act would ultimately have a positive impact of making such housing facilities more readily available to residents of Hawaii at the lowest possible cost.

Your Committee amended this bill by deleting provisions not necessary to implement its intent and has made minor technical changes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1940, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 167     Housing and Hawaiian Homes on S.B. No. 2098

The purpose of this bill is to appropriate \$500,000 to the Department of Hawaiian Home Lands to enable it to administer loan and revenue producing programs by hiring additional staff.

Manpower shortages, especially in land management and delinquent loan collections, have restricted the department's capabilities in generating income and controlling loan delinquencies.

The land income and maintenance branch of the department now has two permanent land agents to administer over 140,000 acres, of which more than 90,000 acres are under lease. The workload includes monitoring existing leases for compliance, developing the Hilo shopping center contract, generating and coordinating new lease agreements,

and preparing monthly submissions to the Hawaiian Homes Commission. Due to lack of staff, various projects have been shelved, including establishment of a sublease participation policy, identification of the department's lands, and a land exchange package.

To reduce the loan delinquency rate and to prevent new delinquencies, additional staff is needed to monitor accounts and take prompt action when the need arises. Presently, the lack of staff makes it difficult to take timely action on delinquencies and as a result, the department is faced with chronic delinquencies which are more difficult to resolve.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2098 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. 168     Housing and Hawaiian Homes on S.B. No. 2099

The purpose of this bill is to compensate the Office of Hawaiian Affairs board members for travel expenses to destinations (related to their office) other than board meetings and to locations outside the island chain.

Presently, board members are reimbursed for personal expenses only if they attend a meeting of the entire board of trustees. There have been several incidents where members of the board have had to attend meetings other than full board meetings in conducting the normal affairs of the office. By expanding the definition of meetings to include committee meetings, the members of the board would be justly reimbursed for personal expenses incurred while on official business.

Your Committee has amended the title of the bill by replacing the word "related" after the word "act" with the customary word "relating". Your Committee has further amended the bill by making technical, nonsubstantive changes to conform to recommended drafting style.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2099, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 169     Housing and Hawaiian Homes on S.B. No. 2102

The purpose of this bill is to exempt the Office of Hawaiian Affairs from existing restrictions on the employment of attorneys.

Under current law the Office of Hawaiian Affairs may not hire an attorney to represent it or otherwise render legal counsel unless the attorney general declines such representation or counsel or approves such expenditures.

Your Committee finds that in carrying out its functions and duties, the Office of Hawaiian Affairs may, from time to time, require the services of independent legal counsel and should be granted the authority to retain such legal services. However, it is the intent of your Committee that the Office fully utilize the services of the attorney general and retain independent counsel only when special needs dictate the use of an independent counsel.

Your Committee has amended the bill to correct typographical errors and to conform the bill to recommend drafting style.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2102, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 170     (Majority) Agriculture on S.B. No. 441

The purpose of this bill is to grant civil service status to certain employees of the Milk Control Division of the Department of Agriculture. The bill also transfers the authority

to employ and remove employees, prescribe their powers and duties, and fix their compensation from the commissioner to the Board of Agriculture, and allows for future employment of staff as needed.

Your Committee received testimony on this bill from the Chairperson of the Board of Agriculture who, inter alia, pointed out that to extend the exemption status of the Milk Control Division employees would deny them the opportunities and rights now enjoyed by the majority of employees of the Department of Agriculture and other agencies of the state and counties. The granting of civil service status to the Milk Control Division personnel (except the commissioner) will continue the practice of the State to grant such status to employees once a new division through time performs as an integral part of the department.

Your Committee has amended the bill to permit the Milk Control Division to hire additional staff as needed on a contractual basis.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. 441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 441, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 171     Agriculture on S.B. No. 628

The purpose of this bill is to appropriate funds to continue the New Farmer Program in the State.

Your Committee received testimony from the chairperson of the Board of Agriculture who stated that the primary goals of the new farmer program are to encourage young people to consider farming as a career, to help them make a commitment to the farming industry and to develop their expertise in new techniques and methodologies related to the farming industry. The young people who have participated in the program to date have broadened their outlook towards agriculture as a whole and those already in farming have benefited as well from the program.

The interim Dean of the College of Tropical Agriculture and Human Resources testified that the New Farmer Program has been "...an effective and useful means in reaching the targeted new and prospective farmers and ranchers on all islands." It was pointed out that during the 1979-1980 fiscal year the following elements of the program were active in reaching more than 300 young farmers throughout the State:

- (1) Direct assistance in fertilizer use, pesticide use, crop management and budget planning;
- (2) Teaching of courses on farm law, farm management principles, energy projects, small engine repair, crop production principles, and crop protection methods; and
- (3) Leadership development workshops.

Your Committee notes that of particular significance is the fact that on Oahu during the fiscal year 1979-1980, approximately 75% of new farmers continued in agriculture after their first year while in 1977 only 35% succeeded beyond their first year. Your Committee concurs with the Dean of the College of Tropical Agriculture and Human Resources that the New Farmer Program was primarily responsible for this major increase.

Your Committee also received testimony from the Hawaii Farm Bureau Federation which indicated their support for the continuation of the New Farmer Program.

Your Committee has made several technical, nonsubstantive amendments to the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 628, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 172     (Majority) Agriculture on S.B. No. 630

The purpose of this bill is to appropriate funds for the transportation and use of agricultural

waste in land reclamation projects in Hawaii County.

The Hawaii Farm Bureau Federation testified that the reclamation project has great merit. Although more study might be needed due to the complexity of the project, the farm bureau was in favor of this bill.

Your Committee agrees with the chairperson of the Board of Agriculture that designating the county of Hawaii as the expending agency and by-passing land reclamation project is not desirable and could set an undesirable precedent for future projects. Your Committee has amended the bill to designate the Department of Agriculture as the expending agency and directed the department and the Governor's Agriculture Coordinating Committee to set such guidelines as are necessary.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 630, as amended herein, and recommends it pass Second Reading as S.B. No. 630, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 173    Agriculture on S.B. No. 631

The purpose of this bill is to appropriate funds to continue research aimed at developing a disease-resistant variety of ginger root.

Your Committee received testimony from the chairperson of the Board of Agriculture, who noted that the recent growth in ginger root cultivation in Hawaii has made that crop an important component of Hawaiian agriculture. The value of the crop produced in 1979 was \$1,138,000. Your Committee finds that ginger has an excellent export potential and that new export markets can be found as the industry expands production. However, ginger root farmers have encountered disease problems in the fields and in post-harvest storage of the root. Losses attributed to these diseases may be minimized if a disease-resistant variety of the root is developed. Such research as is necessary to develop the new varieties has been underway at the University of Hawaii's College of Tropical Agriculture and Human Resources (CTAHR) and additional funding is needed to continue the research.

Your Committee agrees with the recommendation of the Board of Agriculture that the Governor's Agriculture Coordinating Committee should be the expending authority since that agency has a broader view of agricultural research that is occurring within the State. Your Committee has amended this bill to adopt this recommendation.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 631, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 174    Agriculture on S.B. No. 632

The purpose of this bill is to appropriate funds to control the spread of the African snail which is a major pest and a threat to Hawaii's agriculture industry.

Your Committee received testimony from the chairperson of the Board of Agriculture who stated that although the giant African snail has been kept under control in most areas of Oahu, Maui, Molokai and Hawaii, occasional population buildups have occurred on these islands. On Kauai and in the Kona District of Hawaii where snails have caused concern to the residents, the Department of Agriculture has an on-going program of bait applications on untenanted public lands. Residents of these districts have cooperated with the department by baiting their own properties, collecting and destroying snails on their premises and exercising care to prevent transportation of snails to uninfested locations. Despite these efforts, the African snail continues to multiply and spread on Kauai and in the Kona District.

The chairperson of the Board of Agriculture also testified on companion bill S.B. No. 633 which addresses control of the European brown snail, a destructive pest of ornamental, vegetable, and fruit crops which was discovered in Waimea, Hawaii in 1976. The chairperson noted that department's attempts to eradicate the brown snail have not been wholly successful and that infestation now covers 20 acres in Waimea and 10 acres in Honokaa.

The infestation poses a serious threat to the commercial truck farms in Kamuela, Lalamilo, Kohala, and Paauilo and the losses which would occur if the threat materializes is estimated in the several hundred thousands of dollars.

Because of the similar nature of the two pests, the giant African snail and the European brown snail, and because the Department of Agriculture is the cognizant State agency for eradication of the pests, your Committee found it expedient to combine the two bills dealing with these pests into this bill.

The revised purpose of S.B. 632 therefore, becomes the appropriation of funds for the control and eradication of both pests.

In his testimony, the chairperson of the board recommended dollar figures for the two eradication programs. Your Committee has amended this bill to provide \$152,670 for both programs for fiscal year 1981-1982, and \$128,736 for both programs for fiscal year 1982-1983, in accordance with the board's recommendation.

Your Committee is in accord with the intent and purpose of S.B. No. 632, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 632, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 175    Agriculture on S.B. No. 1213

The purpose of this bill is to amend the gasohol exemption from the general excise tax.

Your Committee received testimony from the director of taxation in favor of the bill. Substituting the phrase, "consumption or use of gasohol by the purchaser and not for resale" for "retail dealers" makes it clear that the exemption applies to gasohol sold at the retail level by distributors, as well as dealers. This is in keeping with the principle of general excise taxation that final sales (i.e., sales for the use and consumption of the purchaser and not for resale) are retail sales and all persons selling at retail, whether or not normally retailers, should enjoy similar treatment.

Your Committee also heard testimony in favor of this bill from a representative of Pacific Resources, Inc. He stated that the bill would expand the State taxing authorities' narrow interpretation of the present law that the exemption would not extend to a gasohol distributor selling directly to a fleet operator who purchases gasohol for consumption. The distributor has not been considered a "retail dealer" and therefore sales by the dealer are not considered "retail" even though the sale meets all the criteria of a retail sale.

Your Committee has amended this bill to include the following gasohol exemption amendments proposed in S.B. No. 1957: (1) The period of the exemption has been extended to June 30, 1992. (2) The requirement that the director of taxation terminate the exemption at an earlier time if the exemption is no longer needed as an incentive has been eliminated. (3) A requirement for rules ensuring that the exemption is passed on to the consumer has been added. The purpose of the combined bills remains the same as in the original version of S.B. No. 1213.

Your Committee on Agriculture is in agreement with the intent and purpose of S.B. No. 1213, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 1213, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 176    Agriculture on S.B. No. 1399

The purpose of this bill is to appropriate funds for promotion of Hawaii's nursery industry. The funding will be used to support the 107th convention of the American Association of Nurserymen, Inc., to be held July 17-21, 1982, in Waikiki.

Your Committee received favorable written and oral testimony on this bill, as well as on a similar bill (S.B. No. 1914), and found the following points of fact:

1. The 1982 convention, scheduled for July 17-21, at the Waikiki Sheraton Hotel, provides a unique opportunity for the State's nursery industry to market its products on a nationwide scale;
2. Properly planned, this convention will generate significant economic contacts for our local nursery industry and, in addition, will have a direct, positive

impact on the State's tourist and related industries;

3. To ensure proper planning of the 1982 convention, and to ensure maximum promotion of the State's nursery industry at the convention, it is in the public interest that the department of agriculture expend funds in furtherance of the purpose of this bill.
4. That in furtherance of planning and promotion, the department of agriculture should expend a portion of funding for the purpose of meetings between Hawaii-based nurserymen and national leaders of the Association of Nurserymen at the 1981 convention scheduled to be held in Cincinnati this coming summer.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. 1399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1399, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 177 (Majority) Agriculture on S.B. No. 1555

The purpose of this bill is to appropriate funds to study and advance the growth and cultivation of papaya in Hawaii, based upon a consultant report on the papaya industry, currently forthcoming.

Your Committee received testimony from the papaya industry and the chairman of the Board of Agriculture, both of whom expressed support for this bill.

Your Committee believes that funds appropriated for the purpose stated in this bill are best disbursed by the Governor's Agriculture Coordinating Committee and has so amended the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1555, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 178 Agriculture on S.B. No. 1400

The purpose of this bill is to eliminate duplication which now exists in, and to increase the efficiency and effectiveness of resource allocation as it relates to, agricultural product promotion and market development.

Testimony presented by the chairperson of the Board of Agriculture supported this bill.

Further testimony by the chairperson of the Board of Agriculture indicated that the state agricultural plan recommends that the Governor's Agriculture Coordinating Committee allocate state resources in support of agricultural production and marketing. The Governor's Agriculture Coordinating Committee presently has only limited resources to allocate for this purpose. Your Committee has adopted the recommendation of the Board of Agriculture by providing that all funds appropriated for agricultural product promotion and market development be expended by the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1400, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 179 Transportation on S.B. No. 305

The purpose of this bill is to provide for the financing of certain land transportation facilities.

Your committee has amended the purpose of the original bill to provide for the issuance of general obligation bonds for a grant to the City and County of Honolulu for improvements to Punchbowl, Alapai, and Lusitana Streets, and Vineyard Boulevard.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 305, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 180 Transportation on S.B. No. 570

The purpose of this bill is to improve the effectiveness of the point system for evaluating driver safety and removing from the driver population those who show disrespect for traffic laws and disregard for the safety and convenience of highway users.

Your Committee heard testimony from a number of industry, law enforcement, and legal representatives regarding the possibility of changing the point system to make it more difficult for traffic violators to retain their driver's licenses. Your Committee finds that the increasing number of traffic accidents and fatalities each year is evidence of the inadequacy of the present point system. This bill eliminates the discretion of judges to impose a less than six month suspension of a driver's license if the driver accumulates twelve points in a twenty-four month period and requires judges to impose the maximum number of points for all repeat offenses. Despite conflicting testimony as to the desirability of restricting judicial discretion, your Committee has left these provisions in place, believing that the concept of mandatory retribution properly belongs in the purview of your Committee on Judiciary.

Your Committee also finds that increasing the period during which points are accumulated from twelve to twenty-four months, thus making drivers accountable for violations for an additional year, will double the effectiveness of the system. Your Committee is in accord with the testimony of the department of transportation which indicated that the present law awarding credit points to drivers who are not charged with a violation during a twenty-four month period is an administrative nightmare, dilutes the effectiveness of the point system and serves to keep unsafe drivers on the road.

Your Committee has amended the bill to specify the period during which the maximum points will be charged against a driver for repeat offenses of the same traffic law or ordinance. Your Committee has also made certain non-substantive, technical amendments to the bill, primarily to remove those subsections which are not being amended by this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 570, S.D.1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 181 Higher Education on S.B. No. 575

The purpose of this bill is to amend the existing law relating to the number, distribution and eligibility for tuition waivers and state scholarship programs administered by the University of Hawaii.

Over the past several years the growth of the University of Hawaii, coupled with other changes, has placed strains on the number and distribution of these various tuition assistance programs. Partially in response to H.R. No. 423 adopted in the 1980 session of the Tenth Legislature, the University has completed a study of these programs and has recommended several changes. Your Committee finds that it is in agreement with the University's assessment of the problems related to these programs and with their recommendations.

Your Committee has heard testimony from the University indicating that the changes proposed in this bill are in line with the University's own recommendation, would simplify the administration of these tuition assistance programs and make them more responsive to the financial needs of students at each campus.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 575 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. 182 (Majority) Higher Education on S.B. No. 1982

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii, the sum of \$5,000,000 or so much thereof as may be necessary, for plans and construction to complete grandstand, bleachers, dugouts, locker/shower/restroom facilities at the University of Hawaii baseball stadium, Oahu.

The Executive budget has proposed \$2,258,000 for this purpose, and your Committee endorses this recommendation. However, your Committee has not amended the bill in this respect because your Committee is in accord with the purposes of the bill and believes the amount of the appropriation should be the subject of a further hearing.

Your Committee has amended this bill to specify the fiscal period of the appropriation, as required by the state Constitution, and to delete the lapsing provision in section 2. The state Constitution provides that any unencumbered portion of the appropriation will lapse automatically.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1982, S.D.1, and be referred to the Committee on Ways and Means.

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

SCRep. 183 (Majority) Higher Education on S.B. No. 1722

The purpose of this bill is to implement the 1978 amendment to the State Constitution which gives the Board of Regents exclusive jurisdiction over the internal organization and management of the University of Hawaii.

This bill amends Section 26-11, Hawaii Revised Statutes, to include the language used in Standing Committee Report No. 39, Committee on Education, 1978 Constitutional Convention, the pertinent part of which provides:

Among examples of matters which would fall under the exclusive purview of the Board of Regents, under the proposed amendment, would be the authority to establish or abolish an administrative or program unit, to establish or abolish subordinate offices or positions and to transfer officers and employees between positions....

The bill also clarifies jurisdiction with respect to the management of the funds made available to the University. The authority of the governor over the general allocation of the resources of the state for the various state programs continues to be recognized. However, after the allocation and allotments have been made to the University, the authority and responsibility for the management of the funds will be placed in the University. Doing so would also make clear where accountability for management of the funds lies. It would be unfair to hold the University accountable for its actions in discharging its legal duties if its authority is not recognized or its decisions are subject to revision or veto by a staff agency outside the University. Authority, responsibility, and accountability should go hand in hand.

This bill recognizes the role of the governor as the executive head of the State responsible for the formulation of broad public policy and the general allocation of the state's resources. The University, on the other hand, is recognized by the Constitution as a corporate entity with functions and characteristics which are distinct. In the budget preparation process, the department of budget and finance will continue to set departmental ceilings, review the University's request, and develop an executive budget for transmission to the Legislature. This approach insures that the executive responsibility over the general allocation of State resources will continue to be recognized.

The University, however, would be allowed to establish internal procedures and priorities, and thus exercise the Board of Regent's jurisdiction over internal management of the University.

In the budget execution process, the governor would make the general allocation for the fiscal year, and the Department of Budget and Finance would continue to make quarterly allotments. However, after the allotment is made, the Board of Regents would have responsibility for internal allocations within the total quarterly allotment, and also to make reallocations if the situation so requires.



Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 1722, 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 Abercrombie did not concur.

SCRep. 184 Ecology, Environment and Recreation on S.B. Nos. 59, 107, 861, 862, 965, 967, 976, 1049, 1344, 1345, 1346, 1347, 1348, 1349, 1366, 1373, 1376, 1377, 1378, 1379, 1381, 1383, 1385, 1484, 1495, 1553, 1572, 1598, 1604, 1675, 1883, 1890 and 1904

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purposes of S.B. Nos. 59, 107, 861, 862, 965, 967, 976, 1049, 1344, 1345, 1346, 1347, 1348, 1349, 1366, 1373, 1376, 1377, 1378, 1379, 1381, 1383, 1385, 1484, 1495, 1553, 1572, 1598, 1604, 1675, 1883, 1890, and 1904 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. 185 Ecology, Environment and Recreation on S.B. No. 510

The purpose of this bill is to amend Chapter 171 of the Hawaii Revised Statutes to eliminate conflicts with other sections of the statutes, to make clearer the intent of the sections and to reflect current responsibilities of the Department of Land and Natural Resources.

Your Committee received testimony from the Department of Land and Natural Resources in support of this bill.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 510 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 186 Ecology, Environment and Recreation on S.B. No. 511

The purpose of this bill is to include additional forms of marine life in the conservation program, to authorize the revocation of permits where an adverse effect within a conservation district is taking place, and to provide for criminal as well as increased monetary penalties for violations of the marine life conservation program.

Your Committee received favorable testimony from the Department of Land and Natural Resources stating that this bill would make existing law consistent with current management needs and practices. It would also protect crustacean, mollusk, live coral and algae along with other marine life under the marine life conservation program. Further, the alteration of rock, coral, sand or other geological features would be prohibited, as would activities that may disturb, degrade, or alter the marine environment.

The bill also provided for the conduct of scientific, educational, or other public purpose activities under a permit system, and empowers the department to revoke any permit for any infraction of the terms and conditions therein. Permits revoked may not be reissued to the same person until one year after the date of revocation.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 511 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 187 Ecology, Environment and Recreation on S.B. No. 1308

The purpose of this Act is to protect the environment.

The purpose of this Act as amended by your Committee is to appropriate funds to be expended by the Department of Transportation to develop comprehensive standards governing the intrastate highway transportation of hazardous materials.

Pursuant to Section 286-202(10), Hawaii Revised Statutes, the Department of Transportation has the authority "to establish standards for the transportation of hazardous materials on the highway." Your Committee received testimony from the department which indicated

that the only standards adopted so far have been those requiring the exterior marking of vehicles carrying hazardous materials. The department testified, and your Committee concurs, that more comprehensive standards need to be developed governing the intrastate highway transportation of hazardous materials such as radioactive materials and toxic chemicals.

Your Committee notes that comprehensive standards governing the interstate highway transportation of hazardous materials have been established by the Federal Department of Transportation and Environmental Protection Agency, and believes that, where applicable, those standards should serve as a model for Hawaii State standards.

Your Committee has amended S.B. No. 1308 to provide funding to the Department of Transportation to hire staff members on a contractual basis to develop hazardous materials transportation regulations.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1308, as amended herein, and recommends it pass First Reading in the form attached hereto as S.B. No. 1308 S.D.1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 188 Ecology, Environment and Recreation on S.B. No. 1293

The purpose of this bill is to facilitate public access to hiking trails on State owned lands.

Your Committee received testimony from the Department of Land and Natural Resources and the Sierra Club in support of this bill. That testimony revealed that in 1975, Act 195 appropriated \$250,000 for the purposes of identifying and acquiring rights-of-way for legal access to the State forest reserve trails. Since that time, only one report was produced and one site on Kauai acquired. The remaining portion of the \$250,000 was not spent and lapsed June 1980.

Your Committee finds that passage of this bill would not only increase the recreational use of the State's forest reserves but would also promote environmental education and tourism. Further, the need for such legislation was identified in the State's Comprehensive Outdoor Recreation Plan.

Your Committee has amended this bill to appropriate \$200,000 for fiscal year 1981-1982 to be spent by the Department of Land and Natural Resources to acquire rights-of-way for public access to State forest reserve hiking trails.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1293, as amended herein, and recommends it pass First Reading in the form attached hereto as S.B. No. 1293, S.D.1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 189 Ecology, Environment and Recreation on S.B. No. 1295

The purpose of this bill is to protect the public from the hazards associated with toxic and hazardous wastes.

Your Committee received testimony from the department of health which revealed that a nationwide Hazardous Waste Management Program went into effect in November. Under the program, the federal Environmental Protection Agency (U.S.E.P.A.) and the state of Hawaii are working together to develop and enforce regulations governing use and disposal of hazardous materials.

Testimony by the department further revealed that during the early stages of the program, the U.S.E.P.A. was expected to assign two employees to the state of Hawaii to aid in developing and implementing the program. Those positions were not filled before the federal hiring freeze went into effect. However, federal funds are available to hire staff on a contract basis if the state can provide matching funds.

Your Committee finds that in order to protect the public health and safety, the state of Hawaii should support the development and implementation of the Hazardous Waste Management Program and has amended the bill to appropriate funds to be expended

by the Department of Health to contract for the services of one environmental health specialist to provide staff services for the program.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1295, as amended herein, and recommends it pass First Reading in the form attached hereto as S.B. No. 1295, S.D.1, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 190 Ecology, Environment and Recreation on S.B. No. 1289

The purpose of this bill is to provide for the hiring, training, and employment of lifeguards to service appropriate state park areas.

Your Committee finds that a water safety protection program that includes all appropriate state parks is needed. According to testimony by the deputy director of the City and County of Honolulu, the current Oahu lifeguard staff will be reduced by 50 per cent due to the upcoming CETA budget cuts. The deputy director stated that the county is providing service at the following state parks: Magic Island, Royal Hawaiian Hotel, and San Souci Beach. One state park that has considerable use and is not now serviced is Waimanalo Beach Park.

Testimony by the director of the Department of Land and Natural Resources expressed the lack of a current assessment of the present need for a lifeguard program. The director suggested that 19 to 20 positions costing \$300,000 would provide a comparable state service. It should be noted that the needs of the neighbor islands are not yet determined.

There is some question between the state and county officials as to whose function it should be. The county spokesman testified that use of the county's existing program would be the best economic choice. The state official stated that it would cost no more for the state to create its own program.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1289 and recommends that it pass Second Reading and that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 191 Ecology, Environment and Recreation on S.B. No. 1978

The purpose of this bill is to establish a beach locker program for high density beaches.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1978 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. 192 Ecology, Environment and Recreation on S.B. No. 1931

The purpose of this bill is to authorize the issuance of general obligation bonds for the purpose of restoring Iolani Palace.

Your Committee received testimony in support of this bill from the Friends of Iolani Palace and the Department of Land and Natural Resources.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1931 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. 193 (Majority) Government Operations and Intergovernmental Relations on S.B. No. 1714

The purpose of this bill is to require the State Comptroller to publish an annual report listing the name, contract amount, and project title of each recipient of a non-bid consultant contract.

Your Committee has changed "fiscal year" to "calendar year," excluded public libraries from receiving the report and substituted "the members of the legislature" for "the legislature."

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1714, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.  
Senators Ajifu and Ushijima did not concur.

SCRep. 194     Public Utilities on S.B. No. 1220

The purpose of this bill is to carry out the provisions of Section 12 of Article VII of the State Constitution which establishes procedures for the authorization of special purpose revenue bonds to assist utilities serving the general public. The Constitution provides that the legislature may enact enabling legislation to authorize the Department of Budget and Finance to issue special purpose revenue bonds.

The 1978 Constitutional Convention approved the authorization and issuance of special purpose bonds without being chargeable against the debt limit, if the legislature determines the bonds to be in the public interest.

The constitutional amendment specifies that no special purpose bonds can be secured, directly or indirectly, by the general credit, revenues or taxes of the states. The utility for which the bonds are issued must be solely responsible for making payment on the bonds. This constitutional language also prohibits the use of public funds, directly or indirectly, to pay the principal and interest on any special purpose revenue bonds.

This bill adds a new chapter to the Hawaii Revised Statutes which would authorize the issuance of special purpose revenue bonds by the state Department of Budget and Finance to assist utilities serving the general public to obtain lower cost, tax exempt financing.

Tax exempt bonds can be sold to investors at a lower interest rate, possibly as much as five per cent less than taxable bonds. This savings in interest cost would be reflected in the electric or gas rates established by the Public Utilities Commission in rate case proceedings.

Before any bonds can be issued, specific authorization is required for each project or multi-project program by a separate general law by a two-thirds vote of the legislature. Thus, continuing reviews will take place for each project or multi-project program. Therefore, the State can limit or stop the use of special purpose bonds if in its judgment any problems arise with respect to the amount of such bonds being issued or any other problems.

In order to insure that consumers receive the benefit of this legislation, your Committee has adopted the amendment suggested by the public utility division (consumer advocate) and combined the two sections that are set forth beginning on page 26, line 14 and ending on page 27 at line 19, into one section that reads as follows:

"Section 39-\_\_\_\_. Treatment of special purpose revenue bonds in proceedings.  
(a) In the setting of rates to be paid by the consumers of utility services, the public utilities commission shall provide such consumers the maximum benefits accruing to the utility from the use of such bonds.

(b) For the purpose of public disclosure, the public utilities commission shall, in every rate proceeding involving a public utility which has utilized special purpose revenue bonds, make estimates of (1) the probable amounts which would have been incurred by the utility as capital costs if financing by means other than special purpose revenue bonds were utilized, (2) the amount the utility pays for special purpose revenue bonds, including the principal and sinking fund requirements, the interest, and other expenses appropriately attributable to special purpose revenue bond financing, and (3) the difference between (1) and (2), or the estimated savings realized by the consumers of the utility services.

(c) The public utilities commission shall transmit to the legislature a report containing the information described in subsection (b), within 10 days after the convening of the

legislative session which follows any such rate proceeding."

Your Committee also shares the PUD's concern as expressed in its testimony quoted below that legislative authorization of any bonds under this legislation must be:

"...conditioned on each utility's unequivocal commitment (A) to promote conservation of oil-fired or oil-based energy, and (B) to foster the shift from oil-fired generation to alternate forms of energy, as quickly as feasible."

Therefore, your Committee has amended Section 2, Subsection 39A-\_\_\_\_ (2), at page 3, to provide that:

"...any new facility for the production or generation of electric energy from fossil fuels shall not be considered an "energy project" for purposes of this part."

Your Committee on Public Utilities is in accord with the intent and purpose of S.B. No. 1220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1220, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 195 Public Utilities on S.B. No. 1229

The purpose of this act is to provide statutory authority for the Director of Regulatory Agencies to do everything necessary in order to provide the Consumer Advocate with the proper kind of staff to do the job. The act would allow the Director to hire qualified personnel, on yearly, renewable, non-civil service contracts for salaries of up to \$40,000 a year.

Your Committee finds that the Consumer Advocate (PUD) must represent the consumers of this state in a variety of complex state and federal regulatory proceedings. In order to be effective the PUD must have the services of engineers, auditors, statisticians, economists and so on. The PUD has been unable to fill its existing positions for such specialists, because the present salaries will not attract experienced people or keep inexperienced people long enough to be fully trained. The PUD has been forced to spend thousands of dollars every year to hire outside consultants, generally on a one-time basis.

Your Committee is aware that the PUD will still have the need for some consultants, particularly in certain specialized federal proceedings, and does not condemn the appropriate use of such consultants in the future. However, it is imperative to the benefit of the consumers of this state, that they be represented, as soon as possible, by the most complete, well-trained and efficient staff that can be assembled. The problems with incomplete staffing should not be allowed to continue.

Your Committee has also removed the sections relating to special appropriations since the present budget request is sufficient to accomplish the purpose of this act.

Your Committee on Public Utilities is in accord with the intent and purpose of S.B. No. 1229 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 196 Public Utilities on S.B. No. 1231

The purpose of this bill is to amend the present tax rate structure imposed on electric and gas companies.

Under present law, electric and gas utility companies are assessed a public service company tax, a public utility fee, and a franchise tax, all based on the gross revenue derived from the sale of electricity and gas. Your Committee notes, that as the cost of fuel oil, which is passed on to consumers, rises, the utility revenue and taxes thereon rise accordingly. Since these taxes are passed on to consumers, the effective cost of electricity has risen to the point where about 11 per cent of the bill of an average customer of Hawaiian Electric Company was allocated to taxes in 1980. Your Committee notes that oil which cost about \$3.00 per barrel in 1973 now costs about \$40 per barrel and together with taxes, accounts for more than 75 per cent of the average bill.

This bill would change the basis of taxation from gross receipts to one based on a fixed

number of cents per energy unit sold. The various tax rate figures contained in the bill are based on the amount of tax revenue paid to the State in the three tax categories during 1980 and are calculated to provide a similar revenue in future years. Your Committee believes that these measures will help to offset the rapid rise in the cost of energy.

Your Committee has made further technical amendments to provide that all appropriate amendments have been made to include GASCO within the scope of this bill.

Your Committee recommends that page 21, Section 8, be amended by adding the following sentence:

"Upon passage of this bill, the Public Utilities Committee, shall direct all electric and gas public utilities to file new rates reflecting the new tax computations prior to implementation on January 1, 1982."

Your Committee on Public Utilities is in accord with the intent and purpose of S.B. No. 1231 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 197 (Joint/Majority) Public Utilities and Transportation on S.B. No. 258

The purpose of this bill is to amend current law regarding reimbursement of relocation expenses incurred by utilities due to State highway work. At present, privately owned utilities are entitled to partial reimbursement from State funds for relocation or similar costs above a \$3,000 threshold amount. Publicly owned utilities now may seek total reimbursement after depreciation and salvage value deductions are computed.

The bill will raise the threshold costs which must be reached by privately owned utilities to \$10,000 from \$3,000. The measure will also permit reimbursement from county funds when work on a county highway necessitates the removal, relocation, replacement or reconstruction of any utility facility.

Your Committee heard testimony supporting both the threshold increase and the broadening of reimbursement rights to situations where county highway work occurs. In addition, your Committees have amended the original bill to permit publicly owned utilities greater compensation for actual expenses incurred because the company's equipment must be removed or destroyed due to a highway project. The amendment provides that a publicly owned utility will be repaid the cost of lost equipment without depreciation being deducted from the total cost.

Your Committees on Public Utilities and Transportation are in accord with the intent and purpose of S.B. No. 258 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 258, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.  
Senator Toyofuku did not concur.

SCRep. 198 Human Resources on S.B. No. 284

The purpose of this bill is to amend section 89-13 of the Hawaii Revised Statutes to allow for the contracting with persons not within the bargaining units specified by section 89-6 (a) for work normally performed by employees included within such units.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 284 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 Human Resources on S.B. No. 287

The purpose of this bill is to increase employer contributions to the Public Employees Health Fund.

Presently, public employees and employers contribute jointly to the health fund. Public employer contributions are statutorily set fixed-dollar amounts. The current contributions of public employers equals those of public employees.

As originally drafted, S.B. No. 287 would have entirely eliminated public employee contributions and would have placed the entire burden of supporting the fund on public employers. While your Committee recognized the need to adjust public employer contributions to compensate for inflationary pressures, it concurs with the director of the Department of Budget and Finance who testified that such an action would be detrimental to sound fiscal policy.

Your Committee re-emphasizes its recognition of the need for timely adjustments of public employer contributions when necessary and appropriate, therefore it amended the bill to provide a vehicle for such an adjustment.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 287, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 200 Human Resources on S.B. No. 536

The purpose of this bill is to make an immigrant sponsor responsible for supporting an immigrant for three years immediately after the arrival of the immigrant unless the immigrant becomes disabled or blind after entry into the United States, is a refugee, or has been granted political asylum.

The director of social services and housing testified that this proposal corresponds to a recently enacted federal law in the Supplemental Security Income Program which restricts assistance to newly arrived immigrants admitted for permanent residence.

Your Committee has amended this bill to correct typographical errors in matters relating to drafting style which have no substantive effect.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 536, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 201 Human Resources on S.B. No. 1200

The purpose of this bill is to provide the heads of the legislative service agencies the same authority as is now conferred upon state and county chief executives, the Board of Education, Board of Regents, and the Chief Justice to adjust compensation, hours, terms and conditions of employment, and other employee benefits for their employees excluded or exempt from collective bargaining.

Due to provisions in chapter 89C, Hawaii Revised Statutes, excluded employees in the executive and judicial branches of the state government have received the same benefits as employees in collective bargaining units.

However, employees of agencies within the legislative branch of the state government were not included in chapter 89C and thus, have not received the same benefits as other excluded employees since the passage of Act 58, Session Laws of Hawaii, 1975. The bill corrects this inequity.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1200 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 Human Resources on S.B. No. 1286

The purpose of this bill is to allow the Board of Trustees of the retirement system of the State of Hawaii to enter into an agreement with large stock brokerage firms for the purpose of lending its securities.

Testimony from the secretary of the Employees' Retirement System stated that borrowers must place an amount equal to 102% of the market value of the securities in the form of cash, letters of credit and obligations of the United States Government. The value

is monitored on a daily basis and should the amount be less than 102% of the market value for any given day, the borrower shall immediately deposit additional collateral. Securities loaned to the borrower shall not exceed one year and, while on loan, the retirement system will continue to earn dividends on these certificates.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1286 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 Human Resources on S.B. No. 1287

The purpose of this bill is to amend chapter 88 of the Hawaii Revised Statutes which relates to the Employees' Retirement System.

Many of the proposed amendments clarify existing statutes to reflect current administrative practices. However, some of the more substantive amendments proposed by this bill are listed below.

- (1) Amends section 88-21, paragraphs one through four, to provide for definitional changes, the most significant of which is to clarify the definition of an elective officer and to specifically exclude from such definition, persons elected to the Constitutional Convention, members of the Board of Education, and Trustees of the Office of Hawaiian Affairs.
- (2) Section 88-24 is amended to include police officers and firefighters as general employees for the purpose of qualifying them to be eligible for election to the Board of Trustees.
- (3) Section 88-32 relating to the medical review board, is repealed.
- (4) With regards to membership of employees holding more than one position, appointment or office, the addition of a new section under chapter 88 provides that an employee's membership shall be limited to only one. However, where a person has two part-time positions but of the same class, membership may be for both full-time equivalence.
- (5) Section 88-62, relating to the return to service of a former member, amends the statutes to provide that for those with less than five years of service to be eligible for a service retirement after returning to service, he must meet the minimum service purchased in accordance with section 88-59.
- (6) Section 88-97 is amended to provide that the benefits of a vested member who return to active service shall be computed in accordance with the present statutes if that person has less than five years of service after his return. However, if the individual has five or more years of service after his return, then all of his service shall be computed under the existing formula if the benefits so provided is greater than if computed in accordance with the present statutes.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1287 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 Human Resources on S.B. No. 1811

The purpose of this bill is to authorize the legislative auditor to conduct a financial and managerial audit of the retirement system and to determine the appropriate dollar amount deemed necessary to implement a study of the retirement system.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1811 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. 205 Human Resources on S.B. No. 1954

The purpose of this bill is to provide the flexibility necessary to set a shortage category



pay rate in an amount which, by law, should be fair and reasonable and at which employees can be recruited from the labor market.

Current and potential problems relating to work shortage categories require the establishment of a means to accommodate the different pay structures of the several bargaining units which will, by enactment of this bill, allow for more timely, fair, and appropriate adjustments to be made when an employee shortage is declared.

Your Committee has amended the bill to include a bracket between the quotation mark and § on page one, line three, as a typographical correction.

Your Committee on Human Resources is in accord with S.B. No. 1954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1954, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 206 Human Resources on S.B. No. 415

The purpose of this bill is to amend four different laws to prohibit employment discrimination based on a person's "sexual orientation."

Testimony from the Department of Labor and Industrial Relations stated support for the concept of eliminating various forms of discrimination as it pertains to the Employment Practice Law.

Your Committee on Human Resources is in accord with the intent and purposes of S.B. No. 415, and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 207 (Joint) Human Resources and Consumer Protection and Commerce on S.B. No. 1713

The purpose of this bill is to provide for continued State regulation of health care for the elderly by bringing the State of Hawaii into compliance with Public Law 96-625, which was enacted by Congress on June 8, 1980. This federal law requires states to adopt, before July 1, 1982, a regulatory system for Medicare supplements that conforms to federal requirements. Any state that fails to adopt such a system by July 1, 1982 shall be subject to regulation by the federal government.

Senate Bill 1713 authorizes the State Insurance Commissioner to adopt regulations which meet the minimum standards of Public Law 96-625. These regulations essentially accomplish the following:

- (1) Standardizes and simplifies the terms and types of coverages of Medicare supplement insurance and other health care policies and subscriber contracts marketed to senior citizens;
- (2) Eliminates misleading provisions dealing with the purchase of health care coverage or the settlement of claims which are contained in policies or contracts and;
- (3) Provides for full disclosure in the sale of such coverages.

This bill proposes to upgrade the quality of service and benefits provided to consumers, as well as ensure that the regulation of Medicare supplement insurance is preserved at the State level.

Your Committees on Human Resources and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 1713 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 208 Government Operations and Intergovernmental Relations on S.B. No. 1993

The purpose of this bill is to make an appropriation to fund various capital improvement projects in the County of Kauai.

Your Committee considered each of the listed projects and amended the bill to limit it to those projects found to be of high priority.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1993, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 209 Consumer Protection and Commerce on S.B. No. 637

The purpose of this bill is to exempt, from general excise taxation, transactions between members of an affiliated group of corporations. This bill also allows the filing of consolidated general excise tax returns by affiliated groups of corporations.

Presently, the general excise tax applies to all transactions, including those between affiliated corporations, such as a parent company and a whollyowned subsidiary. This results in a "pyramiding" effect of taxes upon taxes which increases the cost of doing business for members of an affiliated group of corporations by an estimated \$1.2 million annually. The State's income tax and public service company tax laws, as well as the Internal Revenue Code, all recognize the basic singularity of members of an affiliated group and exempt "internal" transactions from taxation and permit the filing of consolidated returns. Although this bill would mean an estimated loss of \$1.2 million annually in revenues for the State, it would harmonize the general excise tax law with the prevailing philosophy embodied in these other tax laws.

Your Committee, at the recommendation of the Department of Taxation, amended the bill to retain the requirement that the members of an affiliated group obtain separate general excise tax licenses.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 637, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 210 Consumer Protection and Commerce on S.B. No. 701

The purpose of this bill is to preserve the State's odometer accuracy enforcement program within the Department of Agriculture.

The present odometer program was established by the legislature in 1975 in the wake of an outbreak of odometer tampering. The intent was to establish a statutory deterrent; to assure odometer accuracy, minimizing premature automobile warranty expiration; and to provide a repository for the vehicular chain of title and odometer reading, incident to each transfer of title.

The program has been funded by a revolving fund, which was to last for five years, to provide lead time necessary to allow computer equipment and a data base to become operational. As a result of the temporary nature of the positions supported by the fund and because of unintended administration policies, the program has operated below authorized levels for all but nine months of its five year existence.

In spite of the problems the program has faced, it has nevertheless:

- 1) deterred odometer fraud;
- 2) served as a model for legislation in other states;
- 3) become not only self-sufficient, but one of the few programs in state government that produces revenues in excess of expenses.

If the revolving fund is not preserved and interpretation of the program not clarified, the program will expire on June 30, 1981. Present statutory provisions will not be enforced, the six persons employed by the program will be terminated, and the State will lose a revenue producing program.

Your Committee amended the bill to place an annual \$150,000 expenditure limit on the fund and made other technical changes to clarify the original intent of the program.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 701, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as S.B. No. 701, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 211 Consumer Protection and Commerce on S.B. No. 1472

The purpose of this bill is to provide honorariums of \$100 per claim to the members of the medical claim conciliation panels established under the provisions of section 671-11, Hawaii Revised Statutes.

Medical claim conciliation panels were established as a result of the medical malpractice insurance crisis in 1976. The role of the panels, which are made up of qualified doctors and lawyers serving voluntarily, and at present, without compensation, is to consider each assigned claim prior to the filing of a suit and render an advisory opinion, which is neither binding nor usable as evidence in subsequent litigation.

Your Committee received testimony from the Department of Regulatory Agencies that through the efforts of the medical claim conciliation panels over the past four years, the once critical problem of an increase in medical malpractice insurance costs and related litigation has been reduced to manageable proportions.

Your Committee notes that the bill appropriates \$50,000 which was not included in the administration's budget. The reason for this apparent inconsistency is that drafting of S.B. No. 1472 was not completed prior to the finalization of the executive request.

Your Committee finds that this over-budget appropriation is warranted by the improvement in the medical malpractice situation during the last four years. According to the department, fewer than eighteen per cent of claims reviewed by the panels resulted in litigation. Of suits that were filed, most were settled within amounts originally recommended by the panels. Savings to the State in judicial time and resources would more than allow for the payment of modest honorariums to professional panel members who often must devote considerable time to resolve a single claim.

Your Committee amended the bill to make certain nonsubstantive, technical corrections.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1472, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yee.

SCRep. 212 (Majority) Consumer Protection and Commerce on S.B. No. 1750

The purpose of this bill is to require sellers at swap meets and flea markets to comply with the provisions of the general excise tax laws. The bill would exclude the transactions of these sellers from the definition of "casual sale," and would require that vendors be duly licensed and display evidence thereof at their places of business within flea markets and swap meets.

Your Committee received testimony from the Retail Merchants of Hawaii that the proliferation of "quasi retailers at swap meets" is raising questions of fairness among retailers in Hawaii, major employers, and a large source of the State's excise revenues. Their testimony advocated equitable and even-handed application of state licensing and tax laws to all persons.

The director of the Department of Taxation also testified in support of S.B. No. 1750, stressing the distinction between the genuine "casual seller" who disposes of personal items on a onetime basis, and the regular seller who seeks shelter "under the umbrella of casual sales." The bill would specifically designate responsibilities under the tax law of swap meet vendors and promoters.

Your Committee finds that the effect of the bill would be enhanced by including a requirement that owners of lessees of properties upon which flea markets or swap meets maintain a record of all persons who sell tangible goods or services including names, addresses, and tax license numbers.

Your Committee also made a technical amendment to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent

and purpose of S.B. No 1750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1750, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.  
Senators Uwaine and Kuroda did not concur.

SCRep. 213 Ecology, Environment and Recreation on S.B. No. 157

The purpose of this bill is to appropriate funds for the plans, construction, and development of Hulihee Palace phase IV.

Your Committee received testimony in support of this bill from the Daughters of Hawaii and the Department of Land and Natural Resources.

Your Committee has adopted the recommendation of the department by amending the bill to designate the Department of Land and Natural Resources as the expending agency, rather than the Department of Accounting and General Services.

Your Committee also amended the bill to specify the fiscal period of the appropriation, as required by the State Constitution. The State Constitution provides for an automatic lapsing of unencumbered funds at the end of the designated fiscal period of the appropriation. Therefore, your Committee has deleted the lapsing provision in Section 2 of the bill. The effective date has been amended to conform with the commencement of the State's next fiscal year.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 157, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 214 Ecology, Environment and Recreation on S.B. No. 468

The purpose of this bill is to transfer the duties of the Pacific War Memorial Commission to the Department of Land and Natural Resources.

Testimony by the Department of Land and Natural Resources revealed that although a veterans organization currently maintains the memorials, any funding currently supplied to the Department of Defense in support of the Commission should be transferred to the Department of Land and Natural Resources. The Department of Land and Natural Resources supports the bill and concurs with the recommendation of the Department of Budget and Finance that the Pacific War Memorial should be abolished.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 468 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. 215 Ecology, Environment and Recreation on S.B. No. 800

The purpose of this bill is to maintain the current environmental character of Keehi Lagoon.

Section 171-53, HRS, authorizes the Board of Land and Natural Resources, with the prior approval of the Governor, to lease out submerged lands and lands beneath tidal waters which it deems are suitable for reclamation. Section 171-60, HRS, authorizes the Board, with the prior approval of the Governor and authorization of the legislature by concurrent resolution approving a development project, to (a) lease out submerged lands to be reclaimed at the developer's expense to a private developer or (b) enter into a development agreement with a private developer for development and subdivision of such submerged lands as a leasehold project for industrial use. Senate Bill No. 800 would amend both sections to specifically prohibit leasing out or disposing of, under a development agreement, any of the Keehi Lagoon submerged lands.

Testimony before your Committee by Susumo Ono, chairman of the Board of Natural Resources, revealed that the firm of Hadley-Pruyn Developers, Inc. is proposing to develop approximately 300 acres of submerged land in Keehi Lagoon into an industrial park. Mr. Ono further testified that the Board has authorized the processing of the

proposal under the provisions of Section 171-60, and that "the concurrent resolution required by Section 171-60 will shortly be introduced for the legislature's consideration."

Your Committee received extensive testimony on this bill and the Hadley-Pruyn proposal to develop Keehi Lagoon. Mr. William Pruyn, Mr. Harold Spector, Mr. Don Austin, and Mr. Frank Der Yuen, representing the Hadley-Pruyn Developers Inc., testified in opposition to S.B. No. 800, and described Hadley-Pruyn's proposed development of the lagoon. Hadley-Pruyn testified that the development would consist of a 300 acre island industrial park in the middle of the lagoon. The island would include landscaped waterfront parks and recreational areas, an extensive marina and boat docking area, and facilities for Hawaiian racing canoes. Hadley-Pruyn further testified that it expects the industrial park to be visually attractive and to house largely non-polluting industry.

Hadley-Pruyn stated that it is aware of the "environmental factors" associated with the project, and that it intends to "investigate these at the appropriate time." Hadley-Pruyn further testified that it would pay for all on-site costs of the development, that it expected the development to produce significant tax revenues, and that it expected 10,000 - 20,000 people to be employed at the site.

Your Committee received additional testimony in opposition to S.B. No. 800 from Mr. Takeshi Uyesugi of the Hawaii Building Trades and Construction Council, who testified that existing laws would ensure that the lagoon would be developed in a responsible manner, and noted that the Hadley-Pruyn proposal would provide hundreds or thousands of jobs to the construction industry.

Mr. Susumu Ono, chairman of the Board of Land and Natural Resources, testified against S.B. No. 800 on the basis that the concurrent resolution being submitted pursuant to HRS 171-60 was the more "proper avenue" for "precluding" the Hadley-Pruyn project.

Your Committee also received testimony from the Department of Transportation. The department, discussing a report it released in October 1977 entitled Ke'ehi Lagoon Recreation Plan, noted that "the plan is a guide for the use and development of the lagoon. The plan is not intended to restrict development to the ideas suggested in the plan."

Your Committee has reviewed the summary of the plan. Excerpts relevant to consideration of S.B. No. 800 include:

"... the lagoon and its adjacent shoreline offer a unique recreation resource to the people of Oahu. The lagoon provides over 1,000 acres of sheltered water areas and almost nine miles of shoreline."

"In general, the recreation complex consists of lagoon water areas and abutting shoreline areas. The water areas offer places for a variety of water sports - water skiing in calm waters (in the central lagoon), canoe racing in the lagoon channels (by Ke'ehi Beach Park), power boat racing in the channel adjacent to Sand Island's planned marine stadium, and general boating and fishing in navigable water areas."

"...the area is still important for its wildlife habitats, which in turn support a number of recreation pursuits. The lagoon channels are popular with local fishermen. The intertidal areas, or mudflats, within the lagoon are a valuable bird feeding and resting habitat for several species of island birds."

Of the many birds who frequent this area, the most famous is the Hawaiian Stilt, or Ae'o, an endangered Hawaiian waterbird.... Other waterbirds who frequent Ke'ehi Lagoon are the night herons (Auku'u), plover (Kolea), sanderling (Hunakai), and ruddy turnstone (Akekeke)."

Your Committee received testimony in support of S.B. No. 800 from Mr. Ed. Hampton, Mr. Rick Bender, and Mr. Ronald Ome, of citizens for the preservation of Keehi Lagoon. This group testified that Keehi Lagoon "is the only sheltered waterway and lagoon on the island of Oahu that provides calm water and a recreational environment large enough for all types of calm water recreation." The group also testified that the need for an industrial park such as that proposed by Hadley-Pruyn is "unquestioned," but added that there are alternate sites, such as the Ewa district, where it could be built.

Your Committee also received testimony from Joe Florendo of Life of the Land, which has not taken a position on S.B. No. 800. Mr. Florendo noted that the Hawaiian Stilt "...is considered to be "space conscious".... The increased competition for feeding grounds is anticipated to result in an overall decrease in the Stilt population, as occurred after the completion of the Reef Runway."

Mr. Florendo also testified that the waters in the lagoon are becoming cleaner, and that the lagoon "may serve as a nursery grounds for populations of fishes living elsewhere." He also noted that the construction of an industrial park in Keehi Lagoon would be in direct conflict with the State's plan to relocate the industrial activities of our economy around Barbers Point.

The Committee received testimony in support of S.B. 800 from Mr. John Kelly of Save our Surf. Mr. Kelly testified that since Keehi is one of the few shallow, calm estuaries on the island, it provides an exceptionally favorable habitat for a number of marine species such as the mullet and white crab which have been declining in numbers in recent years. He also said that Keehi Lagoon is one of the most abundant sources of nehu (used for bait by tuna fishermen) on the island, and added that the island wide "depletion" of nehu is reaching crisis proportions.

Your Committee also received testimony in support of S.B. No. 800 from Mr. Mel Hoomanawanui of Ahahui Ohana Moku Anuenue, who testified that many members of the group depend on the marine life they take from the lagoon for their subsistence.

Your Committee received testimony in support of S.B. No. 800 from Mr. David Packer, winner of more than 10 national powerboat racing titles, who testified that Keehi Lagoon is the only suitable location for championship powerboat racing on Oahu.

Lastly, your Committee received testimony in support of S.B. No. 800 from Mr. Jaap Suyderhoud, an internationally known water ski coach. Mr. Suyderhoud testified that Keehi is the only site in Hawaii suitable for water ski competition, and stated that "by developing the lagoon into an industrial park, competitive water skiing would be totally eliminated in Hawaii."

Based on its review of the testimony and other available evidence, your Committee finds that Keehi Lagoon is a unique and irreplaceable resource. The lagoon is suitable for a wide range of water-based recreational activities, and indeed is the only place on the island where competitive powerboat racing and water skiing can be undertaken. It provides an increasingly favorable habitat for a number of marine species, and is used by commercial, sport and subsistence fisherman. It is a habitat for several waterbirds, including one endangered species, the Hawaiian Stilt. Lastly, continued development of the Sand Island Park will help to make it a visually attractive area suitable for waterfront camping.

Your Committee finds that the lagoon is home to a remarkably broad range of activities, and appears to be used and enjoyed by a diverse and large number of residents of the state. Your Committee further finds that the lagoon's greatest asset is its proximity to a part of urban Honolulu which has a desperate need for increased recreational opportunities.

Your Committee recognizes the need for continued industrial, residential and commercial development, and further recognizes that land where such development can take place is limited. However, your Committee finds that the availability of land is not so limited now, nor will it be in the foreseeable future, to justify forever losing the unique environmental and recreational resources offered by Keehi Lagoon. Lastly, your Committee finds that those resources of Keehi can and should be enhanced through a number of improvements such as those outlined in the Keehi Lagoon recreation plan, and believes that such improvements will not be made as long as the lagoon remains a prospective target for development.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 800 and recommends that it pass Second Reading and be referred to the Committee on Economic Development.

Signed by all members of the Committee.

SCRep. 216 Ecology, Environment and Recreation on S.B. No. 1470

The purpose of this bill is to authorize the Department of Land and Natural Resources to protect instream uses of water for fishery, wildlife, recreational, aesthetic, scenic and other related beneficial uses.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources. The department's testimony revealed that Hawaii's laws do not specifically provide for the protection or preservation of water for instream uses. The usual assessment of current water use and projections of future demands account for traditional offstream uses--municipal, agricultural, industrial, and military--but do not include water for instream ecological, aesthetic, and recreation purposes.

The department also stated that the Hawaii State Functional Plan on Water Resources recommends that a State agency be designated to protect instream uses of water and that as competition for limited available water increases, an agency responsible to protect instream uses of water is urgently needed.

The testimony of the department further revealed that the bill would provide for establishing interim protective measures, would provide for establishing instream flow standards on a stream-by-stream, site-by-site basis, and would protect stream channels from alterations by requiring permits for such work. Lastly, the department recommended amending the bill to establish penalties for violations of standards and procedures established by the board.

Your Committee has made the following amendments to the bill:

The definition of "instream flow requirement" has been amended to incorporate similar definitions of the same concept which were presented elsewhere in the chapter. These other definitions, found in Section 4(1) and Section 4(1)(A), have been deleted.

The phrase "the public" has been added to Section 4(1) to clarify its intent.

The phrase "to be set or modified for" has been added to Section 4(1)(C) to clarify its intent.

Section 4(1)(F) has been amended to indicate that the department may consult with and consider the recommendations of concerned private persons. However, the department is not obligated to do so.

Section 4(1)(H) has been deleted, and a new Section 7 has been added providing for judicial review pursuant to H.R.S. chapter 91 for all orders or actions of the board undertaken pursuant to this chapter.

The terminology used in Section 4(2) has been amended to clarify its intent and to make it more consistent with Section 4(1). The phrase "interim instream flow standard" has been substituted for "reservation", and "petition" has been substituted for "application". Also, your Committee has deleted the provision of Section 4(1)(C) which requires persons petitioning the board to provide information about non-instream water demands, and has added a requirement that any other information requested by the board be "relevant and reasonable". While your Committee supports the intent of shifting some of the burden for data collection onto the petitioner, thereby facilitating the board's decision-making process, your Committee finds that the preparation of a petition should not be beyond the resources of the average private citizen. Your Committee finds that petitioners should not, for example, be required to purchase stream monitoring equipment in order to prepare the petition.

Your Committee has made stylistic changes to Section 4(3) and has incorporated Section 4(4)(C) into Section 4(3) in order to clarify the meaning of the two paragraphs.

Your Committee has made stylistic changes to Section 4(4) to clarify its intent, and has deleted subparagraph (B) since it duplicated the provisions of Section 4(3)(A).

Lastly, your Committee added a new Section 6 providing penalties for persons who violate the rules or procedures adopted by the board pursuant to this chapter.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1470, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 217 Ecology, Environment and Recreation on S.B. No. 1557

The purpose of this bill is to fund a study on the feasibility of utilizing composting toilets in Hawaii.

Your Committee received testimony from Mr. Kenneth Curry of the Kokokahi Hunger Mission Model, who recommended that the department be required to cooperate with his group in the preparation of the study.

Your Committee finds that the department should be given flexibility in its preparation of the study, and has amended the bill to remove the requirement that the department

cooperate with the University of Hawaii. However, your Committee finds that the department should consult with interested members of the community such as the Kokokahi Hunger Mission Model in preparing the study, and that if feasible it should use the facilities of such groups, especially when it will reduce the cost of the study.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1557, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 1557, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 218 Agriculture on S.B. No. 362

The purpose of this bill is to amend the laws relating to taxation of certain agricultural products and activities.

Your Committee finds that for purposes of the general excise tax, gross proceeds from the sale of materials used in the manufacture of industrial products are taxed at the wholesale rate of .5%. However, gross proceeds from the sale of some materials used by agricultural producers are taxed at the 4% rate. This results in higher prices to agricultural wholesalers and retailers which are eventually felt by local consumers. Local agricultural products are less competitive in the marketplace, locally and nationally, because producers of produce grown outside of the State have not had to pay such a tax. It is in the public interest to tax materials (for example, seeds, fertilizers, water, feed for animals) used by diversified agricultural producers example, seeds, fertilizers, water, feed for animals) and at the same rate as materials used by industrial manufacturers.

Your Committee has considered amending the general excise tax law to delete the existing provisions giving a certain agricultural activities the benefit of the lower tax rate, in favor of a blanket provision covering diversified agriculture generally. Your Committee has adopted the recommendation of the Department of Taxation to leave the existing provisions in place. There is a risk that interpretation of the new law might exclude certain taxpayers formerly taxed at the .5% rate, thus forcing them to again pay taxes at the 4% rates.

Your Committee believes that the agricultural marketing cooperative association, being proposed in S.B. No. 356, S.D.2, deserves a tax incentive program, consisting of a reduction in income and general excise taxes to the cooperative and its members. Your Committee favors a tax reduction which would provide greater tax reductions during the first years with tax reductions decreasing until removed. Testimony received favored such a structure as the best way to "get and hold onto members" in the comprehensive diversified agricultural marketing cooperative, being proposed in S.B. No. 356, S.D.2

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 362, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 362, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 219 Agriculture on S.B. No. 365

The purpose of this bill is to provide loans to qualified farmers.

The American Nurserymen Association will be having a national convention in Hawaii in 1982. Supplemental direct loans are needed to assist nursery operators with respect to said convention. Recommended to your Committee was a loan limit of \$25,000 per nursery operator with a twenty-four month repayment period. Your Committee feels that this is reasonable and has amended the bill to reflect the same.

Oral testimony from the chairperson of the Board of Agriculture was received. He stated that the interest rate should be specified at 2% per annum and that the loans be administered at the discretion of the chairman, precedents set by a similar loan program for the sugar industry. Your Committee has amended this bill to adopt these recommendations.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 365, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 365, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.



SCRep. 220 (Joint) Agriculture and Economic Development on S.B. No. 370

The purpose of this bill is to fund aquaculture loan programs.

Your Committees on Agriculture and Economic Development are in accord with the intent and purpose of S.B. No. 370 and recommend it pass First Reading, by title, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 221 (Joint) Agriculture and Economic Development on S.B. No. 439

The purpose of this bill is to appropriate \$500,000 for fiscal year 1981-82 and another \$500,000 for fiscal year 1982-83 to the Aquaculture Revolving Loan Fund.

Your Committees received testimony from Mr. John Farias, Chairman of the Board of Agriculture who stated that the Aquaculture Loan Fund was established in 1971 with an initial appropriation of \$500,000. In October 1979 the fund was depleted and without further appropriations the loans from the fund will be limited to the amount of repayments.

Mr. Farias stated that there have been a number of inquiries for loan information, but there have been no serious applications due to the shortage of funds. At least four inquiries are seeking some \$365,000 for brine shrimp, prawns and tilapia raising purposes. Under Act 212, SLH 1977, Mr. Farias reports the Aquaculture Loan Program was raised to the same level as the Agriculture Loan Program and that the change included raising the loan ceilings. The Board expects that the demand for loans will accelerate in the future.

In order that the bill conform to existing law, Mr. Farias suggested that the title of the loan fund as shown in the original bill be amended to read "Hawaii Aquaculture Revolving Loan Fund". Your Committees agree.

Your Committees on Agriculture and Economic Development are in accord with the intent and purpose of S.B. No. 439, as amended herein, and recommend it pass Second Reading as S.B. No. 439, S.D.1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 222 Higher Education on S.B. No. 931

The purpose of this bill is to amend existing law relating to the powers and authority of the state Post Secondary Education Commission, by raising the maximum amount of any grant awarded under the state incentive grant program to that of the limit allowed by federal law. In conjunction with this basic concept, the bill also proposes to delete that portion of the existing law which prohibits the use of funds appropriated by the legislature to aid any person attending an institution not owned or exclusively controlled by the state and which prohibits any department to pay for any staff-work distributing federal or private funds to students attending such schools.

Your Committee finds that Hawaii and Mississippi are the only two states in the nation which refuse to allow their students to use state incentive grants at private institutions. Although the state Constitution prohibits appropriations "for the support or benefit of any sectarian or private educational institution", the question of whether state funds can be used by any student choosing to attend a private institution has not been tested.

Your Committee feels that this bill is a valid one, but in view of the constitutional concern, your Committee has amended this bill to include a severability clause.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 931, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 931, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 223 (Majority) Health on S.B. No. 57

The purpose of this bill is to establish an effective spouse and child abuse program.

This bill amends section 572-5, Hawaii Revised Statutes, by raising the present marriage license fee from eight to fifteen dollars and by establishing a special fund to which the additional revenues shall be deposited. The Department of Health would

be authorized to make grants-in-aid from the fund to assist spouse and child abuse centers.

Your Committee is in accord with the intent of establishing an effective program to deal with the problem of spouse and child abuse, however, it amended the bill to broaden the scope of the program to include prevention and treatment of spouse and child abuse. Your Committee also amended the funding mechanism to provide for a greater accountability.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 57, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 57, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 224 Health on S.B. No. 77

The purpose of this bill is to amend chapter 237, Hawaii Revised Statutes, by adding a new section to exempt the sales and gross proceeds of sales of prescription drugs, proprietary drugs, and food products from the general excise tax.

Your Committee finds that the general excise tax on food and drugs is a regressive tax in that the same rate of tax applies to people in all income levels and, therefore, the tax takes proportionately more of the income of those persons of lower income. The elimination of the general excise tax on food products and drugs will help to ease the tax burden on those persons who are most in need of relief in meeting the rising costs of food and medical care.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 77 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. 225 Health on S.B. No. 403

The purpose of this bill is to allow resident taxpayers to claim excise tax credits for the retail purchase of prescription drugs.

Your Committee believes that the income tax credit on drugs and related purchases will provide needed tax relief.

Your Committee has corrected a spelling error and made a technical change to conform to recommended drafting style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 403, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 226 Health on S.B. No. 418

The purpose of this bill is to authorize the production, prescription, distribution, and use of marijuana, including tetrahydrocannabinols, under strict guidelines, for medical purposes, in the treatment of glaucoma, asthma, alcoholism, and chemotherapy.

This bill does not specify possible sources for the Department of Health to obtain marijuana, including tetrahydrocannabinols. The federal government grows marijuana for similar purposes and your Committee suggests that the Department of Health may wish to investigate the possibility of obtaining its supply from this source.

Your Committee amended the bill to limit the use of marijuana to only those persons who have received prescriptions from medical practitioners. The dispensing of marijuana would be the responsibility of the Department of Health.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 418, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

## SCRep. 227 Health on S.B. No. 868

The purpose of this bill to require health insurers to provide coverage for "well-baby" visits for children up to two years of age.

A "well-baby" visit is a preventive examination of an infant to determine the general health of the child. This bill specifically provides for a series of seven well-baby visits from birth to age two.

Your Committee recognizes the need to keep health insurance premiums within the means of the general public. Accordingly, the bill was amended to require six well-baby visits which would adequately implement the intent of the bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

## SCRep. 228 Ecology, Environment and Recreation on S.B. No. 1386

The purpose of this bill is to appropriate funds for plans and construction of comfort stations to accommodate baseball teams and others using Nehu Park, Oahu.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 1386 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 229 Ecology, Environment and Recreation on S.B. No. 1930

The purpose of this bill is to appropriate funds to be expended by the Department of Health to hire one environmental health specialist to be assigned to the state Advisory Committee on Radiological Safety.

In 1980, the director of health established an advisory committee to study radiological safety. As described in an interim report to the legislature (Governor's Message #41), the Committee is studying: the risk that significant radiation doses might be received by segments of the state's population; alternate methods of radioactive waste disposal; the state-wide emergency response plan; the transportation of radioactive materials; and the implementation of the "Suggested State Regulations for Control of Radioactivity".

Favorable testimony on this bill by the Department of Health and the advisory committee revealed that the committee has no staff or budget of its own to prepare reports and formulate recommendations, and the Department of Health cannot provide assistance in these matters.

Your Committee adopted the recommendation of the advisory committee by amending section 1 of the bill to provide that the department shall hire an environmental health specialist on a contractual, rather than a permanent, basis. Your Committee has further amended the bill to provide that \$16,500 shall be appropriated for that purpose.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1930, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

## SCRep. 230 (Joint) Education and Housing and Hawaiian Homes on S.B. No. 1772

The purpose of the bill is to transfer administration of the teacher housing program from the Hawaii Housing Authority to the Department of Education.

Your Committee has amended the bill to facilitate program operations.

Your Committees on Education and on Housing and Hawaiian Homes are in accord with the intent and purpose of S.B. No. 1772, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1772, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators O'Connor and Saiki.

## SCRep. 231 Housing and Hawaiian Homes on S.B. No. 1771

The purpose of this bill is to appropriate \$25,000,000 from the general obligation bond fund of the State into the dwelling unit revolving fund.

The 1980 legislature authorized the issuance of \$122.5 million in revenue bonds to provide rental housing for low and moderate income families. However, a program has not been implemented due to the high costs of land, construction, and financing. Furthermore, federal subsidies for rental housing have been limited and the recent enactment of federal Mortgage Subsidy Bond Act has placed certain restrictions on the use of revenue bonds for rental projects.

Your Committee recommends the following amendments to S.B. No. 1771 to improve the feasibility of the rental housing revenue bond program:

1. Add a new part to chapter 356, Hawaii Revised Statutes, to establish a rental assistance program.

Amendments which will ensure that rental housing financed by the rental assistance program assist low and moderate income families require that the "eligible project" be financed pursuant to the provisions of the Hula Mae multi-family revenue bond laws and that not less than twenty per cent of the units be occupied by low and moderate income families. The latter amendment is required under the federal Mortgage Subsidy Bond Tax Act and requires units for families and individuals whose incomes would qualify for federal section 8 rental assistance payments. These payments currently are those incomes below eighty per cent of the median income of the State. The amendments also require the owner of an "eligible project" be subject to a "regulatory agreement" and a "rental assistance contract" which would regulate rents, rental assistance payment amounts, charges, profits, return on owner's equity, development costs, and methods of operation; .

2. Appropriate \$12,000,000 from the general revenues of the state into the rental assistance fund from which payments would be made to owners of eligible projects financed by rental housing revenue bonds.

The principal appropriated fund is intended to be preserved, with only interest earned to be used for rental assistance payments. The Hawaii Housing Authority would be prohibited from making rental assistance payments in excess of the accumulated earnings of the rental assistance fund.

3. Amend the definition of "eligible project loan" to allow for uninsured and privately insured loans. Uncertainty in future federal laws could prevent federally insured or guaranteed projects from qualifying under revenue bond programs. Therefore, this amendment will provide the authority with the flexibility to finance federally insured, privately insured, and uninsured projects. Most state housing agencies finance a combination of federally insured and uninsured projects without impairment of the state's revenue bond ratings.

4. Amend appropriate sections of the Hula Mae program to broaden the applicability of loans to lenders and mortgage purchase programs and to make certain technical changes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1771, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

## SCRep. 232 Housing and Hawaiian Homes on S.B. No. 1912

The purpose of this bill is to establish tax deductible individual housing accounts for first-time buyers of principal residences. Deductions are limited to \$5,000 a year.

The principle of providing tax benefits to individuals who save for a down payment on a home is much the same as that of the "individual retirement accounts" or IRAs. Individuals are allowed to accumulate a maximum of \$25,000 during a ten-year period after establishing the individual housing account. Account holders must use the accumulated moneys for the purchase of a home or penalties and liabilities are imposed.

Your Committee received favorable testimony from various organizations including the Council for Senior Citizens and the Hawaii League of Savings Associations.

Your Committee has made minor technical changes to this bill for the purposes of style and clarity.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1912, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 233    Housing and Hawaiian Homes on S.B. No. 1913

The purpose of this bill is to provide a lease rent tax deduction for owner-occupants of leasehold condominiums and single-family dwellings.

This bill is intended to provide some measure of tax relief to leasehold owner-occupants who would be allowed to deduct an amount equal to the amount of annual lease rent paid.

Your Committee amended the bill by changing the effective date from the date of its approval to taxable years beginning after December 31, 1980 in order to correctly apply the amendment to full taxable years. Other nonsubstantive, technical amendments have also been made.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1913, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 234    Housing and Hawaiian Homes on S.B. No. 1923

The purpose of this bill is to provide necessary funds out of the general funds for the construction of needed recreation facilities at Kuhale Kapahulu Townhouses.

The project houses 29 families, whose incomes are too high to qualify for low income housing and too low to qualify for conventional private home ownership. Presently, there are 56 minors ranging from 1 to 16 years of age living in the project who would utilize the recreation facilities.

The proposed recreation facilities would include fencing, play apparatus and parking improvements. By utilizing a remnant freeway parcel, this project would save the cost of purchasing land, make use of an otherwise empty lot, and provide the townhouse and community with open space.

Your Committee has amended the bill by increasing the requested appropriation of \$15,000 to \$20,000 to include labor costs.

Your Committee also adopted the recommendation of the Hawaii Housing Authority by changing the expending agency from the Department of Accounting and General Services to the Hawaii Housing Authority as reflected in section 2 of this bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1923, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 1923, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 235    Housing and Hawaiian Homes on S.B. No. 2097

The purpose of this bill is to conform the salary provision of the administrator of the Office of Hawaiian Affairs to that of other state department and executive officers.

The present salary of the Office of Hawaiian Affairs administrator is fixed at \$30,000. The salary of other state department heads is established by the appointing authority up to a current ceiling of \$42,500.

Your Committee has amended this bill to insure that the determination of the salary of the administrator is the same as for department heads and other executive officers. Your Committee also amended the bill to correct a technical defect in its title.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2097, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 236 Housing and Hawaiian Homes on S.B. No. 2101

The purpose of this bill is to include aquaculture and mariculture as permitted uses of leased Hawaiian Home lands.

Presently, the Hawaiian Homes Commission Act does not specifically permit aquaculture or mariculture on homestead lands. The Department of Hawaiian Home Lands testified that many homesteaders and applicants have indicated an interest in aquaculture, and that the lands are suitable for such development. The proposed amendment will make it possible to lease such lands for aquaculture or mariculture purposes. Presently, the Act only provides for residential agricultural, and pastoral uses.

The bill also establishes an aquaculture and mariculture loan fund and enables the department to employ aquacultural and/or maricultural experts.

Your Committee amended the bill by making a number of nonsubstantive, technical corrections.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2101, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Anderson.

SCRep. 237 Economic Development on S.B. No. 556

The purpose of this bill is to clarify section 237-13.5, Hawaii Revised Statutes, as amended, which was enacted in 1980 to permit alternate energy producers to be taxed at a 1/2 of 1% Hawaii general excise tax rate on gross proceeds from the sale of electric power produced from alternate energy resources to a public utility. Testimony was received to the effect that the subject section, which was intended to encourage production of alternate energy, creates a problem for alternate energy producers by requiring a demonstration that particular electric power sales were of power generated from alternate energy resources. At various times in alternate energy generation processes nonalternate energy is utilized (for example, when alternate energy amounts are insufficient to fulfill contractual obligations and in cases where alternate energy producing facilities are shutdown for various reasons, including shutdown of related facilities (sugar producing companies) caused by mechanical failures or other reasons). The burden of demonstrating which electric power is generated from alternate energy and which is not is indeed significant and it is believed that imposition of this burden is not required to permit the bill to accomplish its fundamental purpose of encouraging the production of alternate energy.

Accordingly, S.B. No. 556 has been revised to apply the 1/2 of 1% general excise tax rate to the sale of electric power to a public utility company for resale to the public. In addition to eliminating the burdensome cost to alternate energy producers of demonstrating the sources of electric power sold at any given time, these amendments should minimize increases in the cost of electric power to the general public and simplify the Hawaii General Excise Tax Law.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 556, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 238 Economic Development on S.B. No. 1799

The purpose of this bill is to provide for state participation and state loan guarantees for hotel operators.

Your Committee, upon due consideration, has amended the purpose of the bill to ensure that the visitor plant will be preserved during adverse economic periods.

Your Committee received testimony from the Hotel Corporation of the Pacific in support of the concept of state guaranteed working capital loans. The testimony emphasized the positive psychological impact of the state guaranteeing working capital loans. As a guarantor the state would demonstrate confidence in the tourist industry.

Your Committee was also informed of the economic considerations for supporting the bill. As proposed by the Hotel Corporation of the Pacific, the loan would amount to a line of credit up to \$2,000,000. The state would guarantee up to 90% of the line of credit which would be granted by a financial institution in the state. The eligible hotel would be able to draw upon the line of credit to cover debt service costs only.

In the event foreclosure proceedings are held, and the proceeds from all of the collateral foreclosed are insufficient to cover the amount owed the private lender, the department on the request of the private lender, shall issue a check for the amount of the deficiency.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1799, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator George.

SCRep. 239     Economic Development on S.B. No. 1877

The purpose of this bill is to give heat pumps the same tax credits that are now given to solar energy devices.

Your Committee recognizes the need to promote, to the fullest extent possible, energy conservation. Conservation can be facilitated by making energy saving devices more attractive to the public. Extending the tax credits now given to solar energy devices to heat pumps is a positive step in this direction.

Your Committee has amended the bill by adding wind energy devices as being eligible for the tax credits now afforded to solar heating devices.

Your Committee has also made technical, nonsubstantive changes to the bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1877, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 240     Economic Development on S.B. No. 1955

The purpose of this bill is to establish the Aloha Tower Development Corporation.

Your Committee recognizes that the public benefits which will accrue to the state will also extend throughout the Pacific Basin.

The project will be a joint venture of public and private interests. The development corporation will finance the public's share through the issuance of revenue bonds which are to be repaid by the development corporation. The office building and hotel will be financed by private developers.

Your Committee finds that the Aloha Tower Development Corporation will be the most efficient means of implementing the project and ensuring that the complex interests of the public and private sectors are smoothly integrated.

Your Committee has made technical, nonsubstantive changes to the bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1955, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 241    Judiciary on S.B. No. 3

The purpose of this bill is to provide funding for the operations and capital improvement projects of the Judiciary for fiscal years 1981-1983. The budget request seeks to maintain present service levels, with expansion in selected areas, and comply with recent legislative mandates.

Your Committee has received testimony and other pertinent information from the Judiciary relating to this bill, and has carefully reviewed them. We find that, in light of the information received, certain requests require more justification regarding their pertinence to the programs involved. The bill has been amended until such time justification warrants these requests.

Your Committee has approved requests for eight new positions for the Intake Agency in the Family Courts. These new positions are in addition to the present personnel, and would provide the basic organization, including an administrator, a supervisor, a slight increase in social work staff and the necessary clerical support. Testimony was received stating "Although additional resources are requested for fiscal year 1982-83, these would be subject to an assessment of the operations of the Intake Agency during fiscal year 1981-82." We find that because an assessment will be conducted in 1981-82, any requests at this time for fiscal year 1982-83 is premature. The bill has been amended to reflect this.

Additional requests have been made for expansion to accommodate the new District Court building. Presently, the new building's completion date is scheduled for June 20, 1982. We have made minor adjustments to the bill to provide funding for these requests to coincide with the completion date.

The bill has been also amended by adding two new sections designated as sections 9 and 10. The new provisions provide that \$33,000 and \$255,000, of the general fund appropriations for the Administrative Director Services Program, shall be used for the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment and Protective Services and for the Neighborhood Justice Centers throughout the State, respectively.

Sections have been renumbered to reflect the additions of the new sections.

Your Committee has approved \$48,106,462 for operating expenses for the fiscal biennium 1981-1983. Of this amount \$23,249,118 is for fiscal year 1981-1982 and \$25,112,344 is for fiscal year 1982-1983.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 242    (Majority) Judiciary on S.B. No. 266

The purpose of this bill is to allow each county to receive from the state general fund fifty per cent of all parking violation revenues collected by the district courts in that county during the preceding fiscal year.

At present, all fines collected for parking violations go into the state general fund.

Your Committee finds that the counties should receive a portion of these revenues in view of the fact that the county police departments and county or prosecuting attorneys are charged with the enforcement of parking laws and ordinances.

Your Committee made certain changes to the form of the bill to comply with bill drafting procedures.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 266, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

Senators Kuroda, O'Connor and Uwayne did not concur.



## SCRep. 243 (Majority) Judiciary on S.B. No. 324

The purpose of this bill is to provide that each county shall receive fifty per cent of all revenues collected from parking violations during the preceding fiscal year by the district courts in that county.

Your Committee made technical changes to the bill to comply with proper bill drafting practices.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 324, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.  
Senators Kuroda, O'Connor and Uwaine did not concur.

## SCRep. 244 (Majority) Judiciary on S.B. No. 651

The purpose of this bill is to preclude any acquisition or carrying of pistols or revolvers in this State, as opposed to other types of firearms. The bill does this by providing that importation of a pistol or revolver into the State is disallowed, except for certain specified law enforcement officials. The bill repeals existing law (Section 134-9, Hawaii Revised Statutes), which would otherwise have allowed the police to allow private citizens to carry handguns when such citizens had reason to fear injury. The bill also takes away the existing exemption to gun organizations from existing regulation by the Chapter.

The bill would further require the police to effect forfeiture of pistols, revolvers, and other handguns which are not legal under the proposed bill, by establishing procedures for the same before January 1, 1982, and effecting said forfeiture by March 1, 1982. The bill makes it a class C felony to fail to forfeit illegally-held firearms punishable by five years in prison without probation. In Section 2, an appropriation provision is stated, to provide just compensation for firearms forfeited. Section 134-18, Hawaii Revised Statutes, is amended to permit the police to confiscate and dispose of pistols and revolvers.

Your Committee has amended the bill to correct an inconsistency between Section 134-3 and Section 134-8 relating to the barrel lengths of rifles and shotguns.

Your Committee also amended the bill in Section 7 to provide for the repeal of Section 134-16 in order to carry out the intent of the bill to restrict the possession and sale of pistols and revolvers.

Your Committee finds that this bill is essential to control the possession and use of handguns, as well as the importation of illegally obtained handguns, and accepts the opinion of the Department of the Prosecuting Attorney of the City and County of Honolulu that the controls contained in this bill would greatly assist in the battle against crime. Furthermore, many accidental injuries and deaths as well as impulsive shootings could be avoided and lives saved if handguns are not readily available.

Based upon the United States Supreme Court case of United States v. Cruikshank, 92 U.S. 542, your Committee also believes that this bill is not violative of any constitutional rights since an individual's right to bear arms is not constitutionally protected under the United States Constitution. Such a right belongs to the people as a collective body to keep a well regulated militia.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 1, and be referred to the Committee on Ways and Means.

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

## SCRep. 245 (Majority) Judiciary on S.B. No. 835

The purpose of this bill is to make a campaign spending ceiling mandatory. Under existing law, partial public funding of campaigns is provided for candidates who voluntarily agree to abide by specified expenditure limitations, but other candidates are not precluded from exceeding said limitations.

Your Committee believes that Article II, section 5 of the Constitution of the State of Hawaii, mandates that the legislature limit the campaign spending of all candidates.

In adhering to such a mandate, your Committee wishes not to prejudice the Hawaii Supreme Court's position on this bill or on any other matter involving the Constitution of the State of Hawaii. Our country's system of federalism tolerates differing constitutional and statutory interpretations as well as the divergence by a state supreme court from a United States Supreme Court position. This has been pointedly reiterated by the Supreme Court of the State of Hawaii, in *State of Hawaii v. Kaluna* [55 Hawaii 361 (1974)], where the Court took the position that although it is bound to follow the rulings of the United States Supreme Court when interpreting the United States Constitution, the Hawaii Supreme Court is the "ultimate judicial tribunal in this State", and has "final, unreviewable authority to interpret and enforce the Hawaii Constitution." Therefore, your Committee has chosen to respond to the will of the people of our State, as set forth by the 1978 Constitutional Convention, and report this bill out of committee.

At the same time, in the event the mandatory ceiling provided for in this bill is questioned in subsequent state court decisions, your Committee has revised S.B. 835, to allow preservation of the original purpose of the law to impose voluntary ceilings. The bill has been appropriately amended to reflect this.

A second purpose of the bill is to make less restrictive the existing reporting requirements on the candidates.

It eliminates the requirement of existing law that a preliminary report be filed ten days prior to the election (existing section 11-212, which will be repealed by this bill), but retains the requirements of existing section 11-213.

Your Committee agrees with the lessening of the present restrictive reporting requirements on the candidates, and believes this will retain existing safeguards, while allowing for a smoother reporting process.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 835, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

Senators Anderson, George, Kobayashi, O'Connor and Soares did not concur.

SCRep. 246 (Majority) Judiciary on S.B. No. 883

The purpose of this bill is to appropriate \$5,000 to compensate Louise Awaya for pain, suffering, and loss of earning power suffered as a victim of a violent crime.

Your Committee finds that she was not given notice of her right to file a claim with the criminal injuries compensation commission as required by law. Your Committee further finds that in this particular case the limitation period should be waived, and the victim should be compensated.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 883 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 Kuroda did not concur.

SCRep. 247 (Majority) Judiciary on S.B. No. 971

The purpose of the bill is to authorize the various counties of the State to hold individual referendums on the legalization of gambling. The bill provides that gambling shall be permitted in those counties where a majority of voters in the county have approved the legalization of gambling by referendum. The various counties in which gambling is legalized shall regulate the gambling activities within their jurisdiction. In addition, it provides for the creation of the Hawaii Gaming Commission within the Department of Regulatory Agencies. The members of this Commission to consist of five members shall be appointed by the Governor. The Attorney General and his deputies are the legal advisors for the Commission. The prosecuting attorneys and the police chiefs, or their representatives, of the counties legalizing gambling shall be ex-officio members of the Commission.

Your Committee on Judiciary held a public hearing on the proposed draft, S.D. 1, of S.B. No. 971. The testimony submitted by the Hawaii County Council indicates that any proposed change affecting the lifestyle of the people should be submitted to the people for vote. Holding individual referendums to decide legalized gambling is consistent

with the concept of homerule for the counties.

Although legalized gambling may have an effect on the social problems already in existence, your Committee feels the bill represents a potential revitalizing factor in strengthening elements of a county's economy. The potential also exists for revenues to accrue to both State and counties.

Your Committee feels that legalized gambling should be limited to the use of cash, as that item is generally understood, or credit cards as defined in Section 851-1 of the Hawaii Revised Statutes. No credit in the form of "markers", "I.O.U.'s" etc. shall be extended by any licensed gambling establishment to patrons, customers, or guests of such licensed gambling establishment. In addition, annual evaluation reports must be filed with the Legislature to evaluate the affects of legalized gambling in those counties that approved it.

Furthermore, in view of the potential danger to patrons of gambling establishments which may be posed by large numbers of people congregated together, many of whom may be smoking, your Committee has recommended that any and all buildings that house any licensed gambling operation shall continuously comply with all current state and county fire codes and regulations.

Your Committee on Judiciary, to which was referred S.B. 971 entitled "A BILL FOR AN ACT RELATING TO GAMBLING" begs leave to report that your Committee has considered such Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 971, S.D. 1, be printed, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senators George, Kobayashi and O'Connor. Senators Cobb and Soares did not concur.

SCRep. 248 (Majority) Judiciary on S.B. No. 972

The purpose of this bill is to expand the coverage of Chapter 351 (Criminal Injuries Compensation), as enumerated in Section 351-32, to include all crimes defined in the Hawaii Penal Code.

Another purpose of this bill is to expand the eligibility coverage of Section 351-51 by providing that the Criminal Injuries Compensation Commission may order the payment of compensation to the dependents of a private citizen who dies while preventing the commission of a crime, or in apprehending a person who has committed a crime, or in assisting a peace officer engaged in the prevention or the attempted prevention of a crime, or in the apprehension or attempted apprehension of a person who has committed a crime. Presently, Section 351-51 only provides for compensation to a private citizen or a person responsible for maintenance of the citizen when the private citizen has been injured or has incurred property damage under the above-mentioned circumstances. In accordance and conformity with the expansion of the eligibility coverage, the types of allowable compensation under Section 351-52 has been expanded to include compensation for pecuniary loss suffered by dependents of the deceased private citizen.

A further purpose of this bill is to delineate the allowable methods of payment, under Section 351-61, when periodic payments have been ordered by the Commission.

The maximum allowable amount of compensation, as provided for under Section 351-62, has been increased from \$10,000 to \$30,000.

Your Committee finds that the present provisions of Chapter 351 do not provide for the compensation of dependents of persons who die as a result of actions directed toward the apprehension of persons who violate the law or toward the prevention of crime. Compensation certainly should be allowable in those instances to the decedents' dependents.

Your Committee also agrees that the current maximum compensation amount should be increased from \$10,000 to \$30,000, in view of the rate of inflation as well as the types of injuries and losses compensable under Chapter 351.

The original Section 1 of the bill amended Section 351-32, Hawaii Revised Statutes, to provide that all crimes defined in the Hawaii Penal Code be applicable to Chapter 351. Your Committee believes that the provisions of the original law restricting benefits only to victims of certain specified crimes should be retained and accordingly has deleted the original Section 1 of the bill.

Your Committee has examined the amendment to Section 351-35, Hawaii Revised Statutes,

on page 3, line 4, that would make it mandatory that the Criminal Injuries Compensation Commission institute a derivative action against a person convicted of an offense and against any person liable at law on the person's behalf, where an order or the payment of compensation is or has been made under Chapter 351 for injury or death resulting from the offense. Your Committee finds that such an amendment is not appropriate as the Commission may determine that the institution of such derivative action will be fruitless or in vain. Your Committee has, therefore, amended page 3, line 4 of the bill by deleting the brackets around the word "may" and deleting the underlined word "shall".

Your Committee on Judiciary, to which was referred S.B. No. 972 entitled "A BILL FOR AN ACT RELATING TO VICTIMS' COMPENSATION" begs leave to report that your Committee on Judiciary has considered such bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 972, S.D. 1, be printed, and be referred to the Committee on Ways and Means for further consideration.

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

SCRep. 249     Judiciary on S.B. No. 1075

The purpose of the short form bill is to review and revise the Department of Social Services and Housing.

Your Committee has amended the short form and held a hearing on the amendments set forth. The purpose of this bill has been amended to delineate a specific program within the Department of Social Services and Housing. The bill proposes to adjust the beginning salary of Adult Corrections Officers I, II, and III at Halawa High Security Facility and Oahu Community Correctional Center.

Testimony in support of the bill was received from the Department of Social Services and Housing. The department indicated that there are at least six resignations per month at the Halawa and Oahu facilities. One of the primary reasons for this turnover is due to an emotionally demanding atmosphere placed upon them due to the repetitious and dangerous criminal behavior of the inmates in these facilities. This is also coupled with the lack of manpower of Adult Corrections Officers. It was also pointed out that similar positions in the police department pay twenty per cent more than Adult Corrections Officers.

The amended form intends to increase the salary levels of the Adult Corrections Officers I, II, and III to a more equitable level to compensate them for their hazardous duty.

Your Committee also realizes that other existing personnel within these classes and the Adult Corrections Officers IV level may also warrant pay increases to provide equity among existing and new personnel. The Judiciary Committee will be recommending that the Legislature appropriate funds to accommodate this intent.

The amended bill is also based on section 77-9 of the Hawaii Revised Statutes. Last year, the Legislature amended this section to allow for an increase of the minimum salary for state government positions that are filled with recruitment problems and in a shortage category. This bill reflects the intent of the 1980 action and statutorily establishes the minimum salary to be at least at the step E level for Adult Corrections Officer's I and II and at the step D level for Adult Corrections Officer's IV. It is the intent of your Committee to provide for this coverage as long as the recruitment and shortage problem prevails.

Your Committee on Judiciary, to which was referred S.B. 1075 entitled "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF SOCIAL SERVICES AND HOUSING" begs leave to report that your Committee has considered such Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 1075, S.D. 1, be printed, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 250     Judiciary on S.B. No. 1096

The purpose of this bill is to review and revise the Circuit Courts.

Your Committee held a hearing on the amended form of this short form bill. The amended form proposes to add one additional judge to the Third Circuit Court of the State of Hawaii. Presently, there are two judges serving the Third Circuit Court.

Testimony was received from the Judiciary noting that since 1958 there has only been two judges for the Third Circuit Court. The caseload in 1958 was 850, whereas 5,464

cases were filed in 1980. This increase indicates a dire need for an additional judge if the Third Circuit Court is to maintain or improve the current level of justice and responsiveness to the public it serves.

Your Committee on Judiciary, to which was referred S.B. 1096 entitled "A BILL FOR AN ACT RELATING TO CIRCUIT COURTS" begs leave to report that your Committee on Judiciary has considered such Bill and recommends that it pass First Reading by title, in the amended form attached hereto as S.B. No. 1096, S.D. 1, be printed, and be referred to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 251 Judiciary on S.B. No. 1507

The purpose of this bill is to provide for contracting out of legal services by the judiciary with one or more lawyers in the private bar, to handle cases when there is a conflict of interest precluding the Public Defender from handling a case. A fee schedule is also set forth.

Your Committee believes that there should be no such contracting out of such criminal work, and that the individual criminal court judges, should appoint counsel from the private bar, as is the situation under existing law. However, your Committee believes that the raise in fees is justified and necessary. The bill was amended accordingly. The title of the bill was amended to correct an obvious typographical error.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1507, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 252 Judiciary on S.B. No. 1775

The purpose of this bill is to provide a \$10 increase in the compensation of precinct officials for 1982 and an additional ten per cent to the amounts beginning in 1984 and each even-numbered year thereafter to and including 1988, at the discretion of the chief election officer. The bill also increases the compensation for precinct officials based on the number of ballots cast at their precinct.

The Association of Clerks and Election Officers of Hawaii presented testimony that precinct officials commit many hours to train and to work at the polls and such individuals are getting more difficult to recruit.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1775, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 253 Education on S.B. No. 211

The purpose of this bill is to provide for an exemption of not more than \$10,000 a year of gross proceeds or gross income from the general excise tax for fund raising activities to be used in the furtherance of activities of a school, students or student organizations or of school affiliated parent organizations.

Your Committee heard testimony from the department of education in support of this measure and testimony in opposition from the Department of Taxation.

Based on the testimony presented before your Committee, notwithstanding the testimony of the Department of Taxation, your Committee finds that this particular exemption from the general excise tax is in the public interest.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 211 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. 254 Education on S.B. No. 273

The purpose of this bill is to provide for attendance record keeping by the Department of Education and to make attendance records available to authorized police officers upon request.

Your Committee heard testimony from the Department of Education concerning this measure. The department testified that they have already established a statewide system of attendance policy and procedures for all schools and therefore it would not be necessary to pass a new statute in this area. Further, the Department of Education also noted that there is a pilot project underway concerning computerized attendance record keeping.

The Department of Education did indicate, however, that they saw merit in statutory authorization concerning the release of certain information to authorized police officers.

Your Committee has amended the bill accordingly.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 273, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 255 Education on S.B. No. 961

The purpose of this bill is to create and fund one registrar-counselor position each for the Aiea Community School for adults and the Wahiawa Community School for adults.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 961 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 Education on S.B. No. 966

The purpose of this bill is to provide state funds necessary to retain the position of attendance clerk at Waianae High School.

Your Committee has amended the bill to correct spelling and typographical errors.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 966, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 257 Education on S.B. No. 1290

The purpose of this bill is to provide for the replacement of the educational motion picture utilized at the State Capitol to demonstrate the legislative process.

The present film is outdated and requires revision.

Your Committee has amended the bill to provide that the Department of Planning and Economic Development be the expending agency and made changes to conform to recommended drafting style.

Your Committee is in accord with the intent and purpose of S.B. No. 1290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 258 Education on S.B. No. 1496

The purpose of this bill is to provide a broad range of educational opportunities to exceptional children by providing for an educational allowance for these children.

Your Committee has amended the bill to clarify its intent and to conform to recommended drafting style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1496, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 259 Education on S.B. No. 1522

The purpose of this bill is to provide an appropriation to enable the Board of Land and Natural Resources to negotiate the purchase of those lands in Waipio Valley, Hawaii, owned by Bishop Museum.

Dr. Edward Creutz, Director of the Bishop Museum testified that the land should become an agricultural or recreational park for the enjoyment of all the people of Hawaii and noted that a selling price for these lands is now under discussion.

Your Committee finds that the lands in Waipio Valley have major agricultural and environmental significance and that the purchase of the lands would be in keeping with the State's constitutional mandate to preserve Hawaii's natural resources.

Your Committee also notes that such an acquisition of land would be consistent with a state land-banking program.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1522 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. 260 Education on S.B. No. 1599

The purpose of this bill is to provide for a budget for the State Foundation on Culture and the Arts which will address the funding of the arts in the State.

Your Committee finds that the State should help support and develop the performing arts through the State Foundation on Culture and the Arts by grant applications submitted for this purpose.

Your Committee has amended the bill to provide for such support by the State Foundation on Culture and the Arts and an appropriation to accomplish this purpose.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1599, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 261 Education on S.B. No. 1641

The purpose of this bill is to provide for appropriate amendments in order to transfer the public libraries from the direct jurisdiction of the Department of Education to be a unit directly responsible to the Board of Education.

Your Committee heard testimony in support of this bill from the Department of Education, members of the Board of Education, the Friends of the Library of Hawaii, Hawaii State Teachers Association, Hawaii Library Association, and interested librarians.

The Board of Education approved the Department of Education's proposal for reorganizing the public library system on February 19, 1981. This bill will provide the necessary statutory authority for this change.

The intent of this bill is to change the name of the Department of Education to the Department of Education and Public Libraries. Therefore, your Committee has amended the bill by adding a section to delete the term Department of Education and insert the term Department of Education and Public Libraries throughout the Hawaii Revised Statutes. Other nonsubstantive, technical amendments have also been made.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1641, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Soares.

SCRep. 262 Education on S.B. No. 1645

The purpose of this bill is to provide for the hiring of elderly citizens to supervise children after school, direct traffic for young children, and serve as classroom aides.

The Department of Education testified that these services will benefit the schools especially since federal programs such as CETA may be phased out.

Your Committee has amended the bill to conform to recommended drafting style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1645, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 263 Education on S.B. No. 1652

The purpose of this bill is to provide for repair and maintenance to public school facilities.

Your Committee has recently learned that the Department of Education's capital improvement budget request for asbestos removal in public school facilities requires the availability of funds in May, 1981 to provide adequate lead time to contract work for the summer when public schools are not in session. If these funds were to be included in the 1981-83 state budget, they would not become available until July 1, 1981 and leave little time to complete the project prior to the beginning of the new school year.

Therefore, your Committee has amended this bill to provide the funds for this project and amended the effective date.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1652, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 264 Education on S.B. No. 1694

The purpose of this bill is to provide for the transfer of authority and budget of the Department of Accounting and General Services, student transportation to the Department of Education. (DOE)

Your Committee heard testimony from the Department of Education concerning this bill in which it was noted that the DOE currently operates under Executive Order 80-6 which delineates the responsibility for student transportation. Further, the DOE indicated that currently student transportation functions are handled by a DOE staff member who has responsibility, but not authority, for the program.

In line with this aspect, your Committee also finds that such a transfer of authority and budget is consistent with the State Constitutional amendment, adopted in 1978, which outlines that the Board of Education "...shall have jurisdiction over the internal organization and management of the public school system..."

Your Committee has amended this bill to include equipment and physical facilities in such a transfer and to denote that the transfer shall be to the Department of Education's EDN 307 budget category. Your Committee further amended the bill to conform to recommended drafting style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1694, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1694, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 265 Education on S.B. No. 1695

The purpose of this bill is to provide for the transfer of authority and budget of the Department of Accounting and General Services physical plant operations and maintenance (AGS 807) to the Department of Education's physical plant operations and maintenance



(EDN 307).

Your Committee heard testimony from the Department of Education (DOE) concerning this bill in which it was noted that the DOE currently operates under Executive Order 80-6 which delineates the responsibility for repair and maintenance, custodial and janitorial services for public school facilities. The Department of Education also has responsibility for physical plant operations and maintenance. However, the budget, authority, equipment, and physical facilities, exist, in part, under the control of the Department of Accounting and General Services.

Respecting this division of authority, your Committee also finds that such a transfer of authority and budget is consistent with the State Constitutional amendment, adopted in 1978, which outlines that the Board of Education "...shall have jurisdiction over the internal organization and management of the public school system..."

Your Committee has amended this bill to include equipment and physical facilities in such a transfer and to conform it to recommended drafting style.

Your Committee on Education is accord with the intent and purpose of S.B. No. 1695, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1695, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 266 Health on S.B. No. 422

The purpose of this bill is to provide a mechanism for the acquisition and dispensing of interferon to cancer victims in Hawaii.

Cancer is one of the leading causes of death in Hawaii and besides threatening the life and health of its victims, it is also capable of causing extreme hardship for families of the afflicted.

One cancer treatment method employs the agent interferon, which though still considered experimental has shown great potential effectiveness. However, access to interferon treatments is limited because of high cost, reportedly over \$30,000 for a complete course.

This bill creates a temporary Hawaii cancer commission to assist Hawaii's cancer victims to obtain interferon treatment.

Your Committee amended the bill to appropriate \$2 million to the temporary commission to implement its objectives. Your Committee also amended the bill to conform to recommended drafting style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 422, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 267 Health on S.B. No. 1275

The purpose of this bill is to amend present laws relating to emergency medical services.

The history of the emergency medical services program indicates that the program was designed to generate significant revenues. In fact, it was noted that because 95 per cent of the people are covered by some form of health insurance they would "not have to look to or use additional resources not already available to them to meet the needs of the advanced emergency medical services...." Thus, the emergency medical service was envisioned as the classic "public enterprise" in which those who benefit, should pay for the program. In this situation, a special fund is entirely appropriate as it is used to account for revenues (and expenditures therefrom) for particular purposes.

Your Committee amended the bill to require the Department of Health to deposit the fees, which it collects for services rendered to the public, into an emergency medical services special fund within the Department of Budget and Finance.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1275, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 268 Health on S.B. No. 46

The purpose of this bill is to amend chapter 237, Hawaii Revised Statutes, by adding a new section exempting the sales and gross proceeds of sales of prescription drugs from the general excise tax.

Your Committee finds that the general excise tax on prescription drugs is regressive in that its burden falls more heavily on those persons in lower economic levels. Your Committee is in agreement that the revenues accruing to the State from the tax is outweighed by the burden it places on those persons least able to carry the burden of the tax.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 46 and recommends it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 269 Health on S.B. No. 220

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Evangelical Lutheran Good Samaritan Society to secure long-term mortgage financing for the Pohai Nani Good Samaritan Kauhale health care facility.

Because special purpose revenue bonds are being authorized to assist a private organization, your Committee strongly recommends that the Committee on Ways and Means study and develop safeguards to assure that the bond proceeds are used only for the Pohai Nani Good Samaritan Kauhale health care facility.

Your Committee is in accord with the intent and purpose of S.B. No. 220 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 Health on S.B. No. 43

The purpose of this bill is to recognize an adult person's right to refuse the use of artificial means to prolong his or her life when suffering from a terminal condition.

This bill creates a new chapter in the Hawaii Revised Statutes relating to living wills. The new chapter establishes procedures for adults to make written directives to their physicians to withhold the use of life-sustaining measures in the event of terminal conditions.

Your Committee finds that adults have the right to control decisions relating to their medical care, including the decision to refuse the use of artificial means to sustain their lives when suffering from a terminal condition.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 43 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 271 Health on S.B. No. 528

The purpose of this bill is to permit disciplinary action against pharmacists who improperly dispense drugs.

Your Committee amended the bill to promote greater compliance with drug dispensing and government health program laws, by requiring the revocation or suspension of the license of pharmacists convicted of violating such laws.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 272 Health on S.B. No. 1691

The purpose of this bill is to enact legislation relating to dentists.

Your Committee has amended this short form bill to provide for mandatory disciplinary actions against the licenses of dentists who violate certain state and federal laws dealing with medical assistance programs and drugs. The bill is intended to remedy the present state of the law which does not specifically authorize disciplinary action for convictions of such laws.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1691, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1691, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 273 Health on S.B.No. 1235

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations that provide health care to the general public in financing or refinancing the cost of health care facilities.

Your Committee has amended the title of the bill by adding the words "relating to" in its customary position in all bill titles. Your Committee has further amended the bill by making language changes for clarity which have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 274 Health on S.B. No. 660

The purpose of this bill is to establish effective controls on prescriptions of controlled substances; to create a revolving fund to finance an enforcement program; and to add two drugs to the list of controlled substances.

This bill amends chapter 329, Hawaii Revised Statutes, by setting up strict prescription procedures, including the use and retention of official prescription forms.

Your Committee is in accord with establishing an effective enforcement program. However it amended the bill to create a special fund, rather than a revolving fund, to increase accountability.

Your Committee has also made nonsubstantive, technical amendments.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 660, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 275 Health on S.B. No. 487

The purpose of this bill is to amend statutory procedures for filing information with the Department of Health on deaths occurring in the State.

Your Committee amended the bill by making technical changes to reflect present medical knowledge and techniques.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 487, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 276 Health on S.B. No. 488

The purpose of this bill is to authorize the Department of Health to establish a statewide

school vision and hearing screening program for all school children.

This bill amends Part IX of Chapter 321, Hawaii Revised Statutes, by repealing the present joint authorization for the Departments of Health and Education to conduct vision testing, and replacing it with a provision that designates the Department of Health as the agency responsible for conducting a screening program for both vision and hearing.

Your Committee finds that the important interest and logic of detecting possible vision deficiencies at an early stage of a child's development applies equally to safeguarding hearing. Early diagnosis and treatment of vision and hearing problems will promote better health as well as protect educational opportunity for Hawaii's school children.

Your Committee amended the bill by adding the words "and hearing" after the word "sight" in line 11, page 3 of the bill to conform with the intent of the bill. Your Committee has also made a minor amendment to conform the bill to recommended Ramseyer format.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 488, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 277 Health on S.B. No. 490

The purpose of this bill is to appropriate money for the Kula Hospital for the building of a new addition, as well as to upgrade its present facilities.

Your Committee has amended the bill to conform to recommended drafting style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 490, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 278 Health on S.B. No. 1730

The purpose of this bill is to establish a system for the licensure of facilities and services providing long-term care, placement of persons in the appropriate level of care, and promotion of noninstitutional long-term care.

The cost of long-term care in skilled nursing facilities and intermediate care facilities has risen tremendously. It is almost impossible for persons to remain in such facilities for extended durations without exhausting their incomes and resources and private health insurance benefits. Thus, the cost of care in skilled nursing facilities and intermediate care facilities is ultimately assumed by the State under the Medicaid program. As a result, the skilled nursing care and intermediate care portion of the State's Medicaid expenditures has greatly expanded to the detriment of persons requiring other health care under Medicaid.

It is increasingly recognized that the institutionalization of persons in skilled nursing facilities and intermediate care facilities is not desirable. It is not desirable because of the huge costs to the persons themselves and the State. It is not desirable because Hawaii has too little skilled nursing facilities and intermediate care facilities, and the scarce resources must be provided to those truly needing the service. Furthermore, it is not desirable for the mental health of most persons in institutional facilities.

Thus, it is imperative that the state promote the use of noninstitutional, long-term care services for persons who cannot live independently and who are or would be, for lack of alternatives, institutionalized.

This bill, in its original form, established a state council for home care services within the Department of Health for administrative purposes only. The council was responsible for the establishment of policy for long-term care and promotion of noninstitutional services. Evaluation and referral teams, consisting of health and social services professionals, were established under the council. The teams were responsible for the placement of persons with the appropriate level of care and the ongoing review of such persons. The Department of Health was responsible for the licensing of operators of long-term care facilities and services. These types of facilities and services, from most intensive to least, were: skilled nursing facilities; intermediate care facilities; domiciliary care facilities; medical day care center services; services of day care centers for elderly disabled

and aged persons; home health care services; homemaker services; and chore services.

This bill has been amended, however, in recognition of the differences between medical supportive types of long-term care and social services oriented types. Basically, responsibility for the types of long-term care which are medical supportive has been placed with the Department of Health and responsibility for the types of care which are social services oriented are placed with the Department of Social Services and Housing. While your Committee realizes that the differences are not concrete, the division of responsibilities under this bill is justifiable, workable, and fair.

Your Committee has deleted the state council on home care services and its evaluation and referral teams. Instead, the bill now establishes a long-term care advisory committee, long-term care screening committee, licensure and monitor team, medical and referral placement teams, and community resources placement teams.

The long-term care advisory committee has the same membership as the deleted state council on home care services. It is, however, an advisory body which is responsible for establishment of a long-term care plan. It is placed within the department of health for administrative purposes only.

The long-term care screening committee is composed of a licensed physician, a registered nurse, an occupational therapist, a physical therapist, and a social worker. Members are appointed jointly by the director of health and director of social services. The screening committee is placed within the Department of Social Services and Housing for administrative purposes only.

The licensure and monitor team is placed within the Department of Health. It is composed of a fire marshal, a licensed physician, a registered nurse, an occupational therapist, a physical therapist, a social worker, and a nutritionist. Members of the team are appointed by the director of health.

The medical and referral placement teams are placed within the Department of Health. The director of health is required to establish a sufficient number of teams to execute the purposes under this bill. Each team consists of a licensed physician, a social worker, an occupational therapist, a physical therapist, and a registered nurse. Members are appointed by the director of health.

The community resources placement teams are placed within the Department of Social Services and Housing. The director of social services is required to establish a sufficient number of teams to execute the purposes under this bill. The director of social services is given broad authority in staffing the teams.

The licensing of long-term care facilities and services has been amended from that of the original bill. In the original bill, the licensing of long-term care facilities and services rested with the Department of Health. In the bill, as amended, the licensing function is divided between the licensure and monitor team and the Department of Social Services and Housing. The licensure and monitor team is responsible for licensing operators of skilled nursing facilities, intermediate care facilities, domiciliary care facilities, and medical day care centers and providers of home health services. The Department of Social Services and Housing is responsible for licensing providers of day care center services, homemaker services, and chore services.

The method of placing persons with the appropriate level of care has been changed drastically from that of the original bill. In the original bill, the evaluation and referral team under the state council for home care services was to review all applications for placement of a person with the appropriate level of care. In the bill, as amended, the placement procedure is made a two-tiered process. In the first tier, application for placement is made with the long-term care screening committee. The screening committee reviews the application to determine if the person requires medical supportive care or social services oriented care. If the screening committee determines that the person requires medical supportive care, the application is sent to the medical and referral placement team. If the screening committee determines that the person requires social services oriented care, the application is sent to a community resources placement team. In the second tier of the process, the appropriate team reviews the application and approves placement in the appropriate level of care under its jurisdiction, refers the application to the other team if the appropriate level of care is within the jurisdiction of the other team, or disapproves the application. The levels of care which are within the medical and referral placement team's jurisdiction are: skilled nursing care; intermediate care; domiciliary care; care with a medical day care center; and home health care. The levels of care which are within the jurisdiction of the community resources placement

team are: care provided by a day care center for elderly disabled and aged persons; homemaker services; and chore services.

The bill, as amended, also provides for the periodic review of persons placed with facilities or services and handling of requests for transfers. The procedures are essentially the same as under the original bill but the appropriate team is required to conduct the review, instead of the deleted evaluation and referral team.

The remainder of the bill remains substantially the same as the original. Technical amendments have been made when necessary. These technical amendments include the replacement of the term "home care services" with "noninstitutional long-term care" in section 3. This change is not intended to be a substantive one.

This bill, as amended, intends to establish a procedure for the placement of a person with the appropriate level of care which is efficient on the state's part and which provides effective care for the person. There are, however, some points which must be emphasized.

First, a person who is not a dependent of public assistance for long-term care is not required to make application for placement or be bound by the decision of a team. The placement procedure is meant to assist the person to receive the appropriate level of care.

Second, the prerogative of the person's physician, if the physician is involved, is retained. No person, including a recipient of public assistance, may be placed with a facility or service if the physician does not consent.

Third, a recipient of public assistance is required to make application for placement to a team. Although the recipient is not bound by the decision of the team and may choose a different type of facility or service than recommended, the bill provides that the person shall not be granted public assistance for the stay in a facility or receipt of service which is not approved by a team. Your Committee recognizes that this intention may be contrary to federal mandate for freedom of choice under Medicaid. Thus, qualifications to the provision have been included in the bill. Your Committee, however, feels that the review of a recipient's condition by a team sufficiently safeguards the recipient's health. Since the recipient's health is safeguarded, your Committee does not intend public moneys to be expended for a more expensive type of care than recommended by the team, except when directly contrary to federal mandate.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1730, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Toyofuku.

SCRep. 279 (Joint) Health and Consumer Protection and Commerce on S.B. No. 1492

The purposes of this bill are to: regulate Medicare supplement insurance; provide safeguards for the elderly so that they are not sold insurance policies which provide duplicative health care coverages; and provide consumer awareness, disclosure information, and public education to the elderly on the subject of health insurance.

The federal government enacted legislation in June of 1980 which provides for the voluntary certification of Medicare supplement insurance. Basically, the federal law, Public Law 96-265, requires states to establish standards which are equal to or more stringent than those of the National Association of Insurance Commissioner's "NAIC Model Regulation to Implement the Individual Accident and Sickness Insurance Minimum Standards Act". If the regulatory programs of the states do not equal the NAIC Model Standards, the states may suffer federal preemption in the regulation of Medicare supplement insurance.

This bill proposes to establish a State of Hawaii regulatory program to equal or exceed the NAIC Model Standards concerning Medicare supplement insurance. It also retains original provisions which regulate health insurance for the elderly not required under the NAIC Model Standards.

Your Committees have made the following major amendments:

(1) The definition of "health insurance for the elderly" has been amended to mean any individual accident and sickness insurance which provides coverage for any health care service and which is advertised, marketed, or designed primarily to be sold, instead of simply sold or attempted to be sold, to an elderly person. This amendment has been

made to preclude health insurance from this bill which is available to the general public as well as an elderly person;

(2) The standardized categories of Medicare supplement insurance under section -3(a) have been amended to conform to the NAIC Model Standards;

(3) Certain provisions which must be standardized for each type of Medicare supplement insurance have been added to section -3(d). These provisions are explicitly mentioned in the NAIC model legislation to implement a state regulatory program and are thus included in this bill;

(4) The maximum benefit amount under section -5(a) has been reduced from ninety to seventy-five per cent;

(5) The maximum benefit amount which a policyholder may assume when an insurer and a provider of service enter into an agreement under section -8 is raised to twenty-five from ten per cent of the patient expense or actual overextended expense;

(6) Under section -9, the prohibition of a Medicare supplement insurance from offering coverage for any health care service excluded under Medicare is deleted;

(7) Under section -9, the prohibition on requiring a policyholder to pay a deductible has been deleted;

(8) A new section -21 has been added to explicitly state that the insurance commissioner shall establish standards which are equal to or more stringent than those required under Public Law 96-265 and which are not inconsistent with this bill; and

(9) The penalty has been amended to conform to the penalty under Public Law 96-265.

Your Committees on Health and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 1492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1492, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Yee.

SCRep. 280 Health on S.B. No. 251

The purpose of this bill is to (1) prohibit medical practitioners from dispensing drugs except under specified circumstances; and (2) within those specified circumstances, require those same medical practitioners to dispense drugs subject to the same controls as are now applicable to licensed pharmacists.

Your Committee has received testimony which suggested that chiropractors and podiatrists be removed from the definition of the term "medical practitioner" because such persons do not normally dispense drugs as a part of their practice. The testimony reflected a concern that the inclusion of chiropractors and podiatrists in the definition of "medical practitioner" would carry an implication that such persons would be authorized to dispense drugs on a regular basis. The testimony also revealed a concern that prohibiting a medical practitioner from dispensing drugs unless there is no pharmacy available to a patient within ten miles was too stringent. It was suggested that a distance of five miles would be more reasonable.

Your Committee concurs with the concerns reflected in the testimony and has amended the bill accordingly. Your Committee further amended the bill by (1) adding a purpose clause; and (2) amending the definition of the term "pharmacy" in the law regulating licensed pharmacists to include the office of a medical practitioner. The purpose of the first amendment was to make the purpose of the bill readily apparent to anyone reading the bill who is not familiar with the area of law being discussed. The purpose of the second amendment is to assure that medical practitioners will be subject to all controls now applicable to licensed pharmacists.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 251, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 281 Agriculture on S.B. No. 356

The purpose of this bill is to amend the laws relating to agricultural activities, and to provide for the expansion of agricultural production in Hawaii.

Your Committee finds that there exists a need for the following:

- (1) Continued development, demonstration, and application of high technology agricultural procedures;
- (2) Continued availability of adequate and proper agricultural land;
- (3) Sufficient amounts of water in a steady supply for agricultural uses;
- (4) Financial assistance through enhanced sources of capital and the coordination thereof for agricultural uses;
- (5) Positive steps to be taken for agricultural processing, distribution, marketing, and promotion; and
- (6) An effective and well organized agricultural extension service system.

Your Committee heard testimony on this bill from many qualified persons. Based on the testimony received, your Committee has made numerous amendments to the format of S.B. No. 356, S.D.1, and has made several substantive amendments. The format changes and substantive amendments include the following:

- (1) Rather than designating a new chapter to be added to the Hawaii Revised Statutes (H.R.S.), each relevant section of S.D.1 has been added to a specific existing chapter of the H.R.S.
- (2) Certain non-statutory materials have been taken from the text of S.D.1 and put into a new Part I, which includes title name, legislative findings and a statement of the purpose of the Act.
- (3) Part II amends section 26-16 to define "agriculture", "diversified agriculture" and "aquaculture". The Part allows coordination of agricultural and aquacultural development in the State.
- (4) Part III addresses the subject of agricultural land and high technological innovations. Included in this Part are additions to chapters 141 and 174, HRS, which call for creation of a state master plan for development of agricultural parks and for the cooperative efforts of the department of agriculture, department of land and natural resources, the agricultural extension service and the agricultural instruction facilities of the University of Hawaii, and the governor's agriculture coordinating committee in planning demonstration farms.
- (5) Part IV addresses agricultural water needs by amending Chapter 174 of the H.R.S.
- (6) Part V addresses the farm loan program. Aquacultural loans have been included within this program, thus obviating the necessity for a duplicative aquacultural loan program. This Part repeals Chapter 219, H.R.S., which provided for an aquacultural loan program.
- (7) Part VI addresses the matter of processing and distribution. This part revises the existing agricultural cooperative association law (Chapter 421, H.R.S.) to include aquacultural cooperatives as well. Chapter 421 is also amended to include agricultural/aquacultural wholesalers as qualified members of cooperatives. Many agricultural growers are interested in forming processing and distribution cooperatives, but to be effective they would need to include independent wholesalers of the produce as well. This Part also provides for the development of a massive "umbrella" diversified agricultural wholesaling cooperative association, which would envelope all Hawaiian agricultural/aquacultural produce with the exception of the sugar and pineapple industries.
- (8) Part VII addresses the promotion and marketing of agricultural produce. To consolidate agricultural activities and to prevent unneeded red tape and confusion of activity, responsibility for promotion and marketing of agricultural produce, formerly placed with the department of planning and economic development, has been transferred to the department of agriculture.
- (9) Part VIII addresses agricultural extension services and agricultural educational resources. An administrative office is established within the office of the president of



the University of Hawaii to coordinate all agricultural activities and budgeting procedures of the various offices within the University system.

(10) All tax provisions have been deleted from the attached draft of the bill. Your Committee requests that the Committee on Ways and Means direct attention to the tax measures previously proposed.

(11) Your Committee received testimony that the section of the bill dealing with the University system should be removed because of the separation of powers which the Board of Regents enjoys. Your Committee decided to leave these sections in the draft attached hereto, although it may recommend in the future that it be removed and included in a separate bill, or addressed by means of a Senate Concurrent Resolution.

Your Committee enthusiastically endorses the draft of the bill attached hereto and requests speedy action towards its final approval by the Legislature.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 356, S.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 356, S.D.2, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 282 Government Operations and Intergovernmental Relations on S.B. No. 1755

The purpose of this bill is to appropriate \$200,000, to be matched by the City and County of Honolulu, to plan and construct a multi-use senior citizen center at the Aiea Recreational Complex.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1755 and recommends it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Ajifu and Soares.

SCRep. 283 Transportation on S.B. No. 1485

The purpose of this bill is to limit the number of persons who may sell and deliver inbound merchandise at Honolulu International Airport to two.

Your Committee heard substantial testimony from many interested parties, all of which highlighted the numerous legal, financial, technical and logistical problems raised by this bill. It is the expectation of your Committee that the additional time before this bill is heard by the Committee on Ways and Means will permit some solutions to be found to these difficult problems.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1485 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 Toyofuku and Soares.

SCRep. 284 Legislative Management

Informing the Senate that S.R. Nos. 97 to 99 and Stand. Com. Rep. Nos. 72 to 283 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 285 Consumer Protection and Commerce on S.B. No. 1867

The purpose of this bill is to amend the laws relating to take-over bids.

Your Committee amended this bill by inserting substantive material.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1867, as amended, herein and recommends it pass First Reading in the form attached hereto as S.B. No. 1867, S.D. 1, and be recommitted to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Senators Machida and Soares.

## SCRep. 286 Consumer Protection and Commerce on S.B. No. 1947

The purpose of this bill is to amend the present law on travel agencies to maximize consumer protection.

Your Committee amended this bill by inserting substantive provisions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1947, as amended herein, and recommends it pass First Reading in the form attached hereto as S.B. No. 1947, S.D. 1, and be recommitted to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Senators Machida and Soares.

## SCRep. 287 Legislative Management

Informing the Senate that S.C.R. Nos. 38 and 39, S.R. Nos. 100 to 104 and Stand. Com. Rep. Nos. 285 and 286 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 288 Tourism on S.B. No. 271

The purpose of this bill is to limit the liability of hotels that provide security boxes for the safekeeping of guests' valuables.

Presently, hotels are not liable for any sum for any loss of valuables if: (1) a safe or vault is provided for the safekeeping of guests' valuables; and (2) a notice stating that fact is posted in a conspicuous place in the room; and (3) if the guest nevertheless fails to make use of the safe or vault. If a guest does deposit his valuables in the safe or vault, the hotel's liability is limited to \$500.

Hotels find, however, that most patrons are not willing to take the time and effort of placing their valuables in the office safe. Consequently, burglaries in hotels have become a serious and growing problem for the tourist industry. In addition to the possibility of burglary, there is the growing threat of mugging and robbery for the visitor.

Your Committee finds that another means of security for hotel room guests should be made available. The Hawaii Hotel Association testified that they support the enactment of this bill as a means to encourage hotels to consider security boxes, hotel room safes, etc. They further indicated in their testimony that though security devices have been available to hotels for several years, there has been a question of the liability due to the existing Chapter 46K regarding Hotel Keepers, that has tended to suppress large scale implementation.

This bill will limit the liability of hotel keepers if a security box is offered to the guest for use in the guest's room.

Your Committee amended the bill by requiring security boxes to meet certain uniform standards of reliability.

Your Committee on Tourism is in accord with the intent and purpose of S.B. No. 271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 271, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 289 (Majority) Judiciary on S.B. No. 1681

The purpose of this bill is to provide a preliminary review procedure for suits filed against architects, professional engineers, land surveyors, and accountants.

Your Committee has amended this short form bill to insert substantive material. As amended, this bill requires an attorney who files a suit on behalf of a client against a professional engineer, architect, or land surveyor, to certify that he has consulted with appropriate professionals and based on such consultation, has concluded that there is a reasonable basis for filing the action.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1681, as amended herein, and recommends that it pass First Reading and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cobb, O'Connor, Uwaine and Yee.

Senator Cayetano did not concur.

SCRep. 290                    Legislative Management

Informing the Senate that S.C.R. Nos. 40 and 41, S.R. Nos. 105 to 110 and Stand. Com. Rep. Nos. 288 and 289 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 291            Human Resources on S.B. No. 201

The purpose of this bill is to improve the efficiency and effectiveness of the State's personnel system.

Your Committee has amended this short form bill to add substantive material. The amendments to the bill would allow the Department of Personnel Services and the Department of Labor and Industrial Relations to place administrative CETA and SCET workers on the priority list for State civil service positions.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 201, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 201, S.D. 1, and be recommitted to the Committee on Human Resources for further consideration.

Signed by all members of the Committee except Senators Anderson, Campbell, Saiki and Yee.

SCRep. 292            Judiciary on S.B. No. 1103

The purpose of this bill is to clarify certain responsibilities of the attorney general of the State of Hawaii to better coordinate all agencies within the state and county governments impacting upon prosecutorial functions, including those agencies and departments concerned with planning and research of crime and the criminal justice system.

Your Committee is in accord with the aforesaid purpose of the bill, and agrees that coordination among the various county prosecutors and other legal entities responsible for prosecution of state laws, is necessary to allow for the swift and speedy disposition of criminal and civil cases. Your Committee believes it neither necessary nor desirable to establish a separate government office to accomplish these goals. Inasmuch as the office of the attorney general is already charged under existing state law with the general responsibility of investigating and prosecuting violation of state laws, and has been placed in charge of the organized crime (section 28-71, H.R.S.) and medicaid fraud units (section 28-91, H.R.S.), your Committee has retained the responsibilities under this bill in the office of the attorney general. It is further necessary that there be a clarification of the jurisdiction, duties and powers of the attorney general with respect to criminal activity, and an enumeration and specification of existing as well as new duties and powers. Accordingly, the bill enumerates in detail the powers and duties of the attorney general in fulfilling the aim of this bill, including the following: (1) serving as chief prosecuting officer in state government, (2) supervising, planning and coordination of prosecutorial programs within the state and counties, (3) assessing policies and practices of agencies impacting on prosecutorial programs, (4) advising on new legislation and following-up on implementation thereof, (5) serving on advisory boards and panels of state agencies on crime and criminal justice, (6) administering and applying for governmental fundings, (7) serving as a referral for complaints by state agencies and businesses regulated by the state, and following up to investigate the same (8) authorizing a witness protection program, and (9) orienting the members of the legislature as to the goals, functions and programs relating to prosecution of crime.

The bill also transfers all rights, powers and functions of any state law enforcement planning agency, career criminal prosecution program, and the Hawaii criminal justice information data center to the attorney general. Your Committee believes this transfer desirable to allow the attorney general to better coordinate efforts to prosecute crime in this state.

Your Committee on Judiciary, to which was referred S.B. No. 1103 entitled "A BILL FOR AN ACT RELATING TO THE ATTORNEY GENERAL" begs leave to report that your Committee has considered such Bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 1103, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cobb, Kobayashi, O'Connor, Soares and Yee.

SCRep. 293    Judiciary on S.B. No. 844

The purpose of this bill is to clarify Section 406-4, Hawaii Revised Statutes, by providing that no corporation or joint-stock company, with certain exceptions, shall act as guardian of the property.

Your Committee is submitting the long form of S.B. No. 844.

Your Committee on Judiciary, to which was referred S.B. No. 844, entitled: "A BILL FOR AN ACT RELATING TO CORPORATIONS," begs leave to report that your Committee has considered such bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 844, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cobb, Kobayashi, O'Connor, Soares and Yee.

SCRep. 294    Judiciary on S.B. No. 1095

The purpose of this bill is to review and revise programs relating to family courts. Your Committee has amended this short-form bill by providing for the amendment of section 571-84 relating to the records of the Family Court. The purpose of the bill as amended is to provide that in proceedings under section 571-11, where a minor has been adversely adjudicated two or more times for acts which would have constituted felonies under any federal or state law, the Family Court records in those proceedings would be open to public inspection.

Your Committee on Judiciary would like to express its gratitude to Senator Mary George and the Kailua Chamber of Commerce, whose effort and research on the subject of this amendment constituted in the passage of this bill.

Your Committee on Judiciary, to which was referred S.B. No. 1095, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," begs leave to report that your Committee has considered such bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 1095, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cobb, Kobayashi, O'Connor, Soares and Yee.

SCRep. 295    Judiciary on S.B. No. 1157

The purpose of this bill is to require that seventy-two hours notice be given to the police chiefs and prosecutors of all the counties, before a court hearing for the release of a person civilly committed under Section 704-411, Hawaii Revised Statutes is held. This would include furlough, conditional release, or discharge of such a person. The bill further provides that such notice be given where there is a proposed modification or discharge of any person released upon condition.

Your Committee is submitting the substantive material to S.B. No. 1157.

Your Committee on Judiciary to which was referred S.B. No. 1157, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 704, HAWAII REVISED STATUTES," begs leave to report that your Committee has considered such bill and recommends that it pass First Reading in the amended form attached hereto as S.B. No. 1157, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cobb, Kobayashi, O'Connor Soares and Yee.

SCRep. 296    Ways and Means on S.B. No. 448

The purpose of this bill is to establish a formal procedure by which the legislature can provide estimates of the proposed aggregate legislative expenditures for each fiscal year of the ensuing three fiscal bienniums to the executive branch.

Your Committee finds that Article VII, section 8, of the State Constitution and section 37-92, Hawaii Revised Statutes, provide that the governor shall submit a budget setting

forth proposed expenditures of the executive branch including estimates, as provided by law, of the aggregate expenditures of the judicial and legislative branches.

The judicial branch is prescribed by section 601-2(c) to submit estimates of the aggregate expenditures to the governor.

This bill establishes the formal basis by which the legislative branch would transmit the estimates of its aggregate proposed expenditures to the governor.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 448, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 297 Ways and Means on S.B. No. 466

The purpose of this bill is to amend the law concerning auditing and accounting by adding a new section to enable state departments and agencies to assess and collect a service fee of \$7.50 for each uncollectible item deposited into the state treasury.

The director of finance testified that the state has been experiencing a marked increase in uncollectible items, notably bad checks, in recent years. A survey shows that the number of bad checks received by the state increased from 1,046 in fiscal year 1978-1979 to 1,120 in fiscal year 1979-1980. More significant, however, is the increase in the total dollar value represented by these items, which nearly doubled from \$129,210.13 in fiscal year 1978-1979 to \$258,391.91 in fiscal year 1979-1980.

Bad checks not only deprive the state of the use of the moneys or revenues it is due, but they also create an additional workload on an already overburdened cashiering and accounting staff. It is estimated that, on the average, about forty-five minutes is spent by both professional and clerical employees of the state in accounting for and pursuing the collection of each bad check deposit.

Your Committee agrees with the imposition of a service fee to recover costs of processing bad checks represents prudent fiscal management and a fee of \$7.50 which is consistent with rates generally charged by financial and commercial firms.

Your Committee has made nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 298 Ways and Means on S.B. No. 544

The purpose of this bill is to conform the Hawaii Income Tax Law to the Internal Revenue Code.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 544, S.D. 1, and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senator Yee.

SCRep. 299 Ways and Means on S.B. No. 552

The purpose of this bill is to require persons collecting rent from real property to keep records of the rent collected and of the ownership of the property for general excise tax purposes.

The bill further provides that such persons are subject to a misdemeanor penalty for the failure of keeping and availing these records.

Your Committee finds that persons collecting rent for owners of real property and especially those representing nonresident owners, presently do not comply with requests made by the Department of Taxation for records relating to rent collection and ownership of real property.

This bill would assure compliance with the general excise tax law and help to facilitate enforcement by the Department of Taxation.

Your Committee has amended the bill as received by:

- (1) Deleting, as unnecessary, the purpose clause on lines 1 and 2 of page 2;
- (2) Deleting, as unnecessary, the phrase on lines 7 to 10 of page 2, making reference to section 237-48 which cross references back to section 231-34 regarding the penalty for misdemeanor already covered by the Penal Code;
- (3) Correcting an apparent typographical error which scheduled the bill to apply to taxable years beginning after December 31, 1980; and
- (4) Making nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 552, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 300            Legislative Management

Informing the Senate that S.R. Nos. 111 to 114 and Stand. Com. Rep. Nos. 291 to 299 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 301        Consumer Protection and Commerce on S.B. No. 659

The purpose of this bill is to repeal Section 445-142, Hawaii Revised Statutes, which requires the licensure of itinerant vendors of medicines.

Testimony by the Director of Health indicated that there is "little or no need" to regulate itinerant vendors of medicines because virtually all remedies for treating ailments are now purchased from pharmacies, sundry-type stores, markets, and other retail stores which offer wide selections at lower prices. Moreover, current federal and state laws and regulations are adequate in controlling the sales of drugs and medical devices.

The Office of Consumer Protection, queried at the direction of the committee chairman, interposed no objection to the passage of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 659 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 302        Consumer Protection and Commerce on S.B. Nos. 594, 595, 596, 597, 598, 599, 600 and 601

Your Committee on Consumer Protection and Commerce to which was referred the following bills entitled:

- |              |  |
|--------------|--|
| S.B. No. 594 | "A BILL FOR AN ACT RELATING TO CEMETERIES AND MORTUARIES",       |
| S.B. No. 595 | "A BILL FOR AN ACT RELATING TO HEARING AID DEALERS AND FITTERS", |
| S.B. No. 596 | "A BILL FOR AN ACT RELATING TO MASSAGE",                         |
| S.B. No. 597 | "A BILL FOR AN ACT RELATING TO NURSING HOME ADMINISTRATORS",     |
| S.B. No. 598 | "A BILL FOR AN ACT RELATING TO DISPENSING OPTICIANS",            |

- S.B. No. 599 "A BILL FOR AN ACT RELATING TO OPTOMETRISTS",  
S.B. No. 600 "A BILL FOR AN ACT RELATING TO PRACTICING PSYCHOLOGISTS",  
S.B. No. 601 "A BILL FOR AN ACT RELATING TO SPEECH PATHOLOGISTS AND  
AUDIOLOGISTS",

begs leave to report that your Committee considered said Bills and recommends that they pass First Reading by title and be recommitted to the Committee on Consumer Protection and Commerce for further consideration.

Signed by all members of the Committee except Senators Machida, Soares and Yee.

SCRep. 303 Judiciary on S.B. No. 1111

The purpose of this bill is to amend Chapter 46, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1111, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1111, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 304 Judiciary on S.B. No. 1112

The purpose of this bill is to amend Chapter 76, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1112, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1112, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor, Uwaine and Yee.

SCRep. 305 Judiciary on S.B. No. 1136

The purpose of this bill is to amend Chapter 353, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1136, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1136, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 306 Judiciary on S.B. No. 1145

The purpose of this bill is to amend Chapter 11, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1145, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1145, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor, Uwaine and Yee.

SCRep. 307     Judiciary on S.B. No. 1163

The purpose of this bill is to amend Chapter 706, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1163, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1163, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 308     Judiciary on S.B. No. 1114

The purpose of this bill is to amend Chapter 80, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1114, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1114, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cobb, O'Connor and Yee.

SCRep. 309     Legislative Management

Informing the Senate that S.C.R.No. 42, S.R. Nos. 115 and 116 and Stand. Com. Rep. Nos. 301 to 308 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 310     Judiciary on S.B. No. 1150

The purpose of this bill is to amend chapter 237, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1150, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1150, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor, Soares and Yee.

SCRep. 311     Judiciary on S.B. No. 1161

The purpose of this bill is to amend chapter 329, Hawaii Revised Statutes.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1161, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1161, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 312     Judiciary on S.B. No. 28

The purpose of this bill is to allow any registered voter to cast an absentee ballot in the manner provided in Chapter 11, Hawaii Revised Statutes, and in rules adopted by the chief election officer.

Your Committee heard testimony from the Lieutenant Governor regarding the problem encountered by that office when an attempt was made in the United States District Court



to change the date of the 1980 primary election because of its conflict with a religious holiday. Additional testimony from the Association of Clerks and Election Officers indicated that the bill will simplify recordkeeping and application of absentee requests.

Your Committee recognizes that by eliminating the requirement for an absentee voter to indicate the reason for requesting such a ballot, the voter would no longer be required to make a public declaration of religious belief, a requirement which may violate constitutional protections. Your Committee also feels that by eliminating the conditions for absentee voting, participation of persons registered to vote may be encouraged.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 28 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 Yee.

SCRep. 313    Judiciary on S.B. No. 981

The purpose of this bill is to provide that candidate names may be listed on both sides of the ballot card or on a separate card.

Presently, when an electronic voting system is used, the names of all candidates seeking the same office must be printed on the same side of the ballot card. The 1979 legislative intent was to avoid capricious placement of some candidate's names on the opposite side of the card from others seeking the same office, thereby eliminating a possible disadvantage to those candidates whose names were printed on the opposite side of the card.

Testimony submitted by the Office of the Lieutenant Governor and the Association of Clerks and Election Officers indicates however, that under the present law, if the number of candidates for a single office is greater than the maximum number of voting positions on a single side of a ballot card, election officials have no recourse other than reverting to the inefficient paper ballot system requiring hand-counting for that particular contest.

Your Committee recognizes that this procedure will provide greater flexibility to election officials in the design of ballots when the number of candidates for an office exceeds the space available on a single side of an electronic voting system ballot card.

Your Committee has corrected a typographical error citing the section relating to arrangement of names on ballots from 11-155 to the correct section, 11-115, and has made other non-substantive, technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 314    Judiciary on S.B. No. 1533

The purpose of this bill is to provide relief for a custodial parent who attempts to change the name of a minor child but is unable to obtain the consent of the noncustodial parent because the noncustodial parent refuses to consent or cannot be found. The bill proposes giving the family courts the authority to determine what is in the minor's best interest after the court has determined that consent of the noncustodial parent cannot be obtained.

Testimony submitted by the Office of the Lieutenant Governor indicates that in the past, consent of the legal noncustodial parent was required before granting a change in the surname of a minor child. This has imposed an unreasonable burden on custodial parents who despite efforts to contact the noncustodial parents are unable to do so.

Your Committee recognizes that this bill only addresses cases where consent of the noncustodial parent of a minor cannot be obtained, due either to refusal to consent or unavailability of noncustodial parent, and specifies that the decision be made in the best interest of the minor.

Your Committee has corrected an inadvertent omission of Section 574-5 of the Hawaii Revised Statutes, and made non-substantive, technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No.

1533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1533, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 315 Government Operations and Intergovernmental Relations on S.B. No. 330

The purpose of this bill is to provide for the replacement, at county expense, of reserve police officers' uniforms rendered unserviceable through normal wear and tear.

Police reserves are an integral part of the county police departments. They augment regular police officers in assigned divisions and provide services during emergencies. This bill would extend nominal uniform benefits to these unpaid volunteers.

Your Committee amended the bill by making minor technical corrections.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 330, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Ajifu.

SCRep. 316 Government Operations and Intergovernmental Relations on S.B. No. 562

The purpose of this bill is to exempt vehicles used for law-enforcement and the Van Go ridesharing program from certain requirements relating to government owned or controlled vehicles.

Van Go Hawaii is an energy-conservation ridesharing program managed by the Department of Transportation. A number of vans, owned or leased by the state, are used to transport commuters each day. One of the participants is assigned as "driver/coordinator" and manages the use of the van. As an incentive for assuming the administrative responsibilities of the van pool, the driver/coordinator is allowed to use the van, when not being used for the van pool, for personal use, subject to certain strict limitations.

However, present law requires that state vehicles, except those assigned to the governor, mayors, and chief justice, be used only for official business and that they bear the facsimile of the state seal and the inscription, "FOR OFFICIAL USE ONLY". Technically, these provisions would prohibit the personal use of the vans and it would require the inscribing of the vans. In addition, these provisions also technically apply to vehicles used for investigative and undercover work by law enforcement agencies. This bill exempts these vehicles from those requirements.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 562 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 Ajifu.

SCRep. 317 Government Operations and Intergovernmental Relations on S.B. No. 1203

The purpose of this bill is to amend the Administrative Procedures Act, Chapter 91, Hawaii Revised Statutes, by requiring the approval of county councils for county agency rule changes.

Presently, the approval of the county mayor is all that is required to validate the adoption, amendment, or repeal of any rule by a county agency. This bill would increase accountability by including the county council in the rule-making process.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1203 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 Ajifu.

SCRep. 318 Consumer Protection and Commerce on S.B. No. 79

The purpose of this bill is to amend subsection (c) of section 437B-23, Hawaii Revised Statutes, to authorize the Motor Vehicle Repair Industry Board to waive the practical

examination for certification when financial or physical impracticalities in administering the test warrant such action.

Your Committee received testimony supporting the bill from the Motor Vehicle Repair Board, the state director of vocational education, and the Hawaii Automobile Dealers Association. Their testimony focused on the costliness and unavailability of adequate equipment for the testing of heavy diesel truck mechanics. It was pointed out, however, that the bill has wider application than to diesel mechanics alone. Your Committee was satisfied with assurances from the board that waivers would be granted sparingly and only for good cause. Your Committee will, however, also monitor the board's use of the waiver privilege on a continuing basis.

Your Committee has amended the bill by making non-substantive language changes to clarify the intent of the measure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 79, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 79, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Carpenter, Machida and Yee.

SCRep. 319 Consumer Protection and Commerce on S.B. No. 593

The purpose of this bill is to extend, under the "Sunset Law", chapter 468E, Hawaii Revised Statutes, relating to the regulation of speech pathologists and audiologists, to December 31, 1987.

In its consideration of this bill, your Committee reviewed the Legislative Auditor's Sunset Evaluation Report No. 81-5, of February, 1981, which recommended that chapter 468E be allowed to expire on December 31, 1981, as is presently provided, on the grounds that the practice of speech pathology and audiology "poses little potential harm" to the public and does not justify continued regulation.

Your Committee received favorable testimony from the Board of Speech Pathologists and Audiologists, numerous professionals and organizations in the field, and from members of the public who are recipients of the services in question. Your Committee concluded that the public interest is sufficient to warrant continued regulation of the activity as proposed in the bill.

Your Committee has made minor technical amendments to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 593, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Carpenter, Machida and Yee.

SCRep. 320 Judiciary on S.B. No. 856

The purpose of this bill is to review and amend the penal code with a focus on the areas of theft and fencing of stolen goods. Your committee finds that rustling has become a problem of significant concern to the cattlement and livestock owners in the state.

Your Committee has amended the bill by providing for the amendment of the penal code provision relating to theft in the first degree. The purpose of the bill, as amended, is to include within the offense of theft in the first degree, theft committed by a person having a live animal, as defined therein, in his possession, while on fenced or enclosed premises or in any other location. Present law only proscribes possession of carcasses or meat while on fenced or enclosed premises, and does not cover the situations where a person possesses stolen live animals, carcasses or meat in other locations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 856, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 856, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cayetano, Kuroda, O'Connor, Soares and Yee.

SCRep. 321 Judiciary on S.B. No. 1684

The purpose of this bill is to clarify the laws relating to campaign spending.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1684, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1684, S.D. 1, and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Cayetano, Kuroda, O'Connor, Soares and Yee.

SCRep. 322 Ways and Means on S.B. No. 1730

The purpose of this bill is to establish a system for the licensure of facilities and services providing long-term care, placement of persons in the appropriate level of care, and promotion of noninstitutional long-term care.

Your Committee agrees with the sentiments expressed in Senate Standing Committee Report No. 278 and will not repeat them in this Report for the sake of brevity.

Your Committee, however, wishes to emphasize one point not adequately addressed in SSCR 278. This bill is not designed to jeopardize federal funding for any health care or social services program of the state. Rather, the opposite is true. It is designed to promote federal funding by consolidating the regulation of the types of facilities and services which constitute the long-term care spectrum and the placement of persons with the facilities and services. The levels of care are specifically established, yet flexibility for alternatives is retained. Consolidation under one law is designed to provide the federal government with a readily apparent state policy regarding long-term care so that federal participation, particularly under Medicaid, may be easier obtained and to allow state administrators to identify gaps in the established levels and seek federal funding under waiver arrangements for alternatives.

Your Committee has amended the bill by:

- (1) Deleting the licensure and monitor team provisions and providing that the functions of licensing facilities and services shall be assumed by the Department of Health;
- (2) Providing that the staff of the long-term care screening committee, with the exception of the administrator, and the members and staffs of the medical and referral placement teams shall be subject to civil service law;
- (3) Providing that the amount of the tax credit for home care shall be one-fourth of the average per day cost of care in skilled nursing facilities or intermediate care facilities as appropriate, for the preceding tax year multiplied by three hundred and sixty-five;
- (4) Changing the effective date of the Act to July 1, 1982, with the exception of the effective date of the home care tax credit. The effective date of the tax credit is changed to January 1, 1983. The intent of the change of effective dates is to allow the Department of Health and Department of Social Services and Housing to make the necessary preparations for implementation on July 1, 1982 and to submit fundings requests during the Regular Session of 1982.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1730, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1730, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 323 (Majority) Judiciary on S.B. No. 4

The purpose of this bill is to establish a new chapter for procedures for the imposition of the death penalty in cases where the defendant has been convicted of murder. A separate sentencing proceeding shall be conducted by the trial judge before to trial jury as soon as possible. In a case where the jury trial has been waived or if the defendant has pleaded guilty, the sentencing proceeding shall be conducted before a jury empaneled for that purpose unless waived by the defendant. In the proceeding, evidence may

be presented to include matters relating to aggravating or mitigating circumstances as a enumerated in the bill. Any evidence which the court deems to have probative value may be admitted regardless of its admissibility under the Hawaii Rules of Evidence. However, the defendant must be accorded a fair opportunity to rebut any hearsay statements, and evidence secured in violation of the Constitution of the United States or of the state may not be admitted. The prosecutor and defense shall be permitted to present arguments for or against the sentence of death.

After hearing all the evidence, the jury shall deliberate and render an advisory sentence to the court based on whether aggravating circumstances and mitigating circumstances exist. Based on these considerations the jury shall consider whether the defendant should be sentenced to life imprisonment or death.

The court may set aside the recommendation of a jury and make its own determination of whether a sentence of life imprisonment as authorized by section 706-606, Hawaii Revised Statutes or death should be imposed. The court, in making its determination shall consider the same factors the jury considers. In each case where the court imposes the death sentence, the court shall support its determination with a specific written finding of fact.

The judgement of conviction and sentence of death shall be subject to automatic review by the supreme court within sixty days after certification by the sentencing court. However, the time may be extended an additional thirty days for good cause. Review by the supreme court in these matters shall have priority over all other cases.

Aggravating circumstances are as follows:

- (1) The murder of police officers, corrections personnel, parole officers, probation officers, county prosecuting attorneys or county attorneys engaged in prosecutorial functions and judges while acting in the performance of their duties;
- (2) The murder of a person known by the defendant to be a witness in a murder prosecution where testimony is sought to be prevented;
- (3) The murder of a person when the defendant was a hired killer;
- (4) The murder of a person by another when the defendant hired another to commit murder;
- (5) The murder of a person by unlawful and malicious use or detonation of explosives;
- (6) The murder of a person during the act of attempting, committing, or fleeing from the commission of rape, robbery, kidnapping, arson, or burglary where the defendant has previously been convicted of the same felony.

Mitigating circumstances are as follows:

- (1) The defendant has no prior history of criminal activity that would be of any great significance;
- (2) The murder was committed while the defendant was under the influence of extreme mental or emotional disturbance;
- (3) The victim was a participant in the defendant's conduct or consented to the act;
- (4) The defendant was an accomplice in the murder committed by another and the defendant's participation was minor;
- (5) The defendant acted under extreme duress or under the substantial domination of another;
- (6) The capacity of the defendant to appreciate the criminality of the defendant's conduct or to conform conduct to the law was substantially impaired; and
- (7) The defendant's age at the time of the crime.

Persons sentenced to death under this chapter shall be executed by the administration of lethal gas. In the event that the death penalty is determined to be unconstitutional by either the supreme court or the United States Supreme Court, the court having jurisdiction over a person sentenced to death shall then sentence that person to life imprisonment.

The bill further amends section 706-606, Hawaii Revised Statutes, to provide life imprisonment without the possibility of parole in the following instances for the murder of:

- (1) Certain officials killed while in the performance of their duties;
- (2) A judge during or because of the exercise of his duties is killed;
- (3) A person killed by the unlawful and malicious use or detonation of an explosive;
- (4) A person killed during the defendant's act of attempting, committing, or fleeing from the commission of rape, robbery, kidnapping, arson, or burglary where the defendant has previously been convicted of that same felony.

Testimony submitted by the Prosecuting Attorney's Office, We the Women of Hawaii, and various private citizens indicate that the implementation of the death penalty is desirable and appropriate at this time to deter crime. In support of its position, the Prosecuting Attorney's Office submitted testimony to your Committee on Judiciary which reflected a correlation between rising crime rate and the number of state executions in the United States. The Prosecuting Attorney's Office points out that at least 37 state legislatures have reinstated the death penalty. Testimony submitted by private citizens indicate that at the present time, the maximum penalty that can be imposed is life imprisonment, with or without possible parole. This type of penalty is unsatisfactory for those people who repeatedly commit crimes of violence. Those who ultimately bear the burden are the taxpayers who must shoulder the cost of feeding, clothing, sheltering, and guarding those who are prone to committing acts of violence.

Your Committee recognizes that the judicial process and penalties are based on the premise that punishment should fit the crime. Your Committee feels that the death penalty as provided would assure this result.

Your Committee has amended the bill in the following manner:

- 1) Deleted the reference to evidence deemed with probative value may be received by the courts, regardless of admissibility under the exclusionary rule;
- 2) Deleted the provisions which specify the types of murder of certain persons for the imposition of the death penalty. The bill now provides the imposition of the death penalty for the murder of persons by the defendant in the commission of certain specific acts;
- 3) Included in aggravating circumstances is the murder of a person while the defendant was serving a sentence of life imprisonment without parole or while the defendant had escaped from a correctional institution while serving such sentence of life imprisonment without parole;
- 4) Aggravating circumstances must be proven beyond a reasonable doubt. This conforms with the existing law.

Your Committee has deleted any reference to the introduction of evidence since this is already provided by law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 4, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Uwaine, George, Kuroda and O'Connor.

Senator Cayetano did not concur.

SCRep. 324 Legislative Management

Informing the Senate that S.C.R. No. 43, S.R. Nos. 117 to 121 and Stand. Com. Rep. Nos. 310 to 323 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 325 Government Operations and Intergovernmental Relations on S.B. No. 803

The purpose of this bill is to require notice by certified mail to owners of property being considered for zoning designation revision by a government agency.

Your Committee received testimony that presently, notice of proposed zoning designation changes are published in a newspaper and identified only by tax map key. This bill would guarantee owners fair notice and an opportunity to respond to proposed government actions which affect the use of their property.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 803 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 Ushijima.

SCRep. 326 Consumer Protection and Commerce on S.B. No. 446

The purpose of this bill is to amend chapter 480, Hawaii Revised Statutes, by adding a new section to provide that where the language of state antitrust laws is the same or similar to the language of the federal antitrust laws, the courts of the state shall follow the construction given to federal laws by the federal courts.

Your Committee received testimony from the Antitrust Division of the Department of the Attorney General that in a recent case involving the state's first criminal antitrust action, the First Circuit Court ruled that in order to indict a defendant under §480-4, Hawaii Revised Statutes, Hawaii's counterpart to §1 of the Sherman Act, the state must allege and prove specific intent on the part of the defendant. The circuit court's ruling was in direct conflict with the U.S. Supreme Court's ruling in United States v. United States Gypsum Co., 438 U.S. 422 (1978), in which the court held that violations of §1 of the Sherman Act were general intent crimes. The state court's interpretation of §480-4, Hawaii Revised Statutes, would make state enforcement of state antitrust laws much more difficult and burdensome than federal enforcement of federal antitrust laws. Such a result serves no useful purpose. The Supreme Court in the Gypsum case expressly rejected proof of specific intent for §1 Sherman Act crimes as "both unnecessarily cumulative and unduly burdensome."

Further, if state courts are not required to follow federal interpretations, the business community would be in the untenable position of not knowing whether a particular conduct or practice would constitute a violation of state antitrust laws. This point was raised in testimony given by a private attorney. Hawaii currently has no case law construing chapter 480, Hawaii Revised Statutes, to guide the business community, and it would not be in the public's interest to have our state courts construing state antitrust laws in conflict with 90 years of judicial interpretations of federal antitrust laws.

Conference Committee Report No. 19 to H.B. No. 27, Act 190, Session Laws of Hawaii, 1961, indicated that it was the legislature's intent to retain the language and interpretation of §1 of the Sherman Act in chapter 480. This bill specifically enacts that intent.

While in agreement with the intent of the bill, your Committee has amended the bill to indicate a stronger mandate to the state courts by use of the words, "in conformance with." Further, to prevent any conflict between this bill and §480-3, Hawaii Revised Statutes, your Committee has added the second sentence.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 446, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 327 Consumer Protection and Commerce on S.B. No. 523

The purpose of this bill is to clarify the existing law relating to unfair claim settlement practices to include failure by an insurer to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies.

Your Committee received testimony from the motor vehicle insurance commissioner, who stated that this bill "would clearly mandate the requirement" that an insurer acknowledge and act upon relevant communications from persons involved in accidents in which the insurer's policyholders were also involved. He noted that failure of an insurer to meet this standard would be deemed an unfair claim settlement practice, a violation of the Hawaii insurance law. In strongly recommending passage of the bill, the commissioner said that his division has received numerous complaints of this nature.

Your Committee received testimony from the insurance industry which also supported

the bill.

Your Committee has amended the bill by making a technical, nonsubstantive change.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 523, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 328 Consumer Protection and Commerce on S.B. No. 525

The purpose of this bill is to increase the accountability and reliability of motor vehicle repair dealers.

This bill amends Chapter 437B, Hawaii Revised Statutes, by requiring that: (1) a motor vehicle repair dealer have at least one registered or registered/certified mechanic; (2) a corporate or partnership repair dealer designate and register a responsible managing employee; and (3) a repair dealer be licensed before advertising.

Present laws regulating motor vehicle repair were enacted to provide consumers an assurance that the repair dealers they do business with are reputable, accountable, and reliable. This bill is intended to strengthen that guarantee.

Your Committee has amended the bill by:

(1) Deleting references to a "license" in the proposed new section 437B-26 and substituting therefor references to "registration". This change conforms the language of the proposed section to the balance of the chapter in which the term "registration" is used rather than "license".

(2) Adding a provision in the proposed new section 437B-26 to require that the dealer's registration number appear in any advertisement. Such a requirement would not only add to the accountability of the dealer but would also provide some assurance to the person accepting an advertisement for publication for dissemination that the dealer is licensed.

(3) Making technical and other language changes which have no substantive effect on the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 525, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 329 Consumer Protection and Commerce on S.B. No. 587

The purpose of this bill is to extend, under the sunset law, Chapter 451A, Hawaii Revised Statutes, relating to the regulation of hearing aid dealers and fitters, to December 31, 1987.

In its consideration of this bill, your Committee reviewed the Legislative Auditor's Sunset Evaluation Report No. 81-3, January, 1981, which recommended termination of the Board of Hearing Aid Dealers and Fitters and the licensing of hearing aid dealers and fitters, finding neither licensing nor a board "necessary to protect consumer interests."

Your Committee received testimony in support of the bill from the Board of Hearing Aid Dealers and Fitters and from private citizens, citing the public safety and welfare. The Board did not dispute critical aspects of the Legislative Auditor's report, but assured your Committee that corrective action is well underway with respect to deficiencies cited in the report.

Your Committee concluded that there is sufficient justification to continue the Board of Hearing Aid Dealers and Fitters, and has amended the bill to provide for a 3-year extension, after which time the Board's performance will be further evaluated.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 587, S.D. 1, and be placed on the calendar for Third Reading.



Signed by all members of the Committee except Senator Machida.

SCRep. 330 (Majority) Judiciary on S.B. No. 48

The purpose of this bill is to impose mandatory minimum terms of imprisonment for the use of a firearm in a class A or class B felony. The proscribed conduct is the use or threatened use of a firearm in a felony.

Your Committee received testimony on the bill from many parties in favor of this bill. The Hawaii Prosecuting Attorneys Association testified to their belief that a mandatory minimum term of imprisonment is appropriate for persons using firearms, because it would serve as a deterrent to persons using firearms in felonies. Testimony in support of the bill was also received from representatives of the Honolulu Police Department, the Hawaii Rifle Association, the Pig Hunters Association of Oahu, the Citizens Home Protective Association of Hawaii, and Mrs. Nancy Alpert Mower, mother of a young girl who had been killed in a 1980 gun incident.

Your Committee is in favor of mandatory minimum terms of imprisonment as specified in the bill. Your Committee has amended the bill to provide clarification that the mandatory terms provided are minimum terms. As amended, the bill provides for a mandatory minimum sentence of ten years for the use of a firearm in the commission of a class A felony, and that of five years for the use of a firearm in a class B felony. For the use or threatened use of firearms in subsequent cases, the minimum mandatory terms are extended to ten years for both class A and B felonies.

Your Committee has further amended the bill to reflect that the Hawaii Paroling Authority has discretion to set minimum terms longer than the mandatory minimum terms provided for in the bill.

Your Committee is in accord with the intent and purposes of S.B. 48, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 48, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 331 (Majority) Judiciary on S.B. No. 126

The purpose of this bill is to allow the Family Court to maintain jurisdiction over a person who has reached majority for offenses committed before eighteen, in the absence of any waiver of jurisdiction over to the Circuit Court.

Your Committee heard testimony from representatives of the Office of the Prosecuting Attorney, City and County of Honolulu, and the Family Court, who spoke in favor of the bill. The Office of the Prosecuting Attorney stated that there is presently a gap in jurisdiction that occurs when no action is taken by the Family Court prior to a minor's eighteenth birthday, for offenses he has committed before reaching eighteen. Under existing law, neither the Family nor Circuit Court has jurisdiction over persons between eighteen and twenty years of age, for crimes committed before eighteen. Your Committee recognizes the importance of closing this gap in jurisdiction.

Your Committee concurs with the Family Court in its recommendation to repeal Section 571-14(7), Hawaii Revised Statutes, regarding waiver of jurisdiction proceedings over an adult for offenses committed before eighteen years of age, in order to make the existing law consistent with the bill. The bill has been amended accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Anderson.  
Senator Yee did not concur.

SCRep. 332 Judiciary on S.B. No. 141

The purpose of this bill is to clarify and simplify the campaign reporting procedure for final and supplemental reports. The bill provides that all election candidates shall file a disclosure report covering the period subsequent to the period covered by the last report filed by the person. Reports must be filed once after each election, but are not required to be filed in any year in which the person is not a candidate or participant.

Your Committee has adopted the recommendation of the Campaign Spending Commission and Common Cause of Hawaii to retain the preliminary election reports provision. The elimination of this provision would have contravened the purpose of requiring campaign disclosure and reporting. Your Committee has also adopted the recommendation of Common Cause of Hawaii to retain the short form reporting provision. In many instances, the filing of the long form report would be unnecessary. The bill has been amended accordingly.

Your Committee recognizes that this would be beneficial in assuring that candidates make all necessary and proper disclosures.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 141, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 333 Judiciary on S.B. No. 607

The purpose of this bill is to make it a class C felony to use force upon or threaten a witness or a juror after their attendance at court.

Representatives of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Crime Commission, and the Honolulu Police Department spoke in favor of the bill. The Prosecuting Attorney's office pointed out that present law only penalizes threats or use of force prior to a witness testifying or a juror serving. The proposed legislation covers the situation after their attendance at court has been completed.

Your Committee finds that this bill is necessary to protect witnesses and jurors after their attendance at a trial. However, your Committee notes that there is an inadvertent reference to section 707-724, which was repealed and included in section 707-764. The bill has been amended to correct references made to section 707-724. Further, the definition of "threat" has been changed to clarify its meaning. The bill has been amended accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 607, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 334 Judiciary on S.B. No. 983

The purpose of the bill is to remove the prohibition against the immediate relatives of candidates from serving as deputy voter registrars.

The testimony submitted by the Office of the Lieutenant Governor indicates that the present prohibition tends to discriminate against new candidates who do not have large political organizations. New candidates must often rely upon close relatives for support in their campaigns. Therefore this prohibition should be removed.

Your Committee recognized that this will make the voting process go smoothly and efficiently.

Your Committee has made minor technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 983, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 335 Judiciary on S.B. No. 995

The purpose of this bill is to provide that alternate jurors be discharged only when the jury renders its verdict.

Testimony from the Hawaii Prosecuting Attorneys Association stated that under the present rule of court and statute, an alternate juror is discharged at the time jury deliberation begins. Consequently, if anything happens to a juror during deliberation, a hung jury could result since there is no one to replace that juror.

Your Committee recognizes that retention of alternate jurors after deliberations have begun is a necessary procedure to allow for the replacement of jurors in the event of juror illness or other incapacitating circumstances.

Your Committee has amended the bill to retain the alternate juror until the jury has been discharged since a jury may not render a verdict in all cases.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and O'Connor.

SCRep. 336     Judiciary on S.B. No. 1015

The purpose of this bill is to provide for the appointment of any public or private non-profit agency or corporation as guardian by the Family Court. The appointed agency or corporation must have no relationship to the individual in terms of providing services.

The testimonies submitted by the Hawaii Association for Retarded Citizens, the Protection and Advocacy Agency of Hawaii, the Hospital Association of Hawaii, the State Planning Council on Developmental Disabilities, the Department of Health, the Kokua Council for Senior Citizens, and the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment and Protection Services in Hawaii indicate that the appointment of non-profit agencies or corporations as guardians provides a viable alternative to best serve and protect the interests of the individual. This bill allows for parent groups or others to form corporations as an alternative form of guardianship. Your Committee finds that in the past, the Department of Social Services and Housing (DSSH) has been called on to serve as guardian of persons who were recipients of DSSH services. The Department was concerned because of the potential conflict of its responsibilities, as guardian and as a public service agency. Any conflict of interest problems are minimized by permitting only non-profit organizations that do not provide direct services to an individual to act in the capacity of guardians.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1015 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 337     Judiciary on S.B. No. 1017

The purpose of this bill is to change the reporting requirements as to the status of a ward. Under present law, the court has the discretion to require periodic reports covering whatever periods it considers necessary. This bill removes such discretion from the court. Your Committee finds that in practice, reports are rarely required by the court, and that because of the serious restriction that guardianship places on a person's civil liberties and freedom, the change in reporting requirements is necessary.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1017 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 338     Judiciary on S.B. No. 1018

The purpose of this bill is to change the notice requirement in guardianship proceedings. The bill no longer requires notice to be given to grandparents.

The testimonies submitted by the Commission on the Handicapped, the State Planning Council on Developmental Disabilities, the Hawaii Association for Retarded Citizens, the Protection and Advocacy Agency of Hawaii, and the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment and Protective Services all indicate that this bill would make the guardianship proceeding less time-consuming and less costly. The testimony submitted by the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment and Protective Services indicates that the notice requirement regarding grandparents has presented particular difficulties. This is because in Hawaii many grandparents live outside of the State, thereby making it difficult to serve notice on them.

Your Committee recognizes this bill would be beneficial in making the guardianship proceeding less time-consuming and more efficient.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1018 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

## SCRep. 339 (Majority) Judiciary on S.B. No. 1022

The purpose of this bill is to adopt the law of the splintered paddle, "mamala-hoe kanawai", as a symbol of the State's concern for public safety.

Your Committee finds that this bill implements Article IX, Section 10, of the Hawaii Constitution, pertaining to public safety.

Your Committee has amended this bill for technical reasons.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1022, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.  
Senator O'Connor did not concur.

## SCRep. 340 Judiciary on S.B. No. 1071

The purpose of this bill is to repeal Section 551-35, Hawaii Revised Statutes. Your Committee finds that this provision does not conform with the present provisions of the Uniform Probate Code, Chapter 560.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1071 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

## SCRep. 341 (Majority) Judiciary on S.B. No. 2071

The purpose of this bill is to provide that a defendant who negligently fails to appear as directed by the court for trial or other official proceedings would be guilty of criminal contempt of court.

Testimony from the Office of the Prosecuting Attorney, City and County of Honolulu, stated that many defendants who have been released on bail or on their own recognizance are not appearing in court as directed. The 9,768 bench warrants issued by the District Court, Honolulu Division, in 1980 for non-appearance and non-payment of fines indicates the magnitude of this problem.

Presently, the only provision in Section 710-1077(1) relating to this non-appearance problem requires that the prosecution prove beyond a reasonable doubt that the defendant "intentionally disobeys or resists the process, injunction, or other mandate of a court". Proof of intentional disobedience is generally unavailable to the prosecution unless the defendant waives his/her right to remain silent, or admits to the charge. Additionally, the defendant's absence is not sufficient to enable the court to infer the intent with which the defendant absented him/herself.

Your Committee recognizes that this bill would provide the courts with the authority to deal appropriately with defendants who negligently fail to appear in court, and provide for a more effective, economical, and orderly use of judicial resources.

Your Committee has amended the bill to conform to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2071, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.  
Senators Cayetano and O'Connor did not concur.

## SCRep. 342 Legislative Management

Informing the Senate that S.C.R. No. 44, S.R. Nos. 122 to 128 and Stand. Com. Rep. Nos. 325 to 341 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 343 Ways and Means on S.B. No. 1688

The purpose of this bill is to require a declaration to be included in any budget proposing

appropriations to be funded by general obligation bonds that the authorization of such bonds will not cause the state debt limit to be exceeded.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1688, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1688, S.D. 1, and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 344 Ways and Means on S.B. No. 732

The purpose of this bill is to provide for appropriations from state bonds.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 732 and recommends that it pass Second Reading and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 345 Ways and Means on S.B. No. 1426

The purpose of this bill is to make amendments to the laws relating to community development projects.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1426 and recommends that it pass First Reading and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 346 Ways and Means on S.B. No. 734

The purpose of this bill is to permit the director of finance to issue general obligation bonds.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 734 and recommends that it pass Second Reading and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 347 Higher Education on S.B. No. 567

The purpose of this bill is to amend the present motor vehicle accident reparations statutes to designate the University of Hawaii Community College Manpower Training Office as the expending agency for the special drivers' education fund account.

Your Committee received testimony from the Department of Transportation that the Motor Vehicle Safety Office is currently in charge of coordinating and implementing standards for the motorcycle safety program, but is not programmed to conduct the motorcycle safety course.

Furthermore, through federal grants, the University of Hawaii has the necessary staff, expertise and facilities within the community college system to conduct the actual safety training program. Therefore, the University of Hawaii Community College Manpower Training Office should be authorized to expend the fees generated through registration.

The chancellor of the community colleges presented testimony that the Manpower Training Office has been renamed the Employment Training Office. Thus, the bill is amended to substitute "Employment Training Office" in place of "Manpower Training Office." Your Committee also made technical, non-substantive amendments to the bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 567, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 567, S.D.1.

Signed by all members of the Committee except Senator Uwaine.

SCRep. 348 Education on S.B. Nos. 1692, 1693, 1697 and 1699

Your Committee on Education to which was referred the following Senate Bills entitled:

- S.B. No. 1692 "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION",  
S.B. No. 1693 "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION",  
S.B. No. 1697 "A BILL FOR AN ACT RELATING TO JOB-SHARING IN THE DEPARTMENT OF EDUCATION",  
S.B. No. 1699 "A BILL FOR AN ACT RELATING TO VIOLENCE AND VANDALISM IN THE PUBLIC SCHOOLS",

begs leave to report that your Committee considered said bills and recommends that they pass First Reading by title and be recommitted to the Committee on Education for further consideration.

Signed by all members of the Committee.

SCRep. 349 Transportation on S.B. No. 332

The purpose of this bill is to repeal the statutory requirement that a certificate of registration container be purchased when a new vehicle is first registered.

Your Committee heard testimony from the Department of Finance, City and County of Honolulu, that under the present statutes the registration certificate need only be kept within the vehicle (or a convenient receptacle in the case of motorcycles). The mandatory purchase of a container, a carryover from earlier times when it was required that the certificate be carried in plain sight, is an outdated operational procedure, as well as an unnecessary expenditure of the public's money.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 332, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 350 Transportation on S.B. No. 394

The purpose of this bill is to require the issuance of a single temporary license plate upon the sale of a new vehicle by a motor vehicle dealer.

Your Committee heard testimony from the Department of Finance, City and County of Honolulu, that the law currently requires the issuance of front and rear temporary plates when a dealer sells a new vehicle. Only the rear plate is actually used for the requisite registration information. Therefore, the department testified that the law should be changed to require the issuance of only a rear plate. Such a change will serve the convenience of vehicle dealers and prevent the unnecessary expenditure of the public's money.

Your Committee has amended this bill to delete all subsections, except subsection (e), of Section 286-53. Subsection (e) is the only subsection being amended.

Your Committee on Transportation is in accord with the intent and purpose of S.B. 394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 394, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 351 Transportation on S.B. No. 571

The purpose of this bill is to authorize the use of traffic-control symbols, as well as words, to control pedestrian traffic.

Your Committee heard testimony from the Department of Transportation that symbols, as well as words, are provided for in the Federal Highway Administration's national standard for highways open to public travel. This bill clarifies Hawaii law by recognizing the current use of symbols to control pedestrian traffic.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 571, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 352    Transportation on S.B. No. 572

The purpose of this bill is to establish staggered dates for the collection of state vehicle registration fees and weight taxes.

Your Committee heard testimony from the Department of Transportation that most of the counties have adopted staggered dates for the collection of their various fees on vehicles. The department endorses this procedure as it spreads the anniversary dates throughout the year and thereby improves service to the public by reducing the long waiting times that occur with a single anniversary date. Because this bill establishes a staggered system for the collection of the state's vehicle fees, it conforms state procedure with that of most of the counties and thus maximizes the benefits of the procedure to the public.

Your Committee also heard testimony from the Hawaii Transportation Association in support of the bill.

Your Committee has made non-substantive, technical amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 572, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 353    Transportation on S.B. No. 574

The purpose of this bill is to correct current statutory references to the composition of the Commission on Transportation.

Your Committee heard testimony from the Department of Transportation that the Commission on Transportation is by law to be composed of one person from each senatorial district (currently eight in number) and three at-large representatives for a total of "nine" members. To correct this mistake and to allow for still further changes in the event of reapportioned senatorial districts, this bill deletes all references to the total number of commission members.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 574, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 354    Transportation on S.B. No. 884

The purpose of this bill is to limit the maximum speed limit in the state to fifty-five miles per hour.

Your Committee heard testimony from the Department of Transportation that federal statutes require a maximum speed limit of fifty-five miles an hour on federal-aid highways. Nationwide experience with this speed limit has resulted in impressive savings in fuel and lives. While the department testimony indicated that no immediate change in federal requirements is expected, the record of savings in fuel and lives warrants a permanent statutory maximum speed limit of fifty-five miles per hour in the State.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 884 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 355    Transportation on S.B. No. 1985

The purpose of this bill is to increase the maximum legal length for a truck-tractor and semitrailer combination from fifty-eight to sixty feet.

Your Committee heard testimony from the Department of Transportation that such a change will have no serious impact upon highway usage and that the department, therefore, has no objections to it.

The Hawaii Transportation Association testified in favor of the bill, noting that it will conform local law with that of most other states and will increase productivity within the local trucking industry.

Your Committee has amended this bill to set the maximum legal length of a semitrailer carrying a projecting structure at sixty feet. Your Committee has also made nonsubstantive, technical amendments to the bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1985, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 356    Judiciary on S.B. No. 43

The purpose of this bill is to recognize an adult person's right to refuse the use of artificial means to prolong his or her life when suffering from a terminal condition.

This bill creates a new chapter in the Hawaii Revised Statutes relating to living wills. The new chapter establishes procedures for adults to make written directives to their physicians to withhold the use of life-sustaining measures in the event of terminal conditions.

Your Committee finds that adults have the right to control decisions relating to their medical care, including the decision to refuse the use of artificial means to sustain their lives when suffering from a terminal condition.

Your Committee has reservations on letting a person act on behalf of the declarant in the revocation of the declarant's wishes. Therefore your Committee has amended the bill to delete the language that would allow an individual to act on behalf of the declarant.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 43, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 43, S.D. 1.

Signed by all members of the Committee except Senators Anderson, George and O'Connor.

SCRep. 357    Judiciary on S.B. No. 74

The purpose of this bill is to provide for a waiting period before the issuance of a permit for a firearm. Permits may be issued only after fifteen days have elapsed since the application date. A fingerprint check will be conducted as to each applicant during this period of time.

Testimony submitted by the City and County Police Department indicates that a waiting period would discourage the deliberate misuse of a firearm and would allow police sufficient time to conduct a record check on the applicants.

Your Committee adopted the recommendation of the Honolulu Prosecuting Attorney to require a ballistics check of weapons for which permits are sought, and to require that records of the ballistics checks be maintained.

Your Committee also corrected a typographical error and made non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 74, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 74, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 358    Judiciary on S.B. No. 113

The purposes of this bill are to provide that a person sentenced to imprisonment remains under the custody of the director of social services or the Hawaii Paroling Authority, without change or modification by a court except by order pursuant to chapter 660 or chapter



641, part II, Hawaii Revised Statutes and to permit the director of social services to assign a prisoner to a program of treatment, furlough, or any other lawful program in the public's and prisoner's interest, notwithstanding the type of sentence or its length.

Your Committee is in agreement with the purposes of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 113 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 359 Judiciary on S.B. No. 138

The purpose of this bill is to require the Hawaii Paroling Authority to establish guidelines for the uniform determination of minimum sentences. The bill specifies that these guidelines shall take into account: (1) the nature and degree of the offense and (2) the convict's criminal history and character.

Testimony in favor of the bill was received from the Hawaii Paroling Authority and the Prosecuting Attorney, City and County of Honolulu. Mr. Thomas K. Hugo, Jr., Chairman of the Hawaii Paroling Authority, testified that the Paroling Authority has in fact already established structured guidelines to assist them in establishing minimum sentences. Your Committee believes it is desirable to achieve uniform sentencing procedures as much as possible. This bill provides statutory authority for the guidelines already established by the Paroling Authority.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 138 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 360 Judiciary on S.B. No. 164

The purpose of this bill, submitted pursuant to section 23G-20, Hawaii Revised Statutes, is to remove inconsistencies, redundancies, and unnecessary repetitions, and otherwise improve the clarity of the Hawaii laws.

Your Committee received testimony from the administrative director of the courts favorable to sections 39 through 44 of this bill which are applicable to the Judiciary.

The adjutant general testified that sections 1 and 2 of the bill are unnecessary to clarify the structure of the Pacific War Memorial Commission because another bill is pending in the Senate which would abolish the Commission. Your Committee believes that inasmuch as there is no assurance at this time that the bill to abolish the Commission will be enacted as law, that the current provisions should be corrected for their inconsistencies. Your Committee notes that this bill provides that any other bill passed by the legislature this session which is inconsistent with this bill shall supersede this bill. That provision, therefore, should adequately address any of the adjutant general's concerns if the bill to abolish the Commission also passes this session.

Testimony from the Department of Health in support of section 29 of the bill which transfers the Hawaii Advisory Commission on drug abuse and controlled substances from the Office of the Governor to the Department of Health was received. This section is intended to clarify an earlier transfer of drug abuse functions to the Department of Health and to reflect actual practice. The attorney general has objected to the inclusion of this provision in this bill, for reasons discussed hereafter, and your Committee, therefore, has moved this provision to another Senate bill.

The attorney general testified that this bill is overbroad because it includes forty-seven unrelated sections which cover both technical and substantive matters.

Pursuant to section 23G-20, Hawaii Revised Statutes, the revisor of statutes is obligated to report and submit bills to the legislature prior to each session on laws which are inconsistent, redundant, unnecessarily repetitious, or otherwise in need of improvement for purposes of clarity. This bill has been submitted pursuant to such statutory obligation for the purposes of correcting laws in need of amendment due to technical errors or oversights in drafting or typing the bills enacting the laws which were not discovered during subsequent legal checks of such bills. While your Committee concurs with the attorney general that some sections of this bill may make substantive amendments, your Committee finds that none of the proposed amendments are in of themselves substantive and not otherwise predicated on a previous technical error and therefore embracing any intended subject other than

the correction of technical errors.

The attorney general further testified that the substantive matters are not reflected in the title of the bill which is, "A Bill for an Act Relating to Statutory Revision" and may be in violation of constitutional provisions which are intended to prevent hodge-podge, logrolling, surprise, or fraud upon the legislature and failure to apprise the people of proposed matters of legislation. Your Committee was in receipt of a lengthy, detailed memorandum from the revisor of statutes accompanying this bill which thoroughly explained the background of each section included in the bill and reasons for believing that a technical error had been made and warranted correction. Your Committee, therefore, does not find any intent, in the submission of this bill, to hodge-podge, logroll, surprise, or commit fraud upon the legislature or to prevent the people from being fairly apprised of matters of legislation. Numerous Hawaii Supreme Court decisions\* provide that statutory language is to be construed in its ordinary sense. The term "statutory revision" can be interpreted in elementary dictionary terms to mean "the amending or altering of a law or legislative enactment." There are no apparent limitations imposed upon any bill to contain either wholly substantive or wholly technical amendments by virtue of its having a title such as this bill has. Numerous legislative bills containing a title relating to particular substantive subject matters contain both substantive and technical amendments.

Your Committee finds that statutory revision bills have been submitted and have been passed by the legislature and signed by the governor in the past two sessions. These prior bills were submitted by the revisor of statutes pursuant to statutory obligation and contained matters both of substance and technicality which, like this bill, were predicated on technical error and oversight not noted in subsequent legal checks of the legislative bills enacting such statutes. Such bills passed legislative, gubernatorial, and the attorney general's scrutiny in the past. Although your Committee does not note any difference between the matters covered by this bill and the past statutory revision bills, and believes it to be the better policy not to inject the legislative system with an overabundance of bills, with all due deference to the attorney general, the following sections to which the attorney general has objected as being substantive and therefore inappropriately contained in this bill have been removed to other Senate bills, or omitted, as follows:

1. Section 3 moved to S.B. No. 1145;
2. Section 9 moved to S.B. No. 1111;
3. Sections 11 and 12 moved to S.B. No. 1112;
4. Section 14 moved to S.B. No. 1114;
5. Section 21 has been omitted;
6. Section 23, relating to section 237-13.5, Hawaii Revised Statutes, moved to S.B. No. 1150;
7. Section 29 moved to S.B. No. 1161;
8. Section 31 moved to S.B. No. 1136; and
9. Section 45 moved to S.B. No. 1163.

Your Committee has also made technical amendments for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 164, S.D. 1, and be placed on the calendar for Third Reading.

\*Territory v. Ah Goon, 22 Haw. 31 (1914); Carter v. Hill, 31 Haw. 264, reh. den. 31 Haw. 295, aff'd. 47 F.2d 869, cert. den. 52 S.Ct. 10, 284 U.S. 625, 76 L.Ed. 532 (1930); Jiro Yoshizawa v. Hewitt, 31 Haw. 625, aff'd. 52 F.2d 411 (1930); Territory v. Merseberg, 35 Haw. 248 (1939); County of Kauai v. Shiraishi, 41 Haw. 156 (1955); Bishop Trust Co. v. Burns, 381 P.2d 687, 46 Haw. 375, reh. den. 46 Haw. 474 (1963).

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 361     Judiciary on S.B. No. 320

The purpose of this bill is to provide definitions of "private place" and "public place" within Chapter 712, Part III, Hawaii Revised Statutes, relating to gambling.

Testimony was received from Lieutenant Michael Joy, Narcotics Vice Division, Honolulu Police Department, in favor of this bill, explaining a need for the additional definitions to provide the police with relevant guidelines in cases where gambling is conducted in quasi-public places. In order to provide more definite guidelines, this bill has been proposed, and your Committee is in agreement with the bill. It is to be noted that your Committee makes no change in the corresponding definitions contained in a separate chapter, Chapter 711, (section definitions 711-1100 therein) which differ slightly from the definitions here.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 320 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 362     (Majority) Judiciary on S.B. No. 417

The purpose of this bill is to allow the adoption of adults provided that the adult and the adult's spouse consent to the adoption.

Your Committee finds that this bill will bring our state adoption statute into conformity with the revised Uniform Adoption Act, as amended in 1971, and numerous other states' statutes. Your Committee takes note of the traditional practice of certain ethnic groups in Hawaii of adopting adults.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 417 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.  
Senator O'Connor did not concur.

SCRep. 363     Judiciary on S.B. No. 1000

The purpose of this bill is to revoke the exemption of persons who have not yet attained the age of twenty-two from being considered for extended terms, under the persistent offender and professional criminal sections.

Testimony on the bill was received from the Prosecuting Attorney, City and County of Honolulu, who favored including those who had not yet attained the age of twenty-two within the above categories of persistent offender or professional criminal. The representative of that office testified that studies show that the age group most often arrested and sentenced for felonies are those falling within the eighteen to twenty-five year age group. Your Committee believes that the courts should be given the discretion to impose extended terms of imprisonment if appropriate irrespective of the defendant's age.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1000, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 364     (Majority) Judiciary on S.B. No. 1028

The purpose of this bill is to implement Article II, Section 7 of the State Constitution by providing for the resignation of a person occupying a federal, state, or county elected public office where the person is nominated or elected to any other state or county public office. Resignation filing requirements must be met for a public officer to assure his eligibility in seeking any other state or county public office. Public notice of such resignations are to be published immediately. This bill establishes a presumption of resignation when a person occupying an elected office files for nomination or election to a federal elected public office.

The testimony submitted indicates that restrictions on the eligibility of a person elected to a public office from being nominated or elected to any other state or county elected public office is premised in consideration of public policy. This prohibition applies to a person occupying an elected public office.

Your Committee has adopted the recommendation of the Office of the Attorney General by changing "numbered" to "designated" and by deleting reference to "appointed" because

only resignation where another elective public office is sought by a person is mandated. Your Committee has deleted any reference to resignations from a federal elected office and deleted the presumption of resignation in order to be in accordance with the law. The following change is made:

"All resignations from elected public office shall become effective on the last day of the term which the person is occupying."

Any reference to "he" is changed to "a person".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1028, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.  
Senator Kuroda did not concur.

SCRep. 365     Judiciary on S.B. No. 1072

The purpose of this bill is to amend the law relating to appointment of guardians for incapacitated persons. Under present law the family court has the discretion to limit or otherwise modify the power of the guardian. Your Committee finds that in practice, only infrequent use has been made of limited guardianships.

The bill provides that guardianship shall only be used when it is in the best interests of the ward and shall be limited to the extent necessary for the care and supervision on the person considering his or her mental, physical and adaptive limitations. The new section would also require the court to review the guardianship order every two years. Further, the guardian would be required to file a guardianship plan with the court, to be updated annually, which would specify the services which are necessary to meet the essential requirements for the ward's physical, mental and safety needs.

Your Committee finds this amendment will make Hawaii Law compatible with the other states that have adopted this approach to protect the civil and human rights of incapacitated people to the fullest extent possible.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1072 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 366     Judiciary on S.B. No. 2056

The purpose of this bill is to require suspension of the driver's license of a person convicted of negligent homicide in the second degree, where he was under the influence of alcohol at the time of the offense. The bill would require suspension of the license for a minimum of one year.

Your Committee finds that suspension of a person's driver's license is particularly appropriate in such cases, in view of the fact that the majority of traffic deaths in this country result from accidents involving drinking drivers.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2056 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and George.

SCRep. 367     Consumer Protection and Commerce on S.B. No. 530

The purpose of this bill is to establish an electrologist as a specialized classification, separate and distinct from that of a cosmetician.

Presently, an electrologist must obtain a license as a cosmetician before applying for the additional specialized training in electrolysis.

Your Committee received testimony from the Department of Regulatory Agencies that the present requirement is unreasonably stringent and bears no correlation to the ability, competence, or performance of an electrologist. The department further testified that by enacting this bill, Hawaii joins an overwhelming majority of states that separate the classifications and that do not require an electrologist to hold a cosmetician license.

Your Committee amended the bill to make a technical change to section 439-17, Hawaii Revised Statutes, relating to beauty culture, to simplify terminology and clarify its intent.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 368 Consumer Protection and Commerce on S.B. No. 592

The purpose of this bill is to extend, under the sunset law, Chapter 465, Hawaii Revised Statutes, relating to the certification of practicing psychologists, to December 31, 1987.

Your Committee has considered the Legislative Auditor's Sunset Evaluation Report No. 81-6, February, 1981 which declines to make a recommendation with respect to continuation or termination of the Board of Practicing Psychologists.

Your Committee, however, received testimony from the Board and from numerous individuals and organizations in the field of psychology and related professions, supporting continuation of the Board.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 592 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 Yee.

SCRep. 369 (Majority) Consumer Protection and Commerce on S.B. No. 1335

The purpose of this bill is to modify the present use requirements for buildings constructed without plans by an architect or engineer.

Presently, one-story buildings costing less than \$50,000 and two-story buildings costing \$45,000 or less may be constructed without certification by a licensed architect or engineer if it is used primarily as a residence.

Certification requirements were enacted primarily to protect the buying public by assuring the soundness of structures. The present exemption is intended to lessen the expense for limited work by homeowners on their own property.

This bill clarifies the exemption to limit its application to buildings used exclusively as the residence of the owner.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1335 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 Yee.  
Senator Henderson did not concur.

SCRep. 370 Consumer Protection and Commerce on S.B. No. 1628

The purpose of this bill is to permit specialty no-fault insurers to offer only motorcycle no-fault insurance.

Presently, no-fault insurers are required to offer policies for all classes of motor vehicles. Therefore a company could not offer just automobile or only motorcycle policies.

Motorcyclists now pay premiums much higher than the average premiums of automobile operators. The intent of this bill is to allow specialty companies, which offer only motorcycle policies, to do business in Hawaii, and thereby increase the availability of these policies at more favorable rates.

Your Committee received testimony from the motor vehicle insurance division of the Department of Regulatory Agencies that enactment of such a provision may lead to the opposite effect of reducing the availability of motorcycle policies and may not result in premium reductions. Your Committee, therefore, amended the bill to provide for a period up to December 31, 1984 during which specialty motorcycle insurance companies will be allowed to offer only motorcycle insurance policies. It is your Committee's intent that the insurance

commissioner compile data during this period and report to the legislature on the effect of this bill.

Your Committee also amended the bill to allow for a more appropriate placement of the provision within chapter 294, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1628, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 371 Economic Development on S.B. No. 1859

The purpose of this bill is to amend the current statute pertaining to mergers and consolidations.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1859 and recommends that it pass First Reading by title and be recommitted to the Committee on Economic Development for further consideration.

Signed by all members of the Committee except Senators Carpenter and Uwaine.

SCRep. 372 Legislative Management

Informing the Senate that S.C.R. No. 45, S.R. Nos. 129 to 131 and Stand. Com. Rep. Nos. 343 to 371 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 373 Government Operations and Intergovernmental Relations on S.B. No. 262

The purpose of this bill is to provide the counties the authority to establish penalties for late renewal of motor vehicle registration and to provide a lien provision for taxes owed to the counties.

Your Committee received testimony from the City and County of Honolulu that the present ten per cent late penalty is not sufficient to encourage timely renewals, which results in more than 50,000 late renewals annually. This in turn leads to tremendous operational problems for the counties including increased backlogs, work scheduling difficulties and delays in receipt of revenues. These problems will further complicate conversion to the staggered registration system.

This bill would enable the counties to set the penalty at a level which would curb the problem of late renewal and it would provide the director of finance a lien provision, similar to that available to the state, to effectively collect delinquencies.

Your Committee has made nonsubstantive amendments to the bill to conform to recommended Ramseyer format.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 262, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 374 Government Operations and Intergovernmental Relations on S.B. No. 1580

The purpose of this bill is to require new buildings to be able to resist certain levels of stress caused by earthquakes.

This bill requires every building, for which a building permit is issued after the effective date of this bill, be designed and constructed to withstand the effect of earthquakes, in accordance with provisions of the Uniform Building Code, 1973 Edition, published by the International Conference of Building Officials, for seismic probability zone three of the Modified Mercalli Scale of 1931.

Your Committee finds that the potential for loss of life and property caused by earthquakes can not be completely eliminated by the mere enactment of any law. However, by requiring the "earthquake proofing" of buildings, it is intended that the residents of the state be

provided with an added measure of assurance that structures can withstand certain levels of stress caused by earthquakes, and that any damage or loss sustained will be ameliorated.

Your Committee amended the bill by making a non-substantive style change.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1580, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 375 Consumer Protection and Commerce on S.B. No. 1505

The purpose of this bill is to reduce certain unnecessary financial burdens imposed on small charitable organizations which solicit funds from the public.

Presently, all charitable organizations which raise more than \$4,000 annually are required to register with the Department of Regulatory Agencies and are required to file a financial statement that has been audited by an independent public accountant. Certain small organizations, such as PTA groups and the Little League, that raise funds just in excess of \$4,000, must hire an independent accountant to audit their financial statement. Your Committee received testimony, from the Friends of Waipahu Cultural Garden, that this kind of audit can cost about \$5,000-\$6,000.

This bill amends Chapter 467B, Hawaii Revised Statutes, to require an audited financial statement only when a charitable organization raises more than \$10,000 a year and to permit a charitable organization that raises more than \$4,000 but less than \$10,000, to file an unaudited statement. Also, the bill specifically empowers the department to examine the records of registered charitable organizations and to revoke or suspend a registration for good cause.

Your Committee amended the bill by adding technically proper accounting terms to clarify its intent. Also, the bill was amended to empower the director to promulgate rules, pursuant to Chapter 91, Hawaii Revised Statutes to implement Chapter 467B, Hawaii Revised Statutes, relating to charitable organizations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1505, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1505, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 376 Agriculture on S.B. No. 1400

The purpose of this bill is to eliminate duplication which now exists in, and to otherwise increase the efficiency and effectiveness of resource allocation as it relates to, agricultural product promotion and market development.

Your Committee finds that the responsibilities for agricultural promotion and marketing presently assigned to the Department of Planning and Economic Development should be transferred to the Governor's Agriculture Coordinating Committee for purposes of streamlining the state administration.

Your Committee has amended this bill to reflect the transfer of agricultural marketing and promotional activities from the Department of Planning and Economic Development to the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1400, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1400, S.D.2.

Signed by all members of the Committee.

SCRep. 377 Ecology, Environment and Recreation on S.B. No. 480

The purpose of this bill is to amend HRS Chapter 340E to specify penalties for civil and criminal violations of underground wastewater injection control laws, and to further amend HRS Chapter 340E to specify a new prohibition that no person may violate primary drinking

water regulations. Currently, only water suppliers are prohibited from violating the regulations.

Testimony in support of this bill by the Department of Health revealed that the bill would bring state safe drinking water laws into conformity with federal requirements (40 C.F.R. Part 123) on underground injection control of wastewaters. The state must meet those requirements in order to receive primary enforcement responsibility under the Underground Injection Control Program (UIC) of the Safe Drinking Water Act, a joint federal-state effort using state permits to regulate wastewater disposal into groundwaters.

That testimony further revealed that HRS Chapter 340E provides for the establishment of Primary Drinking Water Regulations which set maximum contaminant levels. Currently, HRS 340E only requires suppliers of water to conform to those regulations. However, the testimony revealed that the department has encountered a case, and may encounter similar cases, where enforcement action needed to be taken against persons other than suppliers of water.

Your Committee on Ecology, Environment and Recreation with the intent and purpose of S.B. No. 480 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 Ecology, Environment and Recreation on S.B. No. 512

The purpose of this bill is to increase the maximum monetary penalty and decrease the maximum imprisonment penalty for violations occurring in the breeding, raising, and selling of game birds.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources which revealed that the bill would bring Section 192-10, Hawaii Revised Statutes, into conformance with the Hawaii Penal Code and would deter violations by making enforcement actions more meaningful.

Your Committee has amended the bill to clarify its intent.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 512, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 379 Ecology, Environment and Recreation on S.B. No. 513

The purpose of this bill is to increase the maximum penalty for violations of the laws and rules applicable to natural area reserves.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources. That testimony revealed that current penalties are too low to deter violations, and that the increased penalties would be consistent with penalties imposed for violations of other natural environment preservation measures, such as those pertaining to bird sanctuaries and endangered species.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 513 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 380 Ecology, Environment and Recreation on S.B. No. 514

The purpose of this bill is to provide for the protection of all wildlife species pursuant to HRS Section 195D-5, and to prohibit the taking of endangered wildlife or plants for educational purposes.

Testimony in support of this bill by the Department of Land and Natural Resources revealed that HRS Section 195D-5 currently provides for the protection of endangered birds and mammals, but does not protect other potentially endangered forms of wildlife such as reptiles and amphibians.



That testimony further revealed that the state will not be eligible to receive federal grants-in-aid under the Endangered Species Act of 1973 until provisions of HRS Section 195D-5 allowing the state to issue permits to take (kill or capture) endangered species for educational purposes are deleted. If they are deleted, the state would be eligible to enter into a cooperative agreement for endangered species programs and would be eligible to receive federal matching funds of up to 66-2/3%.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 514 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 Ecology, Environment and Recreation on S.B. No. 1288

The purpose of this bill is to repeal the prohibition on sales of beverages in plastic beverage containers.

Testimony by the Society of Plastics Industry, Inc. revealed that plastic beverage containers, when burned, do not create an air pollution problem, constitute less than one per cent of the litter stream, are safer than other beverage containers, require less energy to be made, have recoverable energy value, are recyclable, and, if prohibited, would cause a loss of employment.

Your Committee notes that the Circuit Court of the First Circuit, State of Hawaii, held section 339-7(b), Hawaii Revised Statutes, unconstitutional. However, the United States Supreme Court held constitutional a state statute prohibiting plastic milk containers. The Department of Health has not decided whether it will appeal the circuit court decision.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.B. No. 1288 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 382 Human Resources on S.B. No. 102

The purpose of this bill is to clarify the language of the Health Fund Medicare reimbursements.

Under the present law, section 87-27, Hawaii Revised Statutes, the Health Fund Medicare reimbursements can only be paid to a female spouse of a retired employee.

This bill will permit the male spouse of a retired female employee the equal opportunity to receive the Medicare reimbursement benefits.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 102 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 383 Human Resources on S.B. No. 201

The purpose of this bill is to provide certain state employees, who will soon be terminated from their present positions, opportunity for employment by placing them on the state civil service select priority list.

On March 3, 1981, the Department of Personnel Services was notified by the federal government of an immediate reduction in funding for the Comprehensive Employment Training Act (CETA) program. Currently, funding for the continuation of the State Comprehensive Employment Training (SCET) program is tenuous. These programs will affect the employees in the Department of Personnel Services and in the Department of Labor and Industrial Relations.

In return for the dedicated and faithful services of these employees to the state, this bill will allow the Departments of Personnel Services and Labor and Industrial Relations to place administrative CETA and SCET workers on the priority list for state civil service positions.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 201, S.D. 1, and recommends that it pass Second Reading and be placed on

the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 384 Human Resources on S.B. No. 245

The purpose of this bill is to increase the opportunities for competent employees to be promoted within the civil service by permitting regular employees to be promoted noncompetitively to a vacant position which is in a class related to the class the employee is currently in. The concept of related class denotes that one class requires substantially similar knowledge, skills and abilities as another class.

Current law permits noncompetitive movement from a position in a class to a position in another class which is in the same or related series as that of the first position. To simplify, a series is a group of classes such as Clerk I, II, III, and IV; whereas Clerk I is a class. As testified by the director of the department of personnel services, the current law is too restrictive in providing promotional opportunities, that is, non-competitive promotions are limited only to positions in the same or related series. This bill would allow a person to be noncompetitively promoted to a position which is in a related class although in a nonrelated series.

The proposed change would increase the opportunities for regular employees to be noncompetitively promoted thus assuring them greater career development opportunities. Providing employees with upward mobility creates a form of incentive for them.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 245 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 385 Human Resources on S.B. No. 253

The purpose of this bill is to strengthen the regulation and professionalization of commercial employment agencies by amending the commercial employment agencies law, chapter 373 of the Hawaii Revised Statutes, to require certification of employment agency owners. Certification would require those seeking license to pass a personnel, instead of employment, consultant national examination.

Under S.B. No. 253, authority in testing applicants for employment agency license would be shifted from the State Regulatory Agency to the National Association of Personnel Consultants. Additionally, this bill would give the National Association sufficient authority to require each applicant to pledge to the code of ethical standards provided by the Association prior to being accepted for testing. This would ensure customers' confidentiality by providing the National Association with authority to de-certify any member who violates the standard of ethical practices. Such action, in turn would be reported to the State Regulatory Agency for termination of license.

Your Committee recommends amending section 2 of the bill by inserting a semicolon after the word "Act" on page 2, line 2, and adding the following phrase:

"however, all license holders must have passed the Certified Personnel Consultant Examination by January 1, 1990".

This length of time for existing license holders to pass the examination is sufficient and justified.

An editorial amendment was also made by underscoring the word "national" in section 2, page 1, line 14 of the bill as this word is new material.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 253, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 386 Human Resources on S.B. No. 281

The purpose of this bill is to prohibit secondary boycotts in public sector collective bargaining by providing a definition of secondary boycotts and procedure for seeking relief.

This bill is consistent with Chapter 377, Hawaii Revised Statutes, which prohibits private sector and labor organizations representing such employers from engaging in secondary boycott activities.

Your Committee on Human resources is in accord with the intent and purpose of S.B. No. 281 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 (Majority) Human Resources on S.B. No. 492

The purpose of this bill is to amend the Hawaii Wage and Hour Law to extend coverage to nonsupervisory employees, employed at a guaranteed compensation of \$700 or more per month. These individuals are presently excluded from overtime protection and the bill proposes to amend section 387-1, Hawaii Revised Statutes, to define these individuals so as to cover them under this law.

This bill would have the effect of abolishing the only exemption in state law which is based solely on an arbitrary monetary amount. This would clearly define the type of coverage employers have and provide greater protection to the worker.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 492 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 388 Human Resources on S.B. No. 493

The purpose of this bill is to clarify the intent of section 386-35 [Act 298, Session Laws of Hawaii 1980], by providing that a permanently and totally disabled employee is entitled to only one supplemental allowance. If the recipients weekly income benefit is less than that in effect on June 18, 1980, the recipient shall be entitled to the supplemental allowance regardless of when the determination of permanent total disability is made.

As presently worded, section 386-35 could be construed to authorize the supplemental allowance only in cases where the award is made before June 18, 1980. This would mean that employees with the same date of injury would be treated differently depending on the date of decision in their case.

This bill is a housekeeping measure to prevent future misinterpretation.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 493, as stated herein, 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 Human Resources on S.B. No. 494

The purpose of this bill is to establish a thirty-day statute of limitations on claims for temporary disability insurance benefits.

The proposed thirty-day filing requirement is inconsistent with most labor programs (e.g. HRS §378-4) which implements a ninety-day statute of limitations. Therefore your Committee has amended section one by changing the word "thirty" in line seven to "ninety" to relieve some confusion from minimum standards.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 494, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 390 Human Resources on S.B. No. 495

The purpose of this bill is to amend the workers' compensation law to allow employers

to offset federal benefits paid to injured workers.

As testified by the director of the Department of Labor and Industrial Relations, under present law, federal social security benefits are mandatorily reduced when an injured worker is entitled to concurrent benefits from the federal social security program and the state workers' compensation law. This federal reduction will not apply if state law permits reduction of workers' compensation benefits. Thus, the worker would receive the full federal benefit and net wages would in no case be less than what is being currently paid.

Your Committee adopted the recommendation of the Department of Labor and Industrial Relations by making certain technical amendments to clarify the intent of the bill.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 391 Human Resources on S.B. No. 496

The purpose of this administration bill is to protect employees who testify against an employer in a proceeding under Part III, Unlawful Suspension or Discharge, Chapter 378, Hawaii Revised Statutes.

The testimony submitted indicated that employees who are witnesses to work injuries of fellow employees who were allegedly suspended or discharged by the employer as a result of the work injury refuse or are reluctant to testify for fear of losing their job or any other action the employer may take upon the employee who testifies.

This bill will provide witnesses with the protection needed which would allow them to fully testify at a hearing without fear of disciplinary action by their employer.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 496 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 392 Human Resources on S.B. No. 498

The purpose of this bill is to provide for the disposition of benefit payments when the insurer is unable to locate the claimant. Money will become part of the special fund for disability benefits if the claimant remains unlocated for two years. However, payment will be made if the claimant is located within two years.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 498 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 Yee.

SCRep. 393 Human Resources on S.B. No. 499

The purpose of this bill is to conform §383-66(5), Hawaii Revised Statutes, to Act 235, Session Laws 1978, which raised the contribution rates for employers newly subject to Chapter 383, from the "standard rate" of 3.0% per annum to the "maximum rate of 4.5% per annum".

This bill will apply only to employers not previously subject to Chapter 383 and who therefore had no contribution rate at the time they acquired the businesses of two or more predecessor employers having different contribution rates.

An employer will not be affected by this bill if he already has a contribution rate at the time he acquires the businesses of two or more predecessor employers having the same or different contribution rates.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 499 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 394 Human Resources on S.B. No. 1449

The purpose of this bill is to amend section 89-4 of the Collective Bargaining in Public Employment Law to authorize the payroll deduction of employees who are not members of an employee organization, of an amount equivalent to the regular dues required of members of the employee organization provided that the employee organization affords any employee who demands a refund, a procedure whereby the employee can be refunded for the pro rata portion of the deduction which is unrelated to the conditions and terms of employment.

This bill proposes to amend the existing law to clarify the amount charged to nonmember employees as being equivalent to member employees' regular dues to defray costs of negotiating and administering a collective bargaining agreement.

This bill further stipulates that the payroll deductions made for nonmember employees are only authorized if the employee organization establishes a procedure to refund, to any employee who demands the return of any part of the deduction, that portion which represents the employee's pro rata share of expenditures by the employee organization for activities of a political or ideological nature unrelated to the conditions and terms of employment.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1449 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 395 Human Resources on S.B. No. 1476

The purpose of this bill is to enable the director of Personnel Services of the state and the county civil service commissions to adopt appropriate rules on compensation concerning promotions, temporary assignments, and demotions and to accommodate the effects of recently negotiated model conversion plans authorized by Act 253, Session Laws of Hawaii, 1980.

The chairman of the Conference of Civil Service Commissioners and Personnel Directors testified that sections 77-10 and 77-14, Hawaii Revised Statutes, was developed to cover situations arising under current salary structures and is no longer applicable with the model conversion plans. Greater flexibility is needed for the adoption of appropriate rules on compensation adjustments with proper consideration given to merit principles and requirements under model conversion plans.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1476 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 396 (Majority) Human Resources on S.B. No. 1746

The purpose of this bill is to limit a member of the Labor and Industrial Relations Board to serve one ten-year term until a qualified successor is appointed.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1746 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Anderson and Saiki did not concur.

SCRep. 397 Human Resources on S.B. No. 1769

The purpose of this bill is to clarify the language on confidentiality of child abuse reports.

Under the requirements of the Federal Child Abuse and Neglect Prevention and Treatment Act, states are required to have in statute that reports and records are confidential. The state is authorized under this act to stipulate who may be authorized access to reports and records of child abuse and neglect.

The purpose of the amendments to this bill is to conform the language relating to confidentiality in chapter 350, Hawaii Revised Statutes, to meet federal standards.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1769, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 398 (Majority) Human Resources on S.B. No. 1810

The purpose of this bill is to provide an alternative for a payment of a lump sum death benefit of \$8775.00 to a nondependent parent or parents of a deceased worker, provided that the deceased had no dependent entitled to benefits under the law, rather than having payment made into the special compensation fund.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1810, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 399 (Majority) Human Resources on S.B. No. 1814

The purpose of this bill is to include into the definition of employment "service for a school, college, university, college club, fraternity, or sorority if performed by a student who is enrolled and regularly attending classes, in return for board, lodging, or tuition furnished, in whole or in part".

The workers' compensation law presently does not cover students who meet the above criteria. The committee believes that students providing these services are exposed to the same risks as other workers.

Therefore, your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1814 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Henderson and Saiki did not concur.

SCRep. 400 Human Resources on S.B. No. 1836

The purpose of this bill is to amend Part III of Chapter 378, Hawaii Revised Statutes, which deals with unlawful suspension or discharge of an employee solely because the employee has suffered a work injury or because the employer was summoned as a garnishee or because the employee filed for bankruptcy. This bill amends Sections 378-32 and 378-33 by adding discrimination as another unlawful act and specifically allows the department to order the reinstatement or reinstatement to the prior position of an employee in a case where violation of Section 378-32, Hawaii Revised Statutes, is determined.

This bill provides further protection to an employee who has suffered a work injury and who is not suspended or terminated but may be otherwise discriminated against.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1836 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 401 Human Resources on S.B. No. 1837

The purpose of this bill is to give the employees who wish union representation the right to hold an election within sixty (60) calendar days after the filing of a petition.

Presently there are no laws prohibiting litigation ( which may postpone an election by employees who want union representation for an indeterminable amount of time ), or employers who may rely on legal maneuvers to frustrate employees in an attempt to hinder their right for union representation.

A sixty (60) day period is a reasonable time for all parties to have an opportunity to hear the issues and concerns of both sides and resolve their problems.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1837 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 Human Resources on S.B. No. 1925

The purpose of this bill is to exclude registered, outside travel agency sales representatives from unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care. Hence, these employee benefits would be placed outside the realm of employer responsibility.

Many outside travel agency sales representatives have employment in another vocation. Moreover, these outside travel agency sales representatives often work far less than the 20 hours per week required for benefits such as prepaid health care.

It is standard practice for these sales representatives to develop their own clients and contracts, control their own hours, set their own direction, and may negotiate their own terms within the limits of the agency's restrictions. Outside sales representatives are afforded the freedom to take their sales to any travel agent for authenticating travel tickets and arrangements, and to accept or reject terms offered them by the travel agent or to take their business to another agent offering more favorable terms.

The aforementioned circumstances parallel those of insurance and real estate sales representatives such that all three groups are remunerated on a commission basis. Thus, this bill proposes to exclude outside travel agency sales representatives from certain benefits as already exists for similar exempt professions.

Your Committee queried the Department of Labor and Industrial Relations to confirm those exclusions allowed insurance and real estate sales representatives. To retain conformity and equity between similar professions, your Committee felt that outside travel agency sales representatives should be subject to the same exclusions and coverage as those currently provided real estate sales representatives since the working conditions and functions of persons in these professions more nearly approximate each other.

Therefore, your Committee amended this bill to provide outside travel agency sales representatives exemption from the Hawaii Employment Security Law (unemployment insurance), Chapter 383, Hawaii Revised Statutes, and the Prepaid Health Care Act, Chapter 393, HRS. These exemptions are identical to those presently provided to real estate sales representatives.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1925, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 403 Judiciary on S.B. No. 123

The purpose of this bill is to remove the protection given to those less than three years older than the minor to whom they distribute dangerous, harmful, or detrimental drugs. Present law provides that distribution to a minor by a person three or more years older is a class A felony and reflects prior legislative intent to protect a distributor of drugs in the same age group, albeit slightly older than the person to whom the drugs were distributed.

Testimony was received from a representative of the Prosecuting Attorney, City and County of Honolulu, who stated that the existing protection given to persons less than three years older than the minor to whom the drug is distributed, has resulted in wholesalers of drugs using young persons as "pushers" to distribute to minors, and thereby avoiding class A felony sanctions. Your Committee is in agreement that this exemption should be removed, in order to remove the incentive to recruit young persons as "pushers".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 123 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 404 Judiciary on S.B. No. 134

The purpose of this bill is to provide for the preparation of all pre-sentence diagnoses and reports by an intake service center. The court may direct the intake service center to utilize other agencies to assist it in the preparation of the diagnoses and reports.

Testimony submitted by the Prosecuting Attorney and the Department of Social Services and Housing indicates that this provision is desirable. At present, the intake service centers have been providing a few pre-sentence diagnoses and reports for the courts on the outer islands. But on Oahu, where eighty per cent of the cases exist, the Adult Probation Division of the First Circuit Court has been providing all of the diagnoses and reports. Testimony submitted by the Department of Social Services and Housing indicates that this change is consistent with the intent of the Hawaii Correctional Master Plan and the policy position of the intake service center policy board.

Your Committee recognizes that this provision would alleviate the existing administrative inefficiency and would increase effectiveness of the probationer monitoring program by freeing court personnel from the responsibility of preparation of the diagnoses and reports.

Your Committee has amended the bill by adding a purpose section to clarify the responsibility of pre-sentence diagnosis, reporting, and investigation. The effective date of the bill has also been amended from the date of approval to January 1, 1982. This will allow all agencies presently involved with pre-sentence diagnosis, reporting, and investigation to make the proper transition in implementing this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 134, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 405 Judiciary on S.B. No. 142

The purpose of this bill is to amend Article I, Section 10 of the Constitution of the State of Hawaii to permit trial of a person for a felony after a preliminary hearing showing probable cause that said person committed the felony. Under existing law, a defendant can only be tried for a felony after indictment by a grand jury.

Your Committee heard testimony from representatives of the Judiciary, the Hawaii Crime Commission, and the Prosecuting Attorney, City and County of Honolulu. Gerald Miyoshi, Esquire, attorney for the Hawaii Crime Commission had studied the problem and had concluded that the finding of probable cause at a preliminary hearing is a viable alternative to the grand jury indictment. The representative of the Prosecuting Attorney stated that the National Center for State Courts, which had conducted an extensive study of the grand jury system in Hawaii, had recommended that the grand jury be convened only in extraordinary cases upon order of the Court. The present bill does not eliminate the grand jury system, but simply allows an alternate method to grand jury indictment for trial of defendants charged with felonies. Your Committee is in favor of the proposed bill based on the above testimony.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 142 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 406 Judiciary on S.B. No. 146

The purpose of this bill is to provide for rule adoption procedures by agencies. Rules required to be adopted by legislative act must be adopted not later than one year after the effective date of such act. Rules required to be adopted by any statute now in effect must be adopted within six months after the effective date of this bill. Agencies that fail to adopt any rule required by legislative act within one year after the act's effective date would be required to submit a report to the legislative auditor stating in detail the reasons why the rules have not been adopted. The bill would also require the legislative auditor to report to the legislature any failure of agencies to adopt required rules. The bill also provides that declaratory judgment may be sought by any person, organization, or government agency if an agency fails to adopt the required rules.



Your Committee finds that the provisions of this bill are necessary to insure agency compliance with legislative mandates in a more timely fashion.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 146 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 407    Judiciary on S.B. No. 149

The purpose of this bill is to amend the Constitution of the State of Hawaii to provide for the initiative.

The initiative process is a method affording the citizens of the State to petition for changes in the laws and the Constitution. This method is in keeping in line with section 1, Article I, of the Constitution, which states:

"All political power of this State is inherent in the people and the responsibility for the exercise thereof rests with the people. All government is founded on this authority."

S.B. No. 149 provides for an indirect initiative, whereby the people may petition for proposals to amend the statutes or the Constitution and submit it to the Legislature for action.

The provisions in this bill include that (1) no initiative may make or repeal any appropriation of public funds or the levy of taxes; (2) a petition shall have at least 10 per cent for statutory revisions and 12 per cent for amendments to the Constitution of the total votes casted for the Office of the Governor in the preceding general election, and the same percentage in at least two counties of the State; (3) all petitions must be transmitted to the Legislature for action before they are submitted to the electorate; (4) where there are differences between the Legislature's version and the petitioners' version, the Supreme Court shall determine if they are substantial or not; (5) petitions for statutory revision shall not be subject to the governor's veto; (6) the Legislature is responsible to educate the voters on all initiative measures; and (7) funds contributed and expended to influence the outcome of initiative measures shall be disclosed as provided by law.

Testimony in support of this bill was received by the Office of the Lieutenant Governor, Common Cause of Hawaii, the Small Business Association of Hawaii, the League of Women Voters, Mr. Richard Port, and Martha Black. All spoke to the need of the initiative to continue with the process of a democratic and open government.

Your Committee concurs with the testimony received and finds that this bill strengthens the processes existing in our democratic government today. Furthermore, not only does this bill strengthen democracy, it indeed positively adds to our present form of government where the people can have another voice in expressing their desires to the government that represents them.

The passage of this bill by the Legislature will add another credit to the reputation that Hawaii's government now enjoys for being responsive to the people it serves.

Your Committee has amended the bill by including provisions amending sections 1, 14, and 16 of Article III and sections 1, 4, and 5 of Article XVII of the Constitution to conform to the Initiative provisions of this Act.

Amendments have also been made to Section 2 of the bill, to clarify that an initiative measure shall state an effective date, and that all approved measures shall take effect on the effective date.

Additionally, your Committee has made non-substantive changes to Section 2 of the bill to conform to existing language in the Constitution.

The bill has been amended accordingly to reflect the above changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 149, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 149, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 408     Judiciary on S.B. No. 319

The purpose of this bill is to clarify Chapter 134 of the Hawaii Revised Statutes relating to firearms, ammunition, and dangerous weapons.

The provisions of the bill specifies when and where it is lawful to carry unloaded firearms, by amending Section 134-6. Violation of this section has been changed from a misdemeanor to a class C felony. The bill also amends Section 134-5l relating to concealed weapons. The amendments include the addition of nunchaku sticks and changes the word "weapon" to "instruments". Violation of this section is now a misdemeanor. Finally, the section of definitions in Chapter 134 has been amended to reflect the previously mentioned amendments.

Your Committee received testimony in support of the bill from the Honolulu Police Department, who indicated that clarification of the laws is needed because of the existing ambiguities which have lent to court interpretations that have made enforcement and prosecution difficult. They concluded by saying that the bill clearly defines the parameters for proper possession and carriage of firearms and ammunition.

Additional testimony in support of the bill was received from the Citizens Home Protective Association of Hawaii, the Hawaii Rifle Association, and the Pig Hunters Association of Oahu. Your Committee has incorporated their recommendation for the inclusion of "for only rifles and shotguns, a commercially manufactured soft gun case" in the definition of a "suitable container". Their recommendation was prompted by concern that possessors of rifles and shotguns frequently use soft gun cases for easier carrying on hunting trips.

Your Committee also finds that the addition of nunchaku sticks in Section 134-5l have brought about questions on whether nunchaku sticks have been used as deadly or dangerous weapons intended to do bodily harm. We are aware that these types of martial art instruments are usually dangerous to others if the user is very proficient in its handling and has gone through the martial arts program. There has not been sufficient evidence presented to this Committee to indicate that the use of nunchaku sticks as a deadly weapon, intended to do bodily harm, is prevalent in our community today. Therefore, we have deleted the addition of nunchaku sticks until such time that its addition is warranted.

Your Committee has amended the bill by (1) conforming the definition of "Chief of Police" in Section 1-22, Hawaii Revised Statutes, (2) adding to the definition of "suitable container" the term "commercially manufactured soft gun cases", (3) changing the phrase "in the possession of" to the original word "other" on page 5, line 12, (4) deleting nunchaku sticks in Section 134-5l, and (5) making non-substantive changes to the bill for grammatical conformance.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 319, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Yee.

SCRep. 409     (Majority) Judiciary on S.B. No. 334

The purpose of this bill is to limit ownership of dogs and domestic animals to persons eighteen years and older, to protect neglected dogs and domestic animals and to provide authority to any county to execute contracts for a program for the identification of dogs and domestic animals with any society or organization for the prevention of cruelty to animals.

The City Council of the City and County of Honolulu testified that this bill attempts to provide solutions to the problems of minor's owning dogs and cats, the lack of protection afforded neglected animals under current statutes, and the lack of a method for the identification of dogs and cats. Testimony from the Hawaiian Humane Society stated that this bill is an integral part of implementing a comprehensive animal control program and is designed to reduce pet-related problems and annoyances and to give pets better protection.

Further testimony from the Humane Society indicated that since "domestic animal" is not defined, and since the Society's primary concern are dogs and cats, reference to "dogs and domestic animals" can be deleted and replaced with "dogs and cats" for clarity. Your Committee has amended the bill accordingly.

Your Committee further amended the bill to conform to the Ramseyer format, and made non-substantive, technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 334, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Yee.  
Senator O'Connor did not concur.

SCRep. 410    Judiciary on S.B. No. 980

The purpose of this bill is to provide for the delegation of responsibilities by the director of the Department of Social Services and Housing except as to those responsibilities that relate to the discharge of those committed to a youth facility and whose discharge is subject to his discretion. At present, the director is required to review files of all those committed to and released from the Hawaii Youth Correctional Facility even when the release occurs because the term has expired.

The testimony submitted by the Department of Social Services and Housing indicates that permitting the director to delegate the responsibility for discharge of those persons whose terms of commitment have expired would ease the burden on the director. Your Committee recognizes that the bill would be beneficial in terms of conserving valuable time and energy of the director.

Your Committee has amended the bill to conform to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 980, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 411    Judiciary on S.B. No. 1009

The purpose of this bill is to prevent a defendant from obtaining a conditional discharge, if he has opted to go to trial in cases involving promoting dangerous drugs in the third degree, harmful drugs in the second and third degree, detrimental drugs in the second and third degree, or intoxicating compounds. A further purpose is to provide a hearing as opposed to a possible jury trial on the issue of the defendant's identity with a person previously convicted, when a defendant denies being previously convicted.

Testimony was received from the Prosecuting Attorney, City and County of Honolulu, stating that a person should not be allowed to obtain a conditional discharge if he denies guilt and wishes to go to trial. Your Committee finds that a defendant should not be allowed "two bites at the apple", and further finds that the bill would make the law comport with that regarding deferred acceptance of guilty pleas (Chapter 853, Hawaii Revised Statutes).

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1009, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 412    Judiciary on S.B. No. 1069

The purpose of this bill is to make it mandatory for the Governor to remove those members of boards or commissions who have been absent from fifty per cent or more of the meetings in any calendar year. Under the present law, the Governor may remove or suspend any board or commission member only for cause after notice and a hearing have been provided.

The testimony submitted by the Hawaii Crime Commission indicates that in the past, meetings have been hindered because of the continual absence of some board and commission members.

Your Committee finds from a survey it conducted that the absenteeism by certain board and commission members has proven to be a chronic problem. Your Committee recognizes that this bill would be beneficial in maintaining the effective functioning of the boards and commissions.

Your Committee has amended the bill to require notice, a hearing and a finding of fact as to a member's absence prior to removal.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 413 Judiciary on S.B. No. 1157

The purpose of this bill is to require seventy-two hours notice and a hearing prior to the furlough, release, conditional release or discharge of persons committed on the ground of physical or mental disease, disorder, or defect excluding responsibility. It further amends the statute to require such notice and hearing before modification of conditions or discharge of any person conditionally released.

Your Committee amended the section heading for section 704-412 to include furlough and release.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1157, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1157, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 414 Judiciary on S.B. No. 1627

The purpose of this bill is to abolish the mechanism of setting legislative salaries every eight years through a salary commission. The bill also provides for amending the State Constitution to require salary payments to legislators to be made every two weeks in fifty-two equal payments per biennium. Under the existing Article III, Section 9 of the Hawaii State Constitution, a salary commission is appointed every eight years, and it submits a salary plan to the Legislature, which becomes law unless disapproved by the Legislature or the Governor before adjournment of the legislative session.

The last plan, which was not disapproved by the Legislature or the Governor and which became law, provided for the bulk of salary payments to be made payable during the few months of the legislative session each year, thereby resulting in the unfavorable result of heavy federal and state tax and other withholdings during those months. The bill eliminates the salary commission mechanism entirely, but it remains for the Legislature in subsequent legislative sessions to consider the manner of deciding the time and manner of payments.

Your Committee supports the purpose of this bill. However, it believes it undesirable to insert a provision into the Constitution to provide specifically for the time and manner of payment of legislators' salaries, to wit, "fifty-two equal payments per biennium", as this is within the power of the Legislature to decide in its legislative sessions as stated above. The provision as to such time and manner of payment has thus been deleted.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1627, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 415 (Majority) Judiciary on S.B. No. 1874

This bill amends Section 710-1017, Hawaii Revised Statutes (Tampering with a public record) and Section 710-1063, Hawaii Revised Statutes (Unsworn falsification to authorities). The bill would raise the degree of the offenses from the level of a misdemeanor to a class C felony if the defendant is a public officer or employee and as a result of such tampering or falsification, the public agency suffers loss or damage or any person receives pecuniary or other benefit, the value of either of which equals \$200 or more.

Your Committee received testimony from representatives of the Hawaii Council of Churches and the Prosecuting Attorney of the City and County of Honolulu, both of whom spoke in favor of the bill.

Your Committee believes that this is a desirable bill, in providing penalties for public employees who knowingly certify or testify to or submit false information or statements, and that this is justified by their positions of trust.

The bill has been revised to reflect that the value of either one shall be that which

exceeds \$200, to be consistent with Section 708-831, Hawaii Revised Statutes, which makes theft, first degree, a class C felony. Your Committee has also revised the bill so that the offense is committed when either the public agency concerned suffers loss or any person receives benefit. Your Committee believes it desirable that the bill proscribe "any person" from receiving benefit, not just the person committing the offense and agrees with this provision in the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1874, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Yee.  
Senators Cayetano and O'Connor did not concur.

SCRep. 416     Judiciary on S.B. No. 2041

The purpose of this bill is to place upon the Director of Social Services and Housing the responsibility to coordinate the implementation of the Hawaii State Correctional Master Plan and to prepare a plan for this implementation including specific time limits for each criminal justice agency.

Testimony from the Director of Social Services and Housing indicated that a shortcoming identified in the "Progress and Assessment Report of the Hawaii State Correctional Master Plan" in January, 1980 was the lack of a single agency/body responsible for the coordination of the plan. Your Committee believes the Department of Social Services and Housing is the appropriate coordinating agency, since this agency houses the Corrections Division, a critical segment of the criminal justice system. Testimony from the Judiciary indicated that this branch will cooperate in order to improve the functioning of the criminal justice system of which they are a part.

Your Committee has amended the bill to exclude the Judiciary and the Probation Division from the definition of a "criminal justice agency" since it is not your Committee's intent to enable a director of an executive branch agency to determine the functions of the judicial branch in implementing the master plan.

Your Committee has further amended the bill to require the Director of Social Services and Housing to consult with the Judiciary and Probation Division and to work with them in implementing the plan.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2041, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 417     Judiciary on S.B. No. 2068

The purpose of this bill is to change existing law to compel defendants out on bail to appear in court at a certain time, in order to avoid being considered in default.

Testimony from the Prosecuting Attorney, City and County of Honolulu, was received in which it was stated that certain defendants on bail, because of a loophole in the law, have been able to effectively postpone their trials by showing up at court just before the adjournment of court, but after the prosecutor has dismissed his witnesses. Although defendants are given a certain time to show up for trial by the judge, the Hawaii Supreme Court has ruled that under the present law, trial courts cannot order bail to be forfeited so long as defendants appear before the court adjourns. Your Committee is in favor of this bill which would require defendants to make a prompt appearance at the times listed on their trial notices.

Your Committee made non-substantive changes to Section 2 of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2068, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.

SCRep. 418     (Majority) Judiciary on S.B. No. 2069

The purpose of this bill is to provide for a sexual assault victim-counselor privilege.

The bill provides that a sexual assault victim is one who consults a counselor for the purpose of securing advice or assistance concerning a mental, physical, or emotional condition caused by a sexual assault. A sexual assault victim-counselor is defined as any person engaged in any office, hospital, institution, or center commonly known as a rape crises center or sex abuse treatment center, whose primary purpose is to give advice or assistance to victims of sexual assault. Confidential communication covered by the privilege is defined as any information transmitted between the victim and counselor. The privilege is waived as to any third parties who may be present and of whom the victim is aware. The privilege is not waived if third parties are present to further the interests of the victim, or their presence is reasonably necessary to transmit information or accomplish the purposes for which the sexual assault counselor is consulted. Confidential information includes the victim's prior or subsequent sexual conduct and opinions regarding the victim's sexual conduct or reputation.

The privilege does not exist in any criminal proceeding involving an alleged sexual assault about which the victim is complaining. In the event a dispute arises as to whether the communication is privileged, the following procedure shall be followed:

- (1) A written motion shall be submitted to the court and prosecutor stating that the defense has an offer of proof as to prior inconsistent statements for the purpose of impeachment or as negating any element of the offense charged;
- (2) The written motion shall be accompanied by an affidavit;
- (3) Upon a finding that the offer of proof is sufficient, the court shall order a hearing out of the presence of the jury;
- (4) If at the end of the hearing, the court finds that the evidence proposed to be offered is relevant and admissible, the court may order the evidence introduced.

The privilege may be claimed by the victim who can refuse to disclose the confidential communication and prevent others from disclosing it. The person who was the counselor at the time of the communication can only claim the privilege on behalf of the victim. The privilege may also be claimed by the victim's guardian, conservator, or in the case of a deceased victim, the personal representative. There is no privilege in any administrative or judicial proceeding in which the competency or practice of the sexual assault counselor is at issue. Any identifying data of victims whose records are admitted into evidence shall be kept confidential unless waived by the victim.

The bill provides that sexual assault includes:

- (1) Rape, as defined in Sections 707-730, 707-731, or 707-732, Hawaii Revised Statutes;
- (2) Sodomy, as defined in Sections 707-733, 707-734, or 707-735, Hawaii Revised Statutes;
- (3) Sexual abuse, as defined in Sections 707-736, or 707-737, Hawaii Revised Statutes;
- (4) Incest, as defined in Section 707-741, Hawaii Revised Statutes.

Under the present rules of evidence, the communication between a victim and counselor is not privileged so that whatever is communicated may be disclosed in court.

The testimony submitted by the Hawaii Crime Commission indicates that creating a privilege is both desirable and necessary. Without such a privilege, the relationship between victims and counselors will be hampered because the victim would not feel free to engage in any discussion with the counselor. The testimony submitted by the Prosecuting Attorney indicates that a victim of a sexual assault should be protected from embarrassment in court. Furthermore, a victim of sexual assault would hesitate to relate any problems to the counselor if the counselor could be compelled to testify in court.

Your Committee recognizes the desirability of this since it will serve to safeguard the victim of a sexual assault. By this provision, the counselor cannot be forced to disclose highly sensitive information concerning the victim.

Your Committee has amended the bill for purposes of conforming the language to the Hawaii Rules of Evidence and for purposes of clarification. The following changes were made:

- (1) A sexual assault victim is one who is rendered professional advice by a counselor;

(2) A counselor is any person authorized or reasonably believed by the victim to be authorized to render advice on sexual assault;

(3) Communication between the victim and counselor is confidential if it is not intended to be disclosed to others.

But the privilege is not waived if third persons are present to further the interest of the victim in the consultation or interview or to third persons who are reasonably necessary for the transmission of the information.

Your Committee deleted any reference to confidential communication including the victim's prior or subsequent sexual conduct and opinions regarding the victim's sexual conduct or reputation. Rule 412, Hawaii Rules of Evidence, Chapter 626, Hawaii Revised Statutes, makes this provision unnecessary. The provision regarding the waiver of privilege in any criminal proceeding involving sexual assault about which the victim is complaining has been deleted because this exception would have the effect of abrogating the privilege. All instances of sexual assault would be a criminal offense as defined in the provision. Furthermore, the procedures in the event of a dispute as to whether there is a confidential communication has been deleted since this provision would be inconsistent with the purpose of creating a privilege.

Your Committee has amended the bill to conform to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2069, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Yee.  
Senators Cayetano and O'Connor did not concur.

SCRep. 419     Judiciary on S.B. No. 489

The purpose of this bill is to provide that a child shall take the surname of the mother rather than the father following legitimation if the parents cannot agree on the surname.

Testimony submitted by the Department of Health indicated that prior to 1980, legitimated children could have either their father's name or their mother's name as a family name. Public Health Regulations Chapter 8B, 4B(1) specifies that "if the parents do not agree, or no stipulation is made, the Department shall record the mother's name as the child's surname."

In 1980, specification of the father's name in such cases was made so that the name selection procedures when the parents do not agree would be the same in legitimate and legitimated children. Unfortunately, in a fairly high proportion of cases, the reason why the parents have not agreed on the surname is because the father cannot be located. The child acquires the father's name by default, even though the child lives with the mother.

Your Committee recognizes that it would be advantageous to the child to have the same surname as the parent with whom he/she is living rather than that of the estranged natural father.

Your Committee has amended the bill by changing the section cited as 338-1 to the correct citation, 338-21, and to conform the bill to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 489, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 420     Judiciary on S.B. No. 273

The purpose of this bill is to provide statutory authorization for the release of school attendance records to police officers upon request.

Testimony was submitted by the Hawaii Crime Commission indicating that better cooperation between schools and the police is needed and this bill is a step in the right direction.

While your Committee does not intend for the schools to in any way use this statute as a means or excuse for relinquishing their responsibility to control truancy, it believes this bill to be necessary in achieving the cooperation desired by the Hawaii Crime Commission.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 273, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 421 Judiciary on S.B. No. 487

The purpose of this bill is to amend the statutory procedures for filing information with the Department of Health on deaths occurring in the state. The bill provides that the Department of Health must report a list of recorded deaths within six weeks after the end of each month to the county clerks. Certificates of deaths and fetal deaths must be filed with the Department of Health in Honolulu or with the district office in which the death or fetal death occurred or a dead body was found. The bill also makes some change as to the procedure for filing a certificate of death by the person in charge of disposing the body. In addition, a written permit must be issued by the local agent of the Department of Health, except if the dead fetus is less than twenty-four weeks of gestation, no permit is required. If the death occurred as a result of an aircraft accident or other multiple-casualty occurrence, oral authorization by the local agent is sufficient for removal of the body to the Honolulu registration district for filing of the certificates and issuance of written permits.

Testimony submitted by the Department of Health indicates that these amendments are beneficial. Under present law, the burial permit and death certificate must be prepared, signed and filed in the county in which the death occurred. Subsequently, the death certificate is sent to the Honolulu office for permanent filing. Ordinarily this works well but there is considerable confusion in the event of aircraft or other accidents. The proposed bill would remove any possible doubt concerning the legality of the manner in which these emergencies are handled. Also, extending the gestational age for which a permit is not needed for a dead fetus will substantially reduce the required reporting. Extending the reporting requirement by the department would also be reasonable in view of its work volume.

Your Committee believes that the bill is beneficial towards the effective administration by the Department of Health in processing the death registrations and permits, and in fulfilling the reporting requirements.

Your Committee has made non-substantive technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 487, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 487, S.D. 2.

Signed by all members of the Committee except Senators O'Connor and Yee.

SCRep. 422 Judiciary on S.B. No. 1471

The purpose of this bill is to provide the Conservation and Resources Enforcement Officers of the Department of Land and Natural Resources with the legal authority to act with full police powers within all State lands and county parks. And, the primary duty of these enforcement officers will be the enforcement of title 12, entitled "Conservation and Resources," and the rules promulgated thereunder within the areas under the jurisdiction of the Department of Land and Natural Resources.

Testimony was received from the Board of Land and Natural Resources, explaining that under current law, said enforcement officers are only empowered to enforce State law within areas under the jurisdiction of the Department of Land and Natural Resources. They supported the thrust of the bill, which was to enforce all State laws and county ordinances affecting county parks, as well as State lands. Your Committee is in favor of giving said enforcement officers this added jurisdiction to allow them to provide safety and security in county parks, as well as on State lands.

Your Committee does not intend to construe that the authorization of police powers to these enforcement officers will be a forerunner to all rights, benefits, etc., presently enjoyed by police officers.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1471, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Kuroda, O'Connor and Yee.



## SCRep. 423 Transportation on S.B. No. 331

The purpose of this bill is to grant the counties authority to set the fee charged for the transfer and reissuance of motor vehicle certificates of ownership and registration and to delete all statutory reference to the present fixed fee.

Your Committee heard testimony from the department of finance, City and County of Honolulu, that nearly 165,000 certificates of this nature were issued during the 1979-1980 fiscal year and that the cost of this process far exceeds the return from the present \$1.00 fee, a figure that was set by the 1955 Legislature. Against this background, the department testified that this bill offers the appropriate solution in that it grants the counties authority to set the fee and thereby obviates the necessity of state legislative action whenever a rise in costs requires an increase in the fee.

Your Committee has amended this bill by eliminating the fixed fee for correcting registration records in favor of a fee to be established by each county.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 331, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Cobb, Kuroda and Toyofuku.

## SCRep. 424 Transportation on S.B. No. 675

The purpose of this bill is to clarify the procedures towing companies must follow in disposing of unclaimed vehicles towed from private property.

Your Committee heard testimony from the department of finance, City and County of Honolulu, that certain technical amendments to the present law are necessary for the sake of clarification but that this bill needs still further elaboration with respect to disposition procedures. Appropriate additional language was suggested.

Department officials also testified that the proposed thirty-day period for notification of owners of towed vehicles is excessive and should be shortened.

Your Committee also heard testimony from the Hawaii Automotive and Retail Gasoline Dealers in support of the bill, but suggesting that certain more specific references to other statutory sections are necessary.

Your Committee finds these suggestions valid and has amended the bill to incorporate the City and County's recommendations by changing the notification period to twenty days and including more specific disposition procedures for abandoned, towed vehicles. Several technical, nonsubstantive amendments were also made.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 675, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Cobb, Kuroda and Toyofuku.

## SCRep. 425 Transportation on S.B. No. 1501

The purpose of this bill is to permit easier access to motor vehicle registration records for purposes of obtaining information relative to vehicle ownership, traffic safety, research, and statistical reports. It also provides safeguards against invasion of privacy.

Your Committee heard lengthy and frequently conflicting testimony on this bill. A representative of the Department of Transportation testified in opposition to it because it eliminates the director's authority to adopt rules and regulations governing access to vehicle registration records and therefore removes safeguards against invasion of privacy.

Representatives of private organizations testified that present restrictions on access to such records are unreasonable in that they unduly limit the compilation of important statistical market reports and are significantly out of accord with the access provisions in most other states. Still others testified that the bill is necessary to expedite the collection of delinquent accounts.

Consultation between Department of Transportation officials and representatives of

the interested private organizations led to suggested amendments making specific reference to the director's authority to establish rules and regulations governing access to the records and to a specific prohibition against granting access for the purpose of collecting delinquent accounts. Your Committee finds these suggested changes appropriate with respect to both expanded access and safeguarding privacy.

Your Committee has amended the bill to continue provision for appropriate rules and regulations governing access to motor vehicle records and to prohibit the use of these records for debt collection purposes.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1501, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Cobb, Kuroda and Toyofuku.

SCRep. 426 Ecology, Environment and Recreation on S.C.R. No. 33

The purpose of this concurrent resolution is to register the Legislature's opposition to all hazardous nuclear activity in the Pacific Ocean.

Your Committee received testimony in support of this resolution from Governor Coleman of American Samoa, the Citizen's Party of Hawaii, and the American Friends Service Committee.

Your Committee has made technical amendments to this resolution which clarify its meaning as follows:

- (1) In paragraph four, "elements" is deleted and "isotopes" is inserted;
- (2) In paragraph five, "dumping" is deleted and "planning to dump" is inserted;
- (3) In paragraph six, "non-nuclear proliferation" is deleted and "nuclear non-proliferation" is inserted;
- (4) In paragraph six, "studying an appropriate" is deleted and "searching for a" is inserted;
- (5) In paragraph six, "of" is deleted and "for" is inserted; and
- (6) In paragraph eight "necessarily" is deleted and "probably" is inserted.

Your Committee on Ecology, Environment and Recreation is in accord with the interest and purpose of S.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1.

Signed by all members of the Committee except Senators Mizuguchi and Uwaine.

SCRep. 427 Ecology, Environment and Recreation on S.C.R. No. 34

The purpose of this concurrent resolution is to request the federal government to adopt policies calling for the underground disposal of radioactive wastes within the continental United States, to pledge that the new administration will work directly with Japan and other Pacific-rim nations to determine the most environmentally benign method for the disposal of radioactive wastes, and to request that the Japanese government defer any action in this regard until the new administration has had the opportunity to discuss this matter with them.

Your Committee received testimony in support of this resolution from Governor Coleman of American Samoa, the Citizens Party of Hawaii, and the American Friends Service Committee.

Your Committee has amended the sixth paragraph of the resolution by deleting "recycling and", to indicate that the Eleventh Legislature of the State of Hawaii supports the underground disposal of radioactive wastes in the continental United States whether or not spent nuclear fuel is recycled.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of S.C.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 34, S.D.1.

Signed by all members of the Committee except Senators Mizuguchi and Uwaine.

SCRep. 428 Government Operations and Intergovernmental Relations on S.B. No. 449

The purpose of this bill is to allow the governor to waive annual report requirements, including reports prepared solely for the legislature, if such information is available in other reports or is deemed no longer pertinent for program reporting purposes.

Your Committee received testimony from the Department of Budget and Finance supporting this bill by stating that it would provide a more systematic and cost-effective approach of publishing annual reports.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 449 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 429 Judiciary on S.B. No. 445

The purpose of this bill is to allow the courts upon request of a public entity to require payment by way of periodic payments for judgments against public entities for future damages which exceed \$100,000.

The bill provides a payment plan which includes payment of part of the judgment in a lump sum with periodic payments for the balance, utilization of a trust or annuity contract and provisions for the reversion of all or a portion of the principal of the unexpended amount in the event of the claimant's death or if his projected losses fail to accrue. The court retains jurisdiction to modify and administer the plan. The judgment may also contain a requirement for payment of attorney fees by periodic payments which would be separate from the claimant's payment.

The Department of the Attorney General stated in its digest of the bill, that periodic payments would be beneficial to both the claimant and the defendant. Under current law, the entire amount of the judgment is paid in one allotment, soon after the judgment has been rendered. Under this periodic payment plan, the claimant would receive compensation over an extended period.

Your Committee finds that this plan would be beneficial to the claimant as well as to the defendant and provides necessary safeguards to protect the claimant, as justice requires.

Your Committee has amended the bill to specify the appropriate chapters of the Hawaii Revised Statutes which this bill amends--Chapters 662 and 663, relating to the State Tort Liability Act and Tort Actions, respectively. Further, your Committee has added two new sections to the bill which define "tort action" and "public entity".

Due to the previously mentioned changes to this bill, your Committee has renumbered the sections accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 445, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 430 Judiciary on S.B. No. 568

The purpose of this bill is to clarify that only persons arrested for driving while under the influence of intoxicating liquor will have the option of submitting to a test of the alcohol level in the person's blood or have the license revoked for six months. Presently, if a person refuses to submit to a test, he/she is subject to a civil penalty or having his/her driver's license revoked for six months. The present law does not specify the type of arrest which would fall within its scope. Because there is no specification of the type of arrest which would revoke this provision, this law has been interpreted to apply to arrests made for reasons other than driving while under the influence of an intoxicating liquor.

Testimony submitted by the Department of Transportation and the Honolulu Office of the Prosecuting Attorney indicates that this bill would prevent arrestees, charged with crimes other than driving under the influence of alcohol, from withholding evidence which may be essential to conviction of a more serious crime, by specifying that only those drivers arrested for driving while under the influence of intoxicating liquor would

fall within the scope of this law.

Your Committee has amended the bill to provide for a penalty and license revocation for those individuals arrested on charges other than for drunken driving and who refuse to submit to the test. However, the person must be informed of these sanctions at the time of the arrest. Additionally, your Committee substituted the phrase "charged with" with "arrested for" in order to conform the law more closely with police procedures regarding driving under the influence of alcohol.

Your Committee on Judiciary is in accord with the intent and purposes of S.B. No. 568, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 568, S.D. 2.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 431 (Majority) Judiciary on S.B. No. 569

The purpose of this bill is to clarify and simplify the existing law relating to driving under the influence of intoxicating liquor. Presently, the law provides for the use of presumptions depending on the individual's blood alcohol content.

Driving while under the influence of alcohol (DUI) has been and continues to be one of Hawaii's most serious public health and safety problems on public highways. Testimony from the Honolulu Office of the Prosecuting Attorney cited statistics from the Honolulu Police Department Traffic Division indicating that approximately fifty percent of all fatal traffic accidents involved drunk drivers. More in-depth studies conducted by the National Highway Traffic Safety Administration have revealed that approximately fifty percent of all drivers involved in fatal collisions have a blood alcohol concentration (BAC) in excess of .10%.

The most basic problem relative to DUI law enforcement in Hawaii is that police officers must subjectively gather evidence that a driver is intoxicated prior to making an arrest. Because this evidence is subjective and presumptive, it is possible for defendants to avoid conviction even if they had an illegal BAC.

Your Committee concurs with testimony from the Department of Transportation that making it illegal per se for a person with a BAC of 0.10% or more to drive a motor vehicle will eliminate arguments about whether or not an officer had reasonable grounds for making the DUI arrest.

Your Committee feels that strengthening DUI laws by increasing the value of the evidence gathered by a BAC measurement from presumptive to guilty per se is in the best interest for public highway safety and has amended the bill accordingly.

Your Committee has further amended the bill to correct a typographical section citation error from 294-4 to 291-4.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 569, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 569, S.D. 2.

Signed by all members of the Committee except Senator Kuroda.  
Senators Cayetano and O'Connor did not concur.

SCRep. 432 Judiciary on S.B. No. 570

The purpose of this bill is to improve the effectiveness of the driver licensing point system by abolishing the six point credit for the computation of points, by extending the period of violation accountability to a twenty-four month period from a twelve-month period, by amending from zero to one as the minimum points for various categories of violations, and by requiring the assignment of the maximum number of points against repeat offenders of the same traffic law or ordinance. This bill also eliminates the discretion of judges to impose a less than six month suspension of a driver's license where the driver accumulates twelve points in a twenty-four month period.

The testimony submitted by the Honolulu Prosecuting Attorney's Office indicates that this provision is desirable to keep violators of the traffic laws off the road.

Your Committee recognizes that by establishing a more stringent point system, the safety and convenience of highway users will be assured.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 570, S.D. 1, and recommends that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 433     Judiciary on S.B. No. 856

The purpose of this bill is to review and amend the penal code with a focus on the areas of theft and fencing of stolen goods. Your Committee finds that rustling has become a problem of significant concern to the cattlemen and livestock owners in the State.

Your Committee has amended the bill by providing for the amendment of the penal code provision relating to theft in the first degree. The purpose of the bill, as amended, is to include within the offense of theft in the first degree, theft committed by a person having a live animal, as defined therein, in his possession, while on fenced or enclosed premises or in any other location. Present law only proscribes possession of carcasses or meat while on fenced or enclosed premises, and does not cover the situation where a person possesses stolen live animals, carcasses or meat in other locations.

The bill has also been amended with non-substantive changes for grammar and an inadvertent omission of existing statutory punctuation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 856, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 856, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 434     Judiciary on S.B. No. 979

The purpose of this bill is to provide that the jurisdiction of the Director of Social Services and Housing under Chapter 352, Hawaii Revised Statutes, terminates when a person who has been waived by Family Court pursuant to Section 571-22, Hawaii Revised Statutes, is sentenced in adult court. Under the present law, a person who is waived to and sentenced in adult court is still subject to supervision by the Director of Social Services and Housing under both said Chapter 352, Hawaii Youth Correctional Facilities, and Chapter 353, Corrections.

The testimony submitted by the Department of Social Services and Housing indicates that the proposed bill will help to eliminate this question of "double jurisdiction" where a person is waived by the Family Court and convicted and sentenced in adult court, by terminating the jurisdiction of the Director under Chapter 352, Hawaii Revised Statutes, pertaining to the Hawaii Youth Correctional Facilities and leaving jurisdiction to the Director only under Chapter 353, pertaining to Corrections.

Your Committee recognizes that the amendment would be beneficial in terms of eliminating any confusion as to the Director's authority in this type of situation. However, your Committee has revised the bill to reflect that, in the case of sentencing of a minor waived to Circuit Court, notification of the Director's termination of supervision will be by the sentencing court.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 979, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 435     Judiciary on S.B. No. 1053

The purpose of this bill is to clarify the laws on elections and Presidential elections. The bill provides for an employee to take off not more than two hours from work to allow two consecutive hours for the purpose of voting. In addition, the bill deletes the requirement for posting specimen ballots at or in the voting booth and in conspicuous places outside the polling place; and specifies that the voter shall conform to procedures promulgated by the chief election officer in instances of spoiled ballots.

The bill further adds to the existing laws relating to presidential electors by adding groups and parties qualified under section 11-113. In respect to this same subject, the bill changes the date for certification of presidential electors after a general election of the same party of the Presidential and Vice-Presidential candidates receiving the

highest number of votes. The date has been changed from the last Monday of the month to the last day in the month of the election.

The Office of the Lieutenant Governor submitted testimony in support of this bill stating that clarification is needed regarding the amount of time off to be allotted to an employee to vote. Present law is unclear on whether the employer must grant the full two hours to the employee. This bill clarifies that the employer need not provide the full two hours off to an employee in order to allow two consecutive hours in which to vote. The testimony also stated that the posting of specimen ballots is not necessary since each voter has the ballot in hand while voting. Further, the change in the requirement for spoiled ballots is needed because rules for the primary differ from those of the general election. This change would provide for these differences. Finally, conformance of sections in Chapter 14, Hawaii Revised Statutes, to section 11-113 relating to presidential ballots is needed due to an Attorney General advisement that these groups or parties would be required to comply with Chapter 14.

Your Committee amended Section 3 of the bill by amending section 17-6 (a) in order to conform to the changes provided for in section 17-6 (b).

Your Committee has made non-substantive changes by changing gender references, conforming the bill to the Ramseyer method, and changing the word "special" to "general" on lines 16 & 17, page 8 to conform to the provisions of this section.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1053, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 436     Judiciary on S.B. No. 65

The purposes of this bill are to clearly define ownership and to require a trustee to disclose the names of present beneficiaries of a trust in response to the service of a complaint and the receipt of notice of violation of an ordinance, rule, resolution, regulation, or statute, relating to the property held in trust.

The Hawaii Land Trust Council submitted testimony indicating the disclosure requirements are in the public interest and preserve the benefits of a land trust to an individual. Further, the amendments clarify the definition of ownership and the Land Trust Act.

Your Committee has made non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 65, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 437     (Majority) Judiciary on S.B. No. 128

The purpose of this bill is to clarify the guidelines for the detention and conditional release of defendants found unfit to proceed to trial due to their physical or mental condition.

Present law, in section 704-404, provides for an examination of the defendant's mental and physical condition to proceed to trial, if the defendant files a notice of intention to rely on the defense of physical or mental disease, disorder, or defect, or there is reason to doubt his fitness to proceed and the court suspends all further proceedings for the examination. The bill provides that the examination's opinion shall include the defendant's prospect of regaining his capacity to understand the proceedings, if such capacity is lacking. The opinion shall also state whether the defendant meets the requirements of section 334-60(b)(1) for involuntary hospitalization.

Section 704-406 has been changed by providing new language for defendants charged with a class A or B felony and who lack fitness to proceed. The bill provides a hearing for such defendants to determine whether proof is evident and the presumption great that the defendant committed the offense. The court shall also consider the defendant's unfitness to assist in the defense. If the court finds that the proof is evident and the presumption great, then the court shall commit him to the custody of the director of health for detention, care, and treatment.

The bill also requires the director of health to examine and report on the condition

of the defendant at least once every ninety days. Subsequently, if the court finds that the defendant is fit to proceed, then the court shall order an examination and redetermine the defendant's fitness to proceed.

The bill also allows the court to order a conditional release if the defendant is not committed and does not meet the criteria for involuntary hospitalization. Further provisions state that the defendant shall not be involuntarily hospitalized or on any condition for longer than the time limitations set forth in section 701-108 for the offense of which the defendant is accused. The defendant shall be discharged from conditional release or in voluntary hospitalization upon the applicable date or if the defendant is found to be fit to proceed, whichever is sooner. If the defendant is not fit to proceed prior to expiration of the time limit set by section 701-108, then the court shall order the defendant to appear before a family court to determine if he meets the criteria for involuntary hospitalization. If the court finds the defendant meeting the criteria for involuntary hospitalization, then the defendant shall be recommitted, but shall not be subject to further prosecution or subject to section 704-406.

Your Committee heard testimony from the Prosecuting Attorney of the City and County of Honolulu, in favor of this bill. Their testimony cited that the provisions in the bill meet the objections and employs the suggestions made by the Governor, as well as the criteria for commitment stated in State v. Raitz.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 128 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 Kuroda.  
Senator O'Connor did not concur.

SCRep. 438 (Majority) Judiciary on S.B. No. 354

The purpose of this bill is to remove the present prohibition against the sale of prophylactics in vending machines, and provide that such sale be allowed, if the vendor has obtained a permit from the Department of Health.

Testimony was received from several persons on the bill, including the Director of Health, Hawaii Planned Parenthood, Inc., and private citizens. The health agencies mentioned above cited strong reasons for allowing sale of prophylactics in vending machines, namely, the prevention of the spread of venereal disease, and the prevention of unwanted pregnancies. The Director of Health suggested that people are reluctant to purchase said devices over-the-counter in drug stores because of embarrassment. A representative of Hawaii Planned Parenthood, Inc., stated that thirty-two other states already permit sales in vending machines. Your Committee has considered the testimony and supports the bill.

Your Committee has amended the bill by requiring the Department of Health to adopt rather than promulgate rules.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 354, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.  
Senators Kobayashi, O'Connor and Soares did not concur.

SCRep. 439 (Majority) Judiciary on S.B. No. 616

The purpose of this bill is to ensure that an employee shall not be discharged or penalized by the withholding of his wages, when he responds to a subpoena for testifying in a criminal case.

This bill provides for the imposition of a fine not to exceed \$200 and the reimbursement of full pay and benefits to an employee, when the employer has discharged or decreased or withheld the pay of any employee for time lost in complying with a subpoena to testify in any criminal action, proceeding, or investigation.

Your Committee received testimony from the Chairman of the Hawaii Crime Commission. He spoke in favor of the bill to ensure job security and protection for employees who are subpoenaed to testify and to allow the criminal justice system to have the necessary witnesses to carry out its duty.

Your Committee finds the provisions of this bill can be incorporated into section 621-10.5, Hawaii Revised Statutes. The bill has been amended to accommodate for this. It is further noted that since section 621-10.5 provides for a violation of this section to be a petty misdemeanor, the provision of this bill relating to a fine of not more than \$200 has been deleted to conform to the existing provisions of section 621-10.5.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 616, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 616, S.D. 1.

Signed by all members of the Committee except Senator Kuroda.  
Senator Cayetano did not concur.

SCRep. 440     Judiciary on S.B. No. 1005

The purpose of this bill is to allow the prosecuting attorney of each county, in addition to the attorney general, to institute proceedings for civil remedies under Chapter 842, concerning organized crime. The bill would also allow the prosecuting attorneys and the attorney general to apply to a court for inspection of tax records.

A representative from the Hawaii Prosecuting Attorney's Association testified in favor of the bill, stating their position that they wished to have the authority to proceed under Chapter 842, in order to fight organized crime. Your Committee is in favor in expanding the provisions of said Chapter 842, to allow the participation of the county prosecutors and to utilize all available prosecutorial resources in the State.

Your Committee has amended Section 842-12 of Section 6 of the bill by including the Hawaii Crime Commission for inspection of the records. Your Committee finds that this amendment will assist the Crime Commission in their investigation for research in order to study crime and criminal activity.

Non-substantive changes have also been made to conform to Ramseyer format and to the provisions of the bill, which do not affect the intent provided for by this Act.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1005, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 441     Judiciary on S.B. No. 1095

The purpose of this bill is to make available certain records for public inspection where a minor has been determined to have committed two or more acts which would have constituted felonies under any federal or state law. Under the present law, these records, other than social records in certain instances, are withheld from public inspection.

The testimony submitted by the Kailua Chamber of Commerce indicates that this bill is desirable in order to protect society from further acts by minors. This provision would have the effect of protecting merchants from offensive and destructive behavior on the part of minors. This would also serve to encourage parents to take a more positive role in the activities of their children. Testimony submitted by the Honolulu Prosecutor's Office is in accordance with this view.

Your Committee recognizes that this provision would serve to protect society from destructive activities on the part of minors, as well as discouraging such behavior and causing parents to maintain a role of responsibility where their children are concerned.

Your Committee has amended the bill for the purpose of clarifying and conforming the language to the statutes by providing for public inspection of records where a minor at least fourteen years of age has been "found responsible" for certain acts.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1095, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 442     Judiciary on S.B. No. 1111



The purpose of this bill is to make a technical correction to section 46-15.1, Hawaii Revised Statutes, for the purpose of maintaining consistency within the statute.

The statute, which grants the county certain powers respecting low-income housing, was amended by L 1980, Act 190, so as to apply to both low- and moderate-income housing. Subsections (a) and (b) of section 46-15.1, Hawaii Revised Statutes, were amended accordingly, but subsection (c) was not. This bill amends subsection (c), therefore, to correct the apparent oversight.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1111, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 443    Judiciary on S.B. No. 1112

The purpose of this bill is to make technical corrections to the civil service law.

Laws barring suspensions, demotions, or dismissals of civil servants on racial, religious, or political considerations (Revised Laws of Hawaii 1955 (RL), section 3-22) and provisions for reinstatement without loss of pay for such employees dismissed on racial, religious, or political grounds (RL 3-25) were adopted by the 1955 territorial legislature.

The 1973 legislature amended RL 3-22 (renumbered HRS §76-44) to also include prohibitions against suspension, demotion, or dismissal on grounds of sex, age, color, or ancestry, L 1973, Act 177. That Act, however, failed to amend RL 3-25 (renumbered §76-47, HRS) to conform to the change. This oversight results in no provision for reinstatement without loss of pay for employees dismissed on the grounds of sex, age, color, or ancestry. This bill amends section 76-47, Hawaii Revised Statutes, to be consistent with section 76-44, Hawaii Revised Statutes.

L 1965, Act 97, section 21, transferred the district courts from county jurisdiction to state jurisdiction under the authority of the judiciary department.

Section 76-77, Hawaii Revised Statutes, lists all positions under county jurisdiction which are exempt from civil service. The section refers to positions of district judges, jurors, jury commissioners, and witnesses as being under county jurisdiction but exempt from county civil service. Because the counties no longer have such jurisdiction, the reference has been deleted.

Your Committee has made nonsubstantive amendments to this bill for the purpose of style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1112, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1112, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 444    Judiciary on S.B. No. 1114

The purpose of this bill is to conform the holidays accorded to firefighters to those granted to other state employees.

Section 80-4, Hawaii Revised Statutes, provides, in part, that fire-fighting members of the fire departments shall receive twice their regular compensation for working on state holidays. In listing the state holidays, Veterans' Day is designated as the fourth Monday in October. L 1976, Act 220, changed Veterans' Day to November 11. L 1980, Act 11, provided that special election days are not considered state holidays. Other changes have been made to the named holidays in section 8-1, Hawaii Revised Statutes. This bill has amended section 80-4, Hawaii Revised Statutes, to conform to the listing of official state holidays.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1114, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 445 Judiciary on S.B. No. 1136

The purpose of this bill is to correct out-of-date references contained in the provisions relating to indigent prisoners eligible for parole but who have outstanding fines and costs.

Section 353-68, Hawaii Revised Statutes, relating to the initiation and granting of parole to prisoners permits the paroling authority to parole a prisoner who has been sentenced to pay any fine or cost, without such payment, if the prisoner qualifies as a "poor convict" as defined in section 712-4, Hawaii Revised Statutes, and complies with the provisions of that section. When the Hawaii Penal Code was revised in 1972, section 712-4, Hawaii Revised Statutes, was repealed. Although the Penal Code contains no provisions for "poor convicts", as such, section 706-645, Hawaii Revised Statutes, provides for revocation of all or part of a fine by the court upon a petition by the defendant who is not in contumacious default of the payment thereof. The Penal Code no longer makes any provision for the payment of costs by a criminal defendant. It appears appropriate, therefore, to amend section 353-68, Hawaii Revised Statutes, to refer to the appropriate statute and to delete references to costs.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1136, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 446 Judiciary on S.B. No. 1145

The purpose of this bill is to reinsert definitions to the campaign spending laws which were inadvertently deleted when making amendments to the laws in 1980.

L 1980, Act 246, purported to amend the definitions to the laws on campaign spending (§11-191, Hawaii Revised Statutes) by adding the definition of "candidate's committee". The introductory language to the bill, however, was improperly drafted, resulting in the first sentence and the first three definitions contained in the section being technically deleted. This bill reinserts the missing language and definitions. References to clauses and paragraphs have been amended for accuracy and the reference to incumbent members of commission are deleted as functus.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1145, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 447 Judiciary on S.B. No. 1161

The purpose of this bill is to transfer the Hawaii advisory commission on drug abuse and controlled substances from the Office of the Governor to the Department of Health. The proposed amendment, originally a part of S.B. No. 164, received favorable testimony by the Department of Health at the public hearing on that bill.

The 1972 legislature established the Hawaii advisory commission on drug abuse and controlled substances (section 329-2, Hawaii Revised Statutes) and placed it within the Office of the Governor for administrative purposes. Subsequently, the 1975 Legislature, pursuant to Act 190, consolidated all of the powers and duties for the administration of substance abuse programs within the Department of Health. That Act specifically recognized the Hawaii advisory commission on drug abuse and controlled substances and a substance abuse agency created by Executive Order as the only two agencies in the state at that time which were responsible for the development of substance abuse programs. Act 190, however, did not amend section 329-2, Hawaii Revised Statutes, to transfer the administrative functions for the commission to the Department of Health as was the apparent intent of the Act. In practice, the Office of the Governor does not administer the commission's programs; such function lies with the Department of Health. To carry out the intent of L 1975, Act 190, and the actual practice in this state therefore, section 329-2, Hawaii Revised Statutes, has been amended to place the commission within the Department of Health for administrative purposes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 448 Judiciary on S.B. No. 1163

The purpose of this bill is to make technical corrections to erroneous references contained in section 706-606.5, Hawaii Revised Statutes. Section 706-606.5, Hawaii Revised Statutes, as amended by L 1980, Act 284, provides for the mandatory imprisonment of any person who commits any one of certain enumerated offenses and who has previously been convicted of certain enumerated offenses. One of such enumerated offenses is "707-714 relating to reckless endangering in the second degree". Inclusion of section 707-713, Hawaii Revised Statutes, relating to reckless endangering in the first degree is omitted from the list of offenses, although it is a class C felony while reckless endangering in the second degree is a misdemeanor. All of the other offenses enumerated are felonies. Therefore, the reference should be to the first degree offense, rather than to the second degree offense, of reckless endangering. The reference to terroristic threatening in the first degree has been corrected to cite "707-716" instead of "707-715"; and the reference to "707-724 relating to criminal coercion" has been deleted since that section was repealed in 1979.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1163, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 449 (Majority) Judiciary on S.B. No. 1748

The purpose of this bill is to delete section 286-116(d), Hawaii Revised Statutes which provides that it is a violation for any person to operate a motor vehicle required to be licensed if the operator knows or has reason to believe that the motor vehicle is not insured in compliance with the no-fault insurance provision, Chapter 294.

The testimony submitted by the Motor Vehicle Insurance Division indicates that problems have arisen over proving scienter on the part of drivers. In many instances, the judge will dismiss the case because the driver did not know that the vehicle was not insured. The Motor Vehicle Insurance Division points out that the judges rulings have been inconsistent with the no fault provisions in section 294-8, stating that no person shall operate or use a motor vehicle unless such vehicle is insured under a no-fault policy. Whether or not the driver knows or should have known of the lack of insurance coverage is not the standard under the no-fault law.

Your Committee recognizes that the bill would be beneficial in holding a driver of a vehicle responsible for an uninsured vehicle regardless of lack of knowledge.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1748, 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 Kuroda.  
Senator O'Connor did not concur.

SCRep. 450 Judiciary on S.B. No. 2078

The purpose of this bill is to amend Section 706-626, Hawaii Revised Statutes, to: (1) include parolees with defendants under suspended sentence or on probation as defendants being subject to arrest or summons by the court without warrants; and (2) require the court to commit without bail defendants under suspended sentence, on probation, or on parole where there is probable cause to believe that the individual has committed a felony.

Your Committee heard testimony from the Office of the Prosecuting Attorney, City and County of Honolulu, stating that since it is usually the parolee who has the more serious record, then these individuals should be included in the category of defendants subject to be committed without bail. Your Committee recognizes that this practice would afford greater protection to the general community as well as to potential witnesses. Your Committee finds that this provision would address the community's justifiable concern for safety when there is reason to believe a parolee or probationer is engaged in a continuing course of criminal activity.

Your Committee has amended the bill to conform to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2078, as amended herein, and recommends that it pass Second Reading in the form attached

hereto as S.B. No. 2078, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 451    Judiciary on S.B. No. 1150

The purpose of this bill is to make a technical correction to section 237-13.5, Hawaii Revised Statutes.

L 1980, Act 78, provides that the levy and assessment of the general excise tax on gross proceeds from the sale of electric power generated from non-fossil renewable natural resources to a public utility company for resale to the public shall be at the rate of one-half of one per cent of gross proceeds such as is taxed to producers under the general excise tax law (section 237-13(2)(A), Hawaii Revised Statutes). Section 1 of the Act states that the purpose of the Act is to reduce the general excise tax assessment on power generated from an alternate energy resource and sold to public utility companies for resale to customers. Section 2 of the Act adds a new statute to the general excise tax law establishing the special tax rate. The statute also defines the term "alternate energy resource" in subsection (b) as it is to be used "in this section", referring to the statutory section. The term "alternate energy resource", however, does not appear in the language of the statute in section 2 of the Act and the definition, therefore, is meaningless standing on its own. This bill amends the statute to use the defined term "alternate energy resource" in an appropriate place in order to make the definition meaningful and the applicability of the special tax rate clear.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1150, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kuroda.

SCRep. 452    Ways and Means on S.B. No. 163

The purpose of this bill is to authorize the preparation and publication of a new index to the Hawaii Revised Statutes.

The present index was published in 1968. The many changes to the laws of the state since then have rendered the index obsolete. Furthermore, the same changes have made the annual supplement to the index weighty, cumbersome, and expensive. Thus, your Committee is in agreement with the revisor of statutes' contention that the index should be republished.

Your Committee wishes to emphasize that the \$275,000 appropriation in this bill does not represent a totally nonrecoupable expenditure by the state. A significant portion of the amount will be recaptured from the sale of some of the new volumes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 163, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 453    Ways and Means on S.B. No. 1025

The purpose of this bill is to amend certain statutes to bring them into conformity with certain 1978 amendments to the constitution relating to the general fund expenditure ceiling and the submittal of the budget by the governor to the legislature in a form provided by law.

This bill amends the law on the responsibilities of the governor with regard to the budget by adding the requirement that the governor shall insure that the aggregate general fund expenditures estimated for the judicial, legislative, and executive branches do not exceed the general fund expenditure ceiling, except if the governor determines that it is in the public interest and the amount and rate of excess, reasons, and projected impact are included in the executive budget. Also amended is the law on the budget by adding that the budget shall be submitted in bill form and shall contain the general fund expenditure ceiling and the aggregate general fund expenditures for all three branches of government. The section on the supplemental budget is amended by adding that the supplemental budget shall be submitted in bill form. A similar amendment provides that the judiciary biennial and supplemental budgets shall be submitted in bill form.

Your Committee received testimony from the director of the department of budget and finance who was in favor of this bill.

Your Committee has made certain nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1025, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 454 Ways and Means on S.B. No. 1020

The purpose of this bill is to establish the procedure for implementing Article VII, Section 6 of the State Constitution, as amended by the 1978 Constitutional Convention, which provides that:

"Whenever the state general fund balance at the close of each of the two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years, the legislature in the next regular session shall provide for a tax refund or tax credit to the taxpayers of the State, as provided by law."

Section 2 of the bill assigns the function of initially implementing this constitutional provision to the state comptroller who shall submit a report to the legislature and the director of taxation whenever this occurs with an explanation of how such surplus occurred. The report is to be submitted as soon as possible to allow the legislature sufficient time to act upon such surplus.

Section 3 of the bill as referred to your Committee provides for the director of taxation to submit to the legislature a draft of a bill to provide for either a tax refund or credit whenever the director receives a report from the comptroller that the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of the general fund revenue for each of two fiscal years.

Your Committee has amended the bill as referred to your Committee by deleting section 3 which requires the director of taxation to submit a draft of a bill to return surplus funds to the taxpayers. Your Committee notes that other measures such as S.B. No. 557 which provides for a permanent general tax credit to reduce general fund surplus are still being considered. The enactment of such measures would make it unnecessary for the director of taxation to draft such special legislation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1020, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 455 Ways and Means on S.B. No. 657

The purpose of this bill is to increase the amount of the fees for the application for a civil identification certificate, application for a duplicate certificate, and correction or alteration of a certificate from the present statutorily established \$2 to \$6.

The attorney general has testified that the increase in fees is necessary because of the rising cost of the civil identification card program. The fees have not been raised since 1964, when the statutory \$2 amount was raised to \$3 under administrative authority granted by section 92-38, Hawaii Revised Statutes. The attorney general estimates that the revenue received from the proposed \$6 fees will be greater than the cost of administering the civil identification card program during the fiscal biennium 1981-1983. Your Committee finds that self-support of the program although de facto because revenues and expenditures are made from the general fund, is desirable and is in agreement with this bill.

Your Committee has made technical, nonsubstantive amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 657, S.D. 2.

Signed by all members of the Committee except Senator Young.

## SCRep. 456 Ways and Means on S.B. No. 1948

The purposes of this bill are to permit the Department of Accounting and General Services to sell land court maps for a reasonable fee and to permit the registrar of conveyances to authorize the department to furnish copies of certified land court maps or file plans.

Your Committee has made technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1948 and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 1948, S.D. 1.

Signed by all members of the Committee except Senator Young.

## SCRep. 457 (Majority) Ways and Means on S.B. No. 878

The purpose of this bill is to amend the present statute by providing for a refund of the 8-1/2 cents state tax on gasoline and the 7-1/2 cents state tax on diesel fuel to commercial fishers.

Your Committee finds that the fishing industry has outstanding potential for future development and expansion. To this end, positive incentives should be given to enhance the industry's growth. The refund proposed by this bill is one of the incentives.

Your Committee also finds that this bill partially corrects an inequitable situation. The liquid fuel tax paid by commercial fishers is deposited into state and county highway funds for expenditure for the operation, construction, and maintenance of public highways. Thus, commercial fishers derive very little benefit from the payment of this user tax. This bill reduces, although not totally, the user tax imposed on commercial fishers, which revenues are used for essentially nonfishing purposes.

Your Committee has made one substantive amendment to the bill. The phrase "in excess of 1 cent per gallon" is added to the end of the new sentence proposed in section 243-4(a), Hawaii Revised Statutes. This amendment requires commercial fishers, in effect, to pay a 1 cent per gallon liquid fuel tax. It conforms to the tax refund provisions for operators of agricultural equipment.

In addition, your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 878, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 878, S.D. 2.

Signed by all members of the Committee except Senators Kawasaki, Young and Yee. Senators Abercrombie and Cayetano did not concur.

## SCRep. 458 Ways and Means on S.B. No. 1441

The purpose of this bill is to delete from the provision appropriating state funds for certain commercial fishery development projects provided under Act 300, Session Laws of Hawaii 1980, the requirement that federal or other matching funds must be forthcoming.

Under Act 300, Session Laws of Hawaii 1980, funds were appropriated for certain commercial fishery development projects. Section 9B of the Act provided that the appropriation was contingent on the obtainment of federal or other matching funds.

Currently, it appears that federal funds will be obtained after the lapsing date of the appropriation. This bill would amend section 9B of the Act to permit the board of land and natural resources to initiate these projects without federal funds.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1441, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1441, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 459 Ways and Means on S.B. No. 734

The purpose of this bill is to authorize the director of finance to issue general obligation bonds.

Your Committee has substantially amended this bill. It is now cited as the "General Improvements Act of 1981". The sum of \$8.75 million in general obligation bond funds is appropriated for each of the following natural resources-oriented projects: state recreation, agricultural, and conservation parks; historic and archaeological sites; water resources projects; and public land banking. The Department of Land and Natural Resources is designated the expending agency. The department, however, is also given the authority to delegate land acquisition, design, and construction functions to other appropriate state and county agencies. The governor is given the authority to use general funds to finance the projects instead of general obligation bond funds.

Your Committee notes that the director of finance is not authorized to issue general obligation bonds to finance the projects under this bill, as amended. The authorization is provided elsewhere.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 734, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 734, S.D. 1.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 460 (Majority) Ways and Means on S.B. No. 1955

The purpose of this bill is to establish a new public body corporate and politic and public instrumentality of the state for the purpose of undertaking the redevelopment of the Aloha Tower complex in order to strengthen the international economic base of the community in trade activities and to enhance the beautification of the Honolulu waterfront in order to better serve modern maritime uses. This bill will also provide for public access and use of the waterfront property to stimulate the commercial activities of downtown Honolulu. This bill establishes the Aloha Tower Development Corporation charged with the responsibility of the development project and which is given the authority to issue bonds to finance the project.

Your Committee received favorable testimony on this bill from the chief planning officer of the city and county of Honolulu, the state director of planning and economic development, the chairman of Milici/Valenti Advertising, and the Downtown Improvement Association.

Your Committee recognizes the public benefits which will accrue to the people of Hawaii by development of Honolulu's valuable waterfront and the significance Hawaii can play in foreign trade because of its location in the Pacific Basin. Your Committee feels that the Aloha Tower development project is a proper mechanism through which such benefits and role can be achieved and advanced.

Your Committee has substituted the mayor of the city and county of Honolulu, or the mayor's designee, for one of the public-at-large members to serve on the board of directors of the corporation. In addition, your Committee has made technical corrections to this bill, some of which were suggested by the state director of planning and economic development, for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1955, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1955, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senator Kawasaki did not concur.

SCRep. 461 Ways and Means on S.B. No. 1956

The purpose of this bill is to make a revenue bond fund appropriation to fund the public's share of the redevelopment of the Aloha Tower Complex.

Your Committee has amended this bill to provide that no bonds shall be issued and no demolition or site development shall take place before the development proposals have been placed in contract form. This provision will reduce the possible risk to the state of proceeding with development and bond issuance and then finding that there is no one interested in renting or otherwise providing the necessary income stream for the

repayment of the bonds. Your Committee has amended the bill by making technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1956, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 1956, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie, Kawasaki and Young.

SCRep. 462 Ways and Means on S.B. No. 1213

The purpose of this bill is to amend the exemption of sale of gasohol from the general excise tax law.

This bill clarifies that the exemption of the gross proceeds from the sale of gasohol from the general excise tax applies to retail dealers as well as distributors so long as the sale is for the use or consumption by the purchaser and not for resale. The period of the exemption has been extended to June 30, 1992. Under this bill, in the director of taxation's annual report to the governor and legislature, the director will no longer need to make a recommendation regarding the termination or lessening of the amount of the exemption if the incentive for marketing and use of gasohol is no longer needed. Furthermore, the director of taxation must adopt rules to ensure that the exemption is passed on to the consumer, as reflected in the price of gasohol.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1213, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1213, S.D. 2.

Signed by all members of the Committee except Senators Young and Yee.

SCRep. 463 Ways and Means on S.B. No. 356

The purpose of this bill is to amend the laws relating to agricultural activities and to provide for the expansion of agricultural production in Hawaii.

Your Committee has reviewed S.D. 2 of the bill and has received written and oral comments from farmers as well as the various public agencies affected by the bill. On the basis of these comments and your Committee's own examination of the bill, we have amended the bill.

Your Committee has also reviewed Standing Committee Report No. 281, which contains a detailed examination of the earlier version of the bill. Your Committee concurs with the explanation of the parts of the bill in Standing Committee Report 281 in conjunction with the following amendments:

1. On the recommendation of the Governor's Agriculture Coordinating Committee (GACC), part II has been amended to include the chairman of the GACC as a non-voting ex officio member of the board of agriculture.
2. On the recommendation of the Aquaculture Development Program (ADP), the definition of "aquaculture" has been amended to include species in a "controlled salt, and brackish, or fresh water environment".
3. On the recommendation of the Department of the Attorney General (AG), Department of Planning and Economic Development (DPED), the Department of Agriculture (DOA), and ADP, various non-substantive language changes have been made repeatedly through the bill, including "housecleaning" changes to existing statutory material. These amendments clarify the language of the bill and remove outdated statutory material.
4. On the recommendation of the AG, DOA, DPED, and ADP, substantial portions of the bill, which originally proposed new statutory sections, have been amended to provide changes to existing statutory materials. These amendments prevent the addition of new statutory regulations and integrate the bill into existing law.
5. Part II, which defines agriculture to include aquaculture, remains largely unchanged from the earlier draft despite some testimony opposed to "transferring aquaculture to DOA". The intent of part II is not to transfer any personnel or appropriations, but to expand existing agricultural programs to include benefits for aquaculture, and in



this manner, provide support to that young and growing industry.

6. Part III has been amended to include a penalty for breach of contracts by agriculture park lessees. The AG recommended the inclusion of a penalty to enforce the provisions of this part.

7. Part V, relating to agricultural loan programs, was substantially amended to reflect the recommendations of the DOA and ADP. Section 155-1, Hawaii Revised Statutes, was amended by the earlier draft. We further amended the definitions of "aquaculture" and "qualified aquaculturist" to include definitions from the aquaculture loan program, chapter 219, Hawaii Revised Statutes. The definitions were also alphabetized.

8. A substantial addition to chapter 155, Hawaii Revised Statutes, as proposed in the earlier draft relating to an umbrella loan referral agency, has been deleted. Instead, these additions will be addressed by a separate resolution, stating that implementation of existing statutes is more relevant than additional statutory material.

9. An amendment to section 155-4, Hawaii Revised Statutes, as proposed in the earlier version of the bill, has also been deleted due to potential conflict with other parts of the bill.

10. A proposed amendment to section 155-7, Hawaii Revised Statutes, was also deleted as unnecessary and confusing.

11. In the earlier version of the bill, section 155-9, Hawaii Revised Statutes, was amended to double the limits on the various classes of agricultural loans. Your Committee felt that an increase of fifty per cent was warranted, except for loans to cooperatives which should remain at the one hundred per cent increase level since cooperatives may need larger amounts of financing for construction of processing or warehousing facilities. Thus, your Committee reduced certain loan limit increases to fifty per cent above their current levels rather than one hundred per cent. In addition, a paragraph at the end of subsection (5) of that section has been changed back to the original language of the statute since the proposed amendment was unnecessary and confusing.

12. Your Committee concurs with the earlier version of the bill which proposed the abolition of chapter 219, Hawaii Revised Statutes, providing for an aquaculture loan program and the transferring of the records and functions of that program to the existing agriculture loan division. This consolidation will eliminate duplication of functions, remove confusion and red tape, and make resources of the larger agricultural loan division available to aquacultural farmers. Any appropriations or loan funds of the former aquaculture loan program would be transferred to the agriculture loan fund.

13. Part VI, relating to agricultural cooperatives, was amended to delete the inclusion of wholesalers, in line with suggestions from the DOA and the GACC. Chapter 421, Hawaii Revised Statutes, presently prohibits wholesalers from being members of cooperatives. The earlier draft of this bill amended chapter 421 to include wholesalers in cooperatives. This inclusion would detract from the purpose and intent of the cooperative program and was, thus, deleted in the current version of the bill. The definition section of chapter 421 has also been amended to make nonsubstantive changes and to alphabetize the definitions.

14. Part VII, relating to agricultural marketing and promotion, has been amended, based on the suggestions of the governor's office, the GACC, DPED, DOA, and DLNR. The transfer of agriculture promotion functions from DPED to DOA was amended to provide for their transfer to the GACC, with further transfers of functions and personnel assigned to the governor.

15. Part VIII, relating to the University of Hawaii, has been amended to include language submitted by the administration of the University of Hawaii. The earlier draft ordered the University to undertake certain changes which were in apparent conflict with the constitutionally-mandated separation of powers between the legislature and the University of Hawaii Board of Regents. The amendment alleviates the conflict.

16. Part IX has been amended to delete an appropriation section. Your Committee finds that this bill is essentially a measure to streamline existing government agencies and provide clearer mandates regarding agricultural programs. Any appropriation matters, if needed, may be addressed through separate funding measures.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 356, S.D. 2 as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 356, S.D. 3.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 464 Ways and Means on S.B. No. 365

The purpose of this bill is to provide direct loans to nursery operators, as defined, in addition to the direct loans the Department of Agriculture currently makes to qualified farmers under section 155-8, Hawaii Revised Statutes.

This bill provides that the Department of Agriculture shall make loans to nursery operators with a limit of \$25,000 per loan per nursery operator, for a term not to exceed two years. The intent of the legislature is to provide nursery operators with supplemental loans in anticipation of the American Nurserymen Association convention to be held in Hawaii in 1982. These loans may only be entered into for a period of one year after the Act's effective date.

Your Committee has amended the bill to provide that the interest rate will be two per cent below the department's prevailing interest rate, instead of two per cent a year. The reason for this amendment is that the Committee wishes to make funds available, but not to heavily subsidize them. Also, the section providing for an appropriation out of the general revenues of the state was replaced with a provision to utilize existing agricultural loan division revolving loan funds, which should prove adequate for the purposes of this bill. Other nonsubstantive, technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 365, S.D. 1, as amend herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 365, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 465 (Majority) Ways and Means on S.B. No. 1206

The purpose of this bill is to amend certain sections of the farm loan law.

Sections 155-5(b) and 155-6(b), Hawaii Revised Statutes, are amended to bring them into conformity to an earlier amendment which added a new class, "F", to loans. The limits on farm loans made to cooperatives and corporations are increased to \$500,000 instead of \$250,000 for facility loans, and to \$250,000 instead of \$150,000 and for a term not to exceed "ten" years instead of three years for operating loans. Also, the maximum time period before which the first payment of principal on certain class "C" loans is due was extended from five years to seven years.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1206, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1206, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senators Abercrombie, Cayetano and Kawasaki did not concur.

SCRep. 466 (Majority) Ways and Means on S.B. No. 1554

The purpose of this bill is to repeal the deferred or roll back tax and the related ten per cent penalty imposed upon agricultural lands which are reclassified to a higher use at the request of the owner.

The law presently imposes a deferred or roll back tax on owners of real property assessed as agricultural when the land is reclassified as urban or rural subsequent to the petition of the owner, or when the owner subdivides the property. The tax is imposed after a three-year grace period, or when the owner places the land in a higher urban or rural use, or subdivides the property. The tax applies retroactively, with the retroactive period limited to a period of ten years. The tax is based on the difference in assessed value between the highest and best use and the agricultural use, at the tax rate applicable for the respective years. The purpose of this tax was to encourage landowners to keep land in agricultural use.

Your Committee received testimony indicating that the tax is imposed notwithstanding the fact that the land still continues to be used for agricultural purposes, and even if

the owner is not able to use the land for other purposes due to other zoning requirements and regulations. Furthermore, since this penalty for conversion is passed on, the tax actually penalizes the eventual consumer, whether a home purchaser or industrial user.

Your Committee has amended the bill's effective date to make it effective retroactive to January 1, 1981, rather than effective January 1, 1982.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1554, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.  
Senator Cayetano did not concur.

SCRep. 467 (Majority) Ways and Means on S.B. No. 1220

The purpose of this bill is to carry out the provisions of Section 12 of Article VII of the State Constitution which establishes procedures for the authorization of special purpose revenue bonds to assist utilities serving the general public. The Constitution provides that the legislature may enact enabling legislation to authorize the Department of Budget and Finance to issue special purpose revenue bonds.

The 1978 Constitutional Convention approved the authorization and issuance of special purpose bonds without being chargeable against the debt limit, if the legislature determines the bonds to be in the public interest.

The constitutional amendment specifies that no special purpose bonds can be secured, directly or indirectly, by the general credit, revenues or taxes of the states. The utility for which the bonds are issued must be solely responsible for making payment on the bonds. This constitutional language also prohibits the use of public funds, directly or indirectly, to pay the principal and interest on any special purpose revenue bonds.

This bill adds a new part to chapter 39A, Hawaii Revised Statutes, which would authorize the issuance of special purpose revenue bonds by the state Department of Budget and Finance to assist utilities serving the general public to obtain lower cost, tax exempt financing.

Tax exempt bonds can be sold to investors at a lower interest rate, possibly as much as five per cent less than taxable bonds. This savings in interest cost would be reflected in the electric or gas rates established by the public utilities commission in rate case proceedings.

Before any bonds can be issued, specific authorization is required for each project or multi-project program by a separate general law by a two-thirds vote of the legislature. Thus, continuing reviews will take place for each project or multi-project program. Therefore, the state can limit or stop the use of special purpose bonds if in its judgment any problems arise with respect to the amount of such bonds being issued or any other problems.

Your Committee has amended the bill by deleting a substantial portion of this new part which merely was a duplication of sections 39A-34 to 39A-48, and 39A-51 and, is also the enabling legislation required by the Constitution which authorizes the issuance of special purpose revenue bonds.

Your Committee has added a section which gives applicability of sections 39A-34 to 39A-48, and 39A-51 to this part as if they were set forth in full.

The sections deleted provided for the conditions, issuance, authorization, anticipation notes, powers, security, validity, use of revenues, exemption from taxation, and legal investments, of special purpose revenue bonds and the construction of that part.

Your Committee finds that this new language fulfills the constitutional requirements for enabling legislation for special purpose revenue bonds. The Constitutional Convention desired separate consideration of each law enabling the issuance of special purpose revenue bonds so that full consideration could be given each entity for which special purpose revenue bonds would later be authorized. This new, shorter language enables the legislature and the public to concentrate on the particular aspects of each law concerning each entity without dealing with the boiler plate language now enacted in chapter 39A, Hawaii Revised Statutes.

Your Committee has also added a sunset provision providing that no bonds shall be issued under this bill after June 30, 1986 and made technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1220, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1220, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senator Kawasaki did not concur.

SCRep. 468 Ways and Means on S.B. No. 258

The purpose of this bill is to amend current law regarding reimbursement of removal, relocation, replacement, or reconstruction expenses incurred by utilities due to state highway construction, reconstruction, or maintenance work.

This bill amends current law by adding that privately owned utilities are entitled to reimbursement from county funds, if applicable, as well as the present state funds, for one-half of the expenses above a threshold amount of \$6,000 instead of \$3,000. The bill further amends current law to provide that in the case of publicly owned utilities, where all these relocation expenses are reimbursed from state funds, depreciation will no longer be deducted from the total expenses to be reimbursed.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 258, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 258, S.D. 2.

Signed by all members of the Committee except Senator Young.

SCRep. 469 Ways and Means on S.B. No. 1229

The purpose of this bill is to authorize the director of regulatory agencies to appoint persons with expertise in regulatory matters to serve within the public utilities division of the Department of Regulatory Agencies at a maximum annual salary of \$40,000. Your Committee believes that this bill will assist in attracting qualified persons to become employed within the public utilities division and decrease the necessity of hiring outside consultants on a case-by-case basis for matters concerning the consumer advocacy services provided by the division.

Your Committee has made technical amendments to this bill for the purposes of correcting errors, style, and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1229, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1229, S.D. 2.

Signed by all members of the Committee.

SCRep. 470 (Majority) Ways and Means on S.B. No. 1912

The purpose of this bill is to establish tax deductible individual housing accounts for first-time buyers of principal residences. Deductions are limited to \$5,000 a year.

The principle of providing tax benefits to individuals who save for a down payment on a home is much the same as that of the "individual retirement accounts" or IRAs. Individuals are allowed to accumulate a maximum of \$25,000 during a ten-year period after establishing the individual housing account. Account holders must use the accumulated moneys for the purchase of a home or penalties and liabilities are imposed.

Your Committee has made technical amendments to this bill for purposes of clarification.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1912, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1912, S.D. 2.

• Signed by all members of the Committee except Senator Young.  
Senator Kawasaki did not concur.

## SCRep. 471 Ways and Means on S.B. No. 220

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Evangelical Lutheran Good Samaritan Society to secure long-term mortgage financing for the Pohai Nani Good Samaritan Kauhale health care facility.

Your Committee has made the following amendments to the bill:

1. The amount of the special purpose revenue bond authorization is increased from a total of \$8,250,000 to \$9,000,000 to provide additional assistance to the Society.
2. New provisions have been added designating that the authorization shall be applicable for fiscal years 1981-82, 1982-83, 1983-84 and that the authorization shall be used to secure long-term mortgage financing or insured financing instead of only mortgage financing to provide flexibility in seeking financing for the health care facility.
3. A lapsing provision has been added.
4. Technical, nonsubstantive amendments have been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 220, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 220, S.D. 1.

Signed by all members of the Committee except Senator Young.

## SCRep. 472 Ways and Means on S.B. No. 1472

The purpose of this bill is to assess a fee of \$100 per claim to be paid to each member of the medical claim conciliation panel for each claim processed. This fee would be in addition to other travel and living expenses that might be incurred.

Your Committee amended the bill to make certain nonsubstantive, technical corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1472, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1472, S.D. 2.

Signed by all members of the Committee except Senator Young.

## SCRep. 473 (Majority) Ways and Means on S.B. No. 1235

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations that provide health care to the general public in financing or refinancing the cost of health care facilities.

Your Committee has deleted the authorization to issue special purpose revenue bonds for the new construction and renovation of Pearlridge hospital. Your Committee has made other nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1235, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1235, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senator Kawasaki did not concur.

## SCRep. 474 Ways and Means on S.B. No. 488

The purpose of this bill is to authorize the Department of Health to establish a statewide school vision and hearing screening program for all school children.

This bill amends part IX of chapter 321, Hawaii Revised Statutes, by repealing the present joint authorization for the Departments of Health and Education to conduct vision testing, and replacing it with a provision that designates the Department of Health as the agency responsible for conducting a screening program for both vision and hearing.

Your Committee finds that the important interest and logic of detecting possible vision deficiencies at an early stage of a child's development applies equally to safeguarding hearing. Early diagnosis and treatment of vision and hearing problems will promote

better health as well as protect educational opportunity for Hawaii's school children.

Your Committee directs the Department of Health to report to the 1982 legislature concerning the implementation and status of this program.

Your Committee amended the bill by requiring the Department of Health to conduct a screening program, as it deems advisable, instead of just allowing the department to conduct such a program, in order to make the screening an ongoing program. Further amendments provide that the Department of Health shall "recommend" referrals for further "evaluation" of children who have vision "or" hearing deficiencies instead of the department "making" referrals for further "testing and treatment" of children with vision "and" hearing deficiencies. The purpose of these amendments was to avoid the implications that the department would be responsible for setting up referrals, that all conditions will require treatment, and that both a hearing and vision deficiency are necessary before a referral can be made. Other nonsubstantive, technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 488, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 488, S.D. 2.

Signed by all members of the Committee.

SCRep. 475 Ways and Means on S.B. No. 1828

The purpose of this bill is to conform section 383-170, Hawaii Revised Statutes, to section 202(a) of the Federal-State Extended Unemployment Compensation Act, as amended by Public Law 96-499, and to provide for the denial of extended benefits to any individual who fails to accept suitable work, as defined in this bill, or a referral to such work, or for failure to engage in a systematic and sustained search for work.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1828, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1828, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 476 Ways and Means on S.B. No. 535

The purpose of this bill is to explicitly state that the income and resources of both parents, whether natural or adoptive, in family groups with children are considered available for the support of the entire family under the general assistance program.

This bill provides an amendment which clarifies the general assistance law.

Your Committee has amended the bill by making technical, nonsubstantive amendments.

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

Signed by all members of the Committee except Senator Young.

SCRep. 477 (Majority) Ways and Means on S.B. No. 536

The purpose of this bill is to make an immigrant sponsor responsible for supporting an immigrant for three years immediately after the arrival of the immigrant unless the immigrant becomes disabled or blind after entry into the United States, is a refugee, or has been granted political asylum.

The director of social services has testified that this proposal corresponds to a recently enacted federal law in the Supplemental Security Income Program which restricts assistance to newly arrived immigrants admitted for permanent residence.

Your Committee has amended this bill by making nonsubstantive, typographical, and technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 536, S.D. 1, as amended herein, and recommends that it pass Third Reading in

the form attached hereto as S.B. No. 536, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senators Campbell and Cayetano did not concur.

SCRep. 478 Ways and Means on S.B. No. 1622

The purpose of this bill is to provide for changes in standards of eligibility and the amount of award from the higher education loan fund in order to bring the standards closer to those of the federal student loan fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1622 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 479 Ways and Means on S.B. No. 1507

The purpose of this bill is to provide for the appointment of private attorneys to represent indigent criminal defendants when the public defender is unable to do so due to a conflict of interest and when the interests of justice require. This bill also establishes maximum fees payable to, and provides for the payment of necessary expenses incurred by, the appointed attorney.

Your Committee received testimony in support of this bill from the administrative director of the courts and very informative information on the appointment of private attorneys from Renee M. L. Yuen, a former deputy public defender.

Your Committee has amended this bill to provide that the attorneys fees and expenses paid to private attorneys be paid by the courts. Nonsubstantive amendments for the purpose of correcting typographical errors and for the purposes of style have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1507, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1507, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie, Kawasaki and Young.

SCRep. 480 Ways and Means on S.B. No. 978

The purpose of this bill is to establish provisions for the transfer of personnel, equipment, appropriations, authorizations, and other property of the Hawaii Criminal Justice Data Center from the Judiciary to the Department of the Attorney General.

Your Committee finds that Act 269, Session Laws of Hawaii 1980, provided that the Hawaii Criminal Justice Data Center shall be attached to the Judiciary for administrative purposes until July 1, 1981, and on such date shall be transferred to the Department of the Attorney General. The Act, however, failed to establish provisions for the transfer of the data center's personnel, equipment, appropriations, authorizations, and other property. This bill would establish provisions for such transfer.

Your Committee has made nonsubstantive language and technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 978, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 978, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 481 Ways and Means on S.B. No. 701

The purpose of this bill is to provide for the continuation of the odometer enforcement revolving fund with a \$150,000 annual expenditure limit on the fund and the deposit of any excess revenues, net of assessment expenses, into the general fund.

Your Committee finds that under Chapter 292, Hawaii Revised Statutes, a motor vehicle odometer accuracy and record maintenance program was established to assure odometer

accuracy, deter odometer fraud, and to provide a repository for the vehicular chain of title and odometer reading incident to each title of transfer. The program has been funded by a revolving fund, which shall cease to exist on July 1, 1981. Since its establishment, the program has successfully fulfilled its objectives and has often generated surplus revenues.

This bill would preserve the state's odometer accuracy and record maintenance program by providing for the continuation of its revolving fund with additional provisions for a \$150,000 annual expenditure limit on the fund and the deposit of any excess revenues, net of assessment expenses, into the general fund.

Your Committee has rewritten the bill using appropriate statutory language.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 701, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 701, S.D. 2.

Signed by all members of the Committee.

SCRep. 482 Ways and Means on S.B. No. 578

The purpose of this bill is to increase the annual grant from the airport revenue fund to the Hawaii Wing, Civil Air Patrol, from \$100,000 to \$120,000.

This bill would provide additional funds which are currently needed to maintain the existing level of activities and services of the Hawaii Wing, Civil Air Patrol. Extensive testimony was given by numerous civil air patrol officials indicating the need for additional funding support for the Hawaii Wing.

Your Committee has made technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 578, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 578, S.D. 2.

Signed by all members of the Committee except Senator Young.

SCRep. 483 Ways and Means on S.B. No. 426

The purpose of this bill is to make an appropriation to ensure the continuing operation and effectiveness of the Office of Hawaiian Affairs.

\$442,272 is appropriated for the Office of Hawaiian Affairs, to carry out the purposes of the office, including the hiring of necessary staff. This appropriation, less \$200,000 for a required audit, will be matched by funds from the public trust lands.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 426, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 484 Ways and Means on S.B. No. 656

The purpose of this bill is to provide the state comptroller with full knowledge of deposits by the Office of Hawaiian Affairs and the Hawaii Housing Authority, in depositories other than the state treasury.

Presently, the Office of Hawaiian Affairs and the Hawaii Housing Authority are not required to report certain financial transactions to the state comptroller. In order to keep the state comptroller aware of the total finances of the state, this bill amends section 10-13 and section 356-26, Hawaii Revised Statutes, applicable to the Office of Hawaiian Affairs and Hawaii Housing Authority, respectively, to require those agencies to report to the comptroller on deposits of moneys in depositories other than the state treasury.

Your Committee has made nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 656, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 656, S.D. 2.

Signed by all members of the Committee.



SCRep. 485    Ways and Means on S.B. No. 2101

The purpose of this bill is to include aquaculture and mariculture as permitted uses of leased Hawaiian Home lands.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2101, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 486    (Majority) Ways and Means on S.B. No. 2102

The purpose of this bill is to exclude the Office of Hawaiian Affairs from the prohibition against hiring private attorneys by state departments.

Your Committee believes that the Office of Hawaiian Affairs is unique in its structure and services performed relating to Hawaiian rights and would benefit from the services of independent legal counsel.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2102, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2102, S.D. 2.

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

SCRep. 487    Ways and Means on S.B. No. 2099

The purpose of this bill is to allow that the trustees of the Office of Hawaiian Affairs be compensated for travel expenses to destinations other than intrastate.

Your Committee has made a nonsubstantive, technical amendment to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2099, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2099, S.D. 2.

Signed by all members of the Committee except Senator Young.

SCRep. 488    Ways and Means on S.B. No. 473

The purpose of this bill is to amend the Hawaiian Homes Commission Act by increasing statutory ceilings on home loans and home repair loans.

The increase would help alleviate the constraints on quality and size requirements, by allowing participants to keep up with inflation and borrow needed funds.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 473 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 473, S.D. 1.

Signed by all members of the Committee.

SCRep. 489    Ways and Means on S.B. No. 476

The purpose of this bill is to allow funds in the Hawaiian home replacement fund to be used for the construction of new dwellings and repair of existing homes on agricultural or pastoral lots.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 476 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 476, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 490 Ways and Means on S.B. No. 453

The purpose of this bill is to appropriate and authorize funds for the fiscal biennium 1981-1983 for program planning, analysis, budgeting, and administrative director services for collective bargaining unit 1.

Your Committee has made nonsubstantive changes to this bill for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 453, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 453, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 491 Ways and Means on S.B. Nos. 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, and 464

The purpose of these bills is to obtain legislative approval and funding for adjustments in wages, hours, or other terms and conditions of employment for public officers and employees covered by collective bargaining contracts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. Nos. 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, and 464 and recommends that they pass Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 492 Ways and Means on S.B. No. 1467

The purpose of this bill is to make appropriations for the fiscal biennium 1981-1983 to fund the salary increases and other cost adjustments for state officers and employees excluded from collective bargaining.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1467 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Abercrombie, Kawasaki and Young.

SCRep. 493 Ways and Means on S.B. No. 1486

The purpose of this bill is to provide that contributions to the Hawaii public employees health fund shall be negotiable under the public employees' collective bargaining law.

Your Committee has amended the bill by changing its format to make it clearer. The change, however, is not intended to deviate from the main purpose of the original bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1486, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1486, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 494 (Majority) Ways and Means on S.B. No. 1954

The purpose of this bill is to provide the flexibility necessary to set a shortage category pay rate in an amount which, by law, should be fair and reasonable and at which employees can be recruited from the labor market.

Current and potential problems relating to work shortage categories require the establishment of a means to accommodate the different pay structures of the several bargaining units which will, by enactment of this bill, allow for more timely, fair, and appropriate adjustments to be made when an employee shortage is declared.

Your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with S.B. No. 1954, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1954, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senator Kawasaki did not concur.

SCRep. 495 Ways and Means on S.B. No. 1200

The purpose of this bill is to provide the heads of the legislative service agencies the same authority as is not conferred upon state and county chief executives, the board of education, board of regents, and the chief justice to adjust compensation, hours, terms, and conditions of employment, and other employee benefits for their employees excluded or exempt from collective bargaining.

Due to provisions in chapter 89C, Hawaii Revised Statutes, excluded employees in the executive and judicial branches of the state government have received the same benefits as employees in collective bargaining units.

However, employees of agencies within the legislative branch of the state government were not included in chapter 89C and thus, have not received the same benefits as other excluded employees since the passage of Act 58, Session Laws of Hawaii 1975. The bill corrects this inequity.

Your Committee has made nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1200, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1200, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 496 Ways and Means on S.B. No. 831

The purpose of this bill as amended is to establish a salary structure and schedule for excluded managerial and nonmanagerial white-collar employees.

Prior to 1980, the compensation of all excluded white-collar employees was covered under chapter 77, Hawaii Revised Statutes, and was therefore tied closely to the negotiated compensation schedules of employees included in the bargaining units. In 1980, the legislature recognized the need to eliminate this linkage, and it authorized the chief executives and the chief justice to establish a separate pay structure and schedule for excluded managerial white-collar positions. The salaries of excluded nonmanagerial white-collar employees however is still covered under chapter 77, Hawaii Revised Statutes, and is still tied to those of included employees.

Your Committee is in accord with the basic intent of establishing a separate and independent compensation structure and schedule for the class of excluded nonmanagerial white-collar positions, and following review of the unique relationships existing between the excluded managerial positions and their supportive staff of nonmanagerial excluded positions, is in accord with amendment of the bill to authorize the chief executives and chief justice to establish a salary structure and schedule for both excluded managerial and nonmanagerial white-collar positions. It is not, however, the intent of this Committee that a salary structure and schedule established under authority provided in this bill be extended to cover positions other than full-time civil service positions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 831, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 831, S.D. 1.

Signed by all members of the Committee except Senators Abercrombie, Kawasaki and Young.

SCRep. 497 Ways and Means on S.B. No. 1952

The purpose of this bill is to provide an option to negotiate a salary conversion plan to reduce the number of steps within the salary ranges for civil service employees provided by Act 253, Session Laws of Hawaii 1980.

Three bargaining units - nurses, nonsupervisory blue-collar employees, and supervisory blue-collar employees - successfully negotiated conversion plans under the initial option. The costs of these plans are currently pending legislative approval and appropriations.

There are six bargaining units remaining (units 3, 4, 10, 11, 12, and 13), all involving

white-collar employees; without a conversion plan. Representatives of these bargaining units have expressed a desire to have the option to negotiate such a plan.

Enactment of this bill provides the same option as that provided under the original Act and further extends the option for two more years.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1952, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1952, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 498 Ways and Means on S.B. No. 287

The purpose of this bill is to change the amount of the state's contribution to public employees' health benefits plans and to the children's dental plan.

Your Committee received testimony from the American Federation of State, County, and Municipal Employees, the University of Hawaii Professional Assembly, and the administrator of the Hawaii Public Employees Health Fund in support of increasing the state's contribution to the medical and children's dental benefit plans.

Your Committee has amended this bill to increase the state's contribution to such plans in such amount as would continue the state's past practice of contributing to one-half of the monthly premiums for the health plans and all premiums of the dental plan, and which reflect the expected increased costs of the plans effective for the 1981-1982 fiscal year.

Your Committee has also amended the effective date of this bill to conform to its substance.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 287, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 287, S.D. 2.

Signed by all members of the Committee except Senator Young.

SCRep. 499 Ways and Means on S.B. No. 465

The purpose of this bill is to require the state and the counties to make advance payments of their respective employee-beneficiaries' contributions to the public employees health fund on or before the first day of each month.

During the past, advance payments for state and county employee-beneficiaries' contributions were made by the health fund's board of trustees with state funds. Recently, the state attorney general advised the board against making these advance payments on behalf of the counties. In response to the attorney general's position on this matter, the board requested each county director of finance to make advance payments of its county's employee-beneficiaries' contributions.

Under present law, however, each county director of finance is not legally authorized to make such advance payments. This bill would provide the counties with the necessary statutory authority by requiring them to make advance payments of their employee-beneficiaries' contributions to the public employees health fund.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 465, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 465, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 500 Ways and Means on S.B. No. 1286

The purpose of this bill is to allow the Board of Trustees of the retirement system of the State of Hawaii to enter into an agreement with large stock brokerage firms for the purpose of lending its securities.

It appears that borrowers must place an amount equal to 102 per cent of the market

value of the securities in the form of cash, letters of credit and obligations of the United States Government. The value is monitored on a daily basis and should the amount be less than 102 per cent of the market value for any given day, the borrower shall immediately deposit additional collateral. Securities loaned to the borrower shall not exceed one year and, while on loan, the retirement system will continue to earn dividends on these certificates.

Your Committee has made nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1286 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1286, S.D. 1.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 501 Ways and Means on S.B. No. 539

The purpose of this bill is to specifically authorize the Department of Social Services and Housing to provide payments for medical care received by eligible state and county retirants and pensioners under section 88-4, Hawaii Revised Statutes. Additionally, the bill amends the law to require that certain third party benefits available to retirants and pensioners be added to the income of retirants and pensioners in determining whether they are eligible for free medical care.

Presently, section 88-4, Hawaii Revised Statutes, entitles eligible state and county retirants and pensioners and their spouses to free medical care from state and county employed physicians and at state and county medical facilities. However, because of the limited availability of such services, the Department of Social Services and Housing has been providing medical assistance program. This bill amends section 88-4 to specifically authorize the department to continue to provide payments for medical care to eligible retirants and pensioners.

Your Committee finds that the proposed amendment is necessary and desirable to provide retirants and pensioners with needed medical care because of the limited availability of state and county employed physicians and health care facilities.

Your Committee has amended this bill to make nonsubstantive, technical changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 539, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 539, S.D. 2.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 502 Ways and Means on S.B. No. 1287

The purpose of this bill is to make amendments to the retirement law for public officers and employees.

The definitional section is amended as follows:

"Elective officers, elective officials" is more clearly defined, and specifically excludes persons elected to a constitutional convention, members of the Board of Education, and trustees of the Office of Hawaiian Affairs. The definition of "medical review board" is deleted. "Retirement allowance" is defined more clearly. The definition of "sewer worker" is added.

The section on the composition of the board is amended to provide that "general employees" includes police officers and firefighters, so that they are eligible for election to the board of trustees.

The section relating to the independent medical review board is deleted.

The section relating to membership service is amended to include legislative employees and school cafeteria managers or workers.

The section on membership service credit for employees who received workers' compensation benefits is repealed.

The section on service while a legislative employee is amended.

The section on services of field civilian personnel of the Hawaii national guard is amended by providing that civilian employees of the Hawaii national guard who had elected membership in the federal retirement system from 1969 will have the periods they were under the federal system excluded from membership service.

The section on school cafeteria managers and workers is repealed.

A new section is added to chapter 88, Hawaii Revised Statutes, relating to the membership of employees holding more than one position, appointment, or office by limiting such individuals' membership to only one. However, where a person has two part-time positions of the same class, membership may be for both; provided that the two do not exceed 100 per cent of full-time equivalence.

The section on prior service credit while a per diem employee is amended to clarify that the prior service credit applies only to those per diem employees who had been county road maintenance workers after December 27, 1927.

The section on the acquisition of credit for previous service is amended to allow only those with five or more years of service to purchase their previous service through a lump sum payment.

The section on return to service of a former member is amended to make it applicable only to those with less than five years of service, and provides that to be eligible for a retirement benefit after returning to work, the employee must meet the minimum service requirement without including any previous service that may have been purchased.

The section on allowance on service retirement is amended by providing 1977 as the specific date instead of the description of the date as the date of actual transfer of the county jails by executive order, and is amended for clarity by stating that any police officer, firefighter, corrections officer, or sewer worker cannot retire with full benefits unless having served 25 years in such a capacity, of which the last five must also be in such capacity.

The section on rights of members separated from service is amended to provide that anyone with five or more years of service who had left contributions in the system shall be deemed to have been vested without the necessity of filling out any forms for such purpose.

The section on return to service of a member who has vested benefit status is amended to provide that if a vested member returns to active service, the member's benefit shall be computed in accordance with the present statutes if the member has less than five years of service after the member's return. However, if the employee has five or more years of service after his return, then all of the employee's service shall be computed under the existing formula if the benefits so provided are greater than if computed in accordance with the present statutes.

Your Committee has amended the bill to add missing statutory language, amending language, and other nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1287, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1287, S.D. 1.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 503 Ways and Means on S.B. No. 1811

The purpose of this bill is to authorize the legislative auditor to conduct a financial and managerial audit of the retirement system.

Your Committee has amended the bill by making the appropriation for \$50,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1811, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1811, S.D. 1.

Signed by all members of the Committee except Senator Young.

SCRep. 504 (Majority) Ways and Means on S.B. No. 451

The purpose of this bill is to increase the interest paid to public employees who contribute

to the retirement system from 4-1/2 per cent to 7 per cent a year. This bill would also effectively increase the interest yield on the retirement system's investments for actuarial valuation purposes.

According to testimony presented by the director of finance, the effect of this bill would be to reduce the general fund appropriation to \$119 million for fiscal year 1982-83 or a net savings to the state's general fund of approximately \$51 million. In addition, enactment of this bill would also affect the estimated net contributions to the system for fiscal years 1984 through 1987.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 451 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 451, S.D. 1.

Signed by all members of the Committee except Senator Young.  
Senators Abercrombie and Cayetano did not concur.

SCRep. 505 Ways and Means on S.B. No. 106

The purpose of this bill is to increase from five to ten per cent the amount of the child care tax credit allowed against state income tax.

Your Committee finds that such an increase would be of assistance to the many families in this state of which both parents are part of the work force and to single-parent families. The tax credit does not match the federal tax credit, but your Committee believes that an equal credit is not necessary since the federal tax rate is substantially higher than the state tax rate.

Your Committee is in accord with the intent and purpose of S.B. No. 106, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 506 Ways and Means on S.B. No. 46

The purpose of this bill is to exempt the gross income or gross proceeds of sales received or derived from the retail sale of prescription drugs from the general excise tax law.

Many persons who are users of prescription drugs are elderly or chronically ill with low incomes. Although the provisions of this bill are applicable to retail purchases by all persons, the bill is especially meant to reduce, in part, the costs of prescription drugs for the elderly and physically ill with low incomes. Your Committee finds that the social benefit of reducing the cost of prescription drugs to these persons outweighs the potential loss of revenues to the state.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 46 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 507 Ways and Means on S.B. No. 815

The purpose of this bill is to increase the income tax credit provided to low-income renters from \$20 to \$50 per qualified exemption.

Presently, any taxpayer having an adjusted gross income of less than \$20,000 and paying more than \$1,000 rent during a taxable year is permitted an income tax credit of \$20 per qualified exemption. The present tax credit does not afford these low-income renters adequate protection against the recent inflation in rents attributable to rising resource and labor costs and general excise taxes included in rent payments. This bill would increase the present tax credit to \$50 thereby providing adequate tax relief to these low-income renters.

Your Committee has amended the bill by changing the effective date from applicable to taxable years beginning after December 31, 1981 to taxable years beginning after December 31, 1980.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 815, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 815, S.D. 2.

Signed by all members of the Committee except Senator Young.

SCRep. 508 Ways and Means on S.B. No. 789

The purpose of this bill is to allow an individual an additional \$4,000 exemption for the individual's dependents if such dependents are blind, deaf, or totally disabled. Individuals who claim this additional exemption are precluded from claiming a child care tax credit.

Your Committee notes that this additional exemption will assist those persons who care for such dependents themselves as opposed to those who must pay to provide care and who are able therefore to claim the child care tax credit. The present thrust of society is to encourage individual care for such persons as opposed to institutional care. This additional exemption will assist those persons who wish to provide such care and will encourage them to so provide.

Your Committee heard testimony which indicated that there may be some misunderstanding concerning the application of the present allowance to persons who are blind, deaf, or totally disabled particularly with the addition of this new allowance. Presently only those taxpayers who are blind, deaf, or totally disabled may claim the allowance. They may not claim it for any dependents who are also blind, deaf, or disabled. Your Committee has amended the bill to make such present application clear.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 509 Ways and Means on S.B. No. 1625

The purpose of this bill is to exclude from general excise tax any amount received by a nonprofit organization as rent for a single room to which there is no kitchen or bathroom attached.

Your Committee believes that this exclusion would be of assistance to nonprofit organizations which provide a place for persons to stay but which is not in the business of operating a hotel.

Your Committee has made nonsubstantive amendments to this bill for the purposes of accuracy and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1625, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 510 Ways and Means on S.B. No. 788

The purpose of this bill is to conform the Hawaii state income tax laws to the federal income tax laws with respect to adopting the partial exclusion of dividend and interest income of \$200 (\$400 on joint returns). The exclusion at that level, like the federal law, shall be effective only for taxable years 1981 and 1982, after which the exclusion will remain operative in Hawaii but only as a partial dividend income exclusion of \$100 (\$200 on joint returns).

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 788 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 511 Ways and Means on S.B. No. 547

The purpose of this bill is to conform the Hawaii income tax law to the federal law by adopting the zero-bracket method of calculating the standard deduction.

Your Committee finds that Congress substituted the zero-bracket method of calculating the standard deduction in Public Law 95-30. This method incorporated the standard



deduction in the tax tables which means that if itemized deductions are less than the zero-bracket amount, no computation is necessary to arrive at taxable income. If the taxpayer's itemized deductions are more than the zero-bracket amount, that amount is deducted from the taxpayer's itemized deduction. It is this calculation which has misled the taxpayers of this state, since under the method used in this state there is no deduction from total itemized deductions. Some taxpayers are using the reduced federal figure for itemized deductions and are thereby overpaying their taxes.

Your Committee notes the report by the Department of Taxation on this problem submitted to the legislature in 1980. That report using 1977 data calculated that there was an estimated revenue loss of \$412,000. Your Committee notes that it is now 1981 and the provisions of this bill will not take effect until 1982. The Committee therefore asked the department for up-to-date figures to use for the zero-bracket amount which have since been furnished. The revenue loss is still calculated to be minimal.

Your Committee has amended this bill to insert the new figures to be used as zero-bracket amounts and have made other technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 547, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 512 (Majority) Ways and Means on S.B. No. 1396

The purpose of this bill is to permit insurance companies to ratably deduct their assessments to the Hawaii Insurance Guaranty Fund.

The Hawaii Insurance Guaranty Fund was established in 1971 to protect policyholders and claimants by imposing a duty on insurance companies to guarantee obligations of an insolvent or potentially insolvent insurer.

The insurance industry, under heavy public and governmental pressures to minimize costs, has questioned the fairness of requiring solvent companies to bear the costs of the unwise business practices of insolvent insurers. A possible "domino effect" could occur by having solvent insurers experience financial difficulties by guaranteeing the policies of another company.

Your Committee recognizes this problem and the importance of protecting the policyholders and claimants of an insolvent insurer. It also recognizes that the benefit from the fund could be outweighed by a series of "domino effect"-triggered insolvencies of healthy companies. Your Committee finds that the provisions of the bill would not result in a large revenue loss to the state and would not impair the efficacy of a guaranty fund.

Your Committee has further amended the bill to provide that tax credits shall be granted over a period of five years starting with the taxable year in which the assessment is made. The credit is computed upon the amount of the assessment, which is limited by statute to two percent of the insurer's net direct written premiums for the preceeding year. This bill likewise provides for the same two percent limit.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1396, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1396, S.D. 2.

Signed by all members of the Committee except Senators Young and Yee.  
Senators Abercrombie, Cayetano and Kawasaki did not concur.

SCRep. 513 Ways and Means on S.B. No. 637

The purposes of this bill are to: exempt the gross receipts, gross income, gross proceeds of sales, and value of products derived from transfers between members of an affiliated group of corporations from the general excise tax; and to allow an affiliated group of corporations to file consolidated returns for general excise tax purposes.

Currently, transactions between members of an affiliated group of corporations are taxable under the general excise tax law. This results in higher prices for the products or services of the members of the group. Your Committee finds that the loss of revenues, which amount to an estimated \$1.2 million, to the state shall be offset by the benefit of lower prices to consumers.

The bill also allows an affiliated group of corporations to file a consolidated return under the general excise tax law if filing a consolidated return under the income tax law. Consolidated returns are also allowed under the state's public service company tax law and the state and federal income tax laws. This provision conforms the general excise tax law to the other tax laws.

Your Committee has made one minor correction to a clerical error. The word "interrelated" is spelled correctly on page 2, line 9 of the bill as received.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 637, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 637, S.D. 2.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 514 (Majority) Ways and Means on S.B. No. 1767

The purpose of this bill is to transfer amounts collected under the general excise tax law which are derived from the sale of liquid fuel sold or used for operating motor vehicles upon the public highways from the general fund to the state highway fund. The primary reason for this bill is to provide a short-term solution to avoid a deficit balance in the state highway fund.

This bill is an administration bill and, as originally introduced, also proposed to change the liquid fuel tax from a flat amount to an amount determined on a percentage basis. The combination of the change on the liquid fund tax and transfer of general excise tax revenues was intended to be a long-term solution to the problems of the state highway fund. The Committee on Transportation amended the bill by deleting the proposal to change the liquid fuel tax. Your Committee on Ways and Means is in agreement with the Committee on Transportation's action and concurs with the reasons as stated in Senate Standing Committee Report No. 48. Although, the deleted proposal is not considered in this bill, as amended, your Committee on Ways and Means wishes to emphasize its agreement with the amendment made by the Committee on Transportation since the amendment departs from the purpose of providing a long-term solution.

The Department of Transportation has presented testimony which shows that some action is required to maintain the fiscal health of the state highway fund. The department projects that, without this bill, as amended, the state highway fund will have balance deficits of \$2.9 million on June 30, 1982, \$22.4 million on June 30, 1983, \$47.9 million on June 30, 1984, and \$77.2 million on June 30, 1985. Clearly, this cannot be allowed.

The department has also provided projections on the health of the state highway fund if this bill is enacted. Amounts transferred to the state highway fund from the general excise tax are projected to be \$17.2 million in fiscal year 1981-1982, \$18.0 million in fiscal year 1982-1983, \$18.8 million in fiscal year 1983-1984, and \$19.6 million in fiscal year 1984-1985. Yet, even with the transfer, expenditures are projected to exceed revenues after the fiscal year 1981-1982. This deficit spending is expected to result in a deficit balance of \$8.1 million as soon as June 30, 1985.

The testimony indicates that the transfer of the general excise tax on liquid fuel to the state highway fund only alleviates the problems of funding state highways temporarily. It is imperative, however, that this short-term solution be implemented at this time.

Your Committee cannot emphasize enough the need for a long-term solution to the problem of the state highway fund. Implementation of the proposal of this bill does not serve as a long-term solution. The administration has had sufficient experience during this Regular Session to indicate that the proposal to change the liquid fuel tax is not acceptable to this Legislature. Thus, your Committee urges the administration to find and propose more palatable alternatives.

Your Committee also wishes to mention that the attorney general has determined that the transfer proposed by this bill is not double taxation. Thus, your Committee, on the weight of this finding, considers this proposal to be legally acceptable.

Your Committee also wishes to state that the transfer of general revenues to a special fund under this bill is not a flagrant attempt to circumvent the general fund expenditure ceiling of the state constitution. The spirit of the constitutional provision is realized and appreciated, but the proposal of this bill has not been found to contravene the constitutional provision and is considered necessary at this time.

Your Committee has amended the bill by providing that the transfer of general excise tax revenues shall be in effect from July 1, 1981 to June 30, 1984. After June 30, 1984, it is the intent of your Committee to review the transfer. In conjunction with the amendment, the effective date has been changed to the date of approval to give the director of taxation time to establish the transfer formula.

Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1767, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1767, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senators Abercrombie and Cayetano did not concur.

SCRep. 515 (Majority) Ways and Means on S.B. No. 397

The purpose of this bill is to exempt from the use tax all aircraft and aircraft related equipment required by law which is purchased and imported into the state.

Under the present law, leased and purchased oceangoing vessels engaged in intrastate operations are exempt from the use tax while only leased or rented aircraft in intrastate operations are exempt. This bill extends the exemption to purchased aircraft so engaged and, thus, provides equal treatment for local airline companies. The bill also extends the exemption to include barges and barging equipment.

Your Committee heard testimony from representatives of the Tax Foundation of Hawaii and Hawaiian Airlines that the exemption is needed to provide equal treatment for local airline companies and that it is in accord with the purpose of the use tax statutes in that aircraft and flight equipment purchased abroad does not compete with locally manufactured products. Your Committee also heard testimony from a representative of Young Brothers, Ltd., supporting the enactment of the bill and proposing an amendment to clarify the exemption.

Your Committee has adopted the proposed amendment and has amended page 3, lines 15 to 19 of the bill referred to your Committee to read as follows:

"(7) The use of aircraft and any flight equipment in connection with such aircraft in the transportation of passengers and goods or oceangoing vehicles, barges, or equipment in connection with such vehicles or barges for passenger or goods transportation from one point to another within the state as a common carrier by water as defined in chapter 271-G."

Your Committee has also made other nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 397, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 397, S.D. 2.

Signed by all members of the Committee except Senators Young and Saiki.  
Senators Abercrombie, Cayetano and Kawasaki did not concur.

SCRep. 516 Ways and Means on S.B. No. 2124

The purpose of this bill is to adopt the Internal Revenue Code provisions for domestic international sales corporations (DISC), if any corporation so electing to be a DISC is incorporated and has its principal place of business in Hawaii.

The testimony of the Tax Foundation of Hawaii indicated that under federal law, a DISC is a domestic corporation whose income is predominately (95%) derived from export sales and rentals. Payment of income taxes on a portion of that export sales and rental income may be deferred if qualified as a DISC.

The Tax Foundation of Hawaii cited the Governor's Committee on Hawaii as a Regional Center which had expressed the advantages to the state in adopting provisions similar to the federal provisions relating to DISC to be a means of attracting multinational corporations to locate in Hawaii. The combination of Hawaii's strategic location in the Pacific basin with a preferential tax treatment afforded under DISC provisions would support efforts to attract new businesses to Hawaii and thereby create additional employment opportunities for Hawaii's people.

Since there are no known DISCs in Hawaii presently, the adoption of the DISC provisions would result in little or no revenue loss to the state. Rather, by adopting DISC provisions, additional revenues may be produced by the attraction of DISCs to the state.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2124, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 517 Ways and Means on S.B. No. 1201

The purpose of this bill is to enact a rapid capital cost recovery system for the revitalization of business to encourage stable long-term economic growth. The bill provides for three classes of business assets, each with a given recovery period. Buildings would have a ten-year recovery period; machinery and equipment, five years; and vehicles, three years. It also calls for the phasing-in of the new schedule over a five-year period to minimize its impact on tax revenues.

Your Committee finds that replacing the existing useful life depreciation system with a simplified, rapid capital cost recovery system would lower the cost of capital and encourage greater investment in new plant and equipment.

The beneficial effects of the proposed system on the nation's economy are also recognized on the federal level. A number of similar measures proposing rapid capital cost recovery systems are now pending in Congress. The President of the United States in a speech to Congress in February, also announced his support for a 10-5-3 capital cost recovery system.

While recognizing the benefits of the bill on businesses, large and small, your Committee is also concerned about the possible differences in state and federal laws regarding capital cost recovery, thereby leading to increased implementation and administrative costs.

Your Committee notes the urgency of adopting this measure in this legislative session as opposed to waiting until the Regular Session of 1982. In the same manner as the repeal of the carryover basis of inherited property was adopted on a prospective basis in Act 159, Session Laws of Hawaii 1980, there is also a need to adopt provisions concerning capital cost recovery in this Regular Session. The reason for adopting Act 159 was the number of persons affected and the early adoption by Congress of the repeal of the carryover basis. Similarly, it appears that Congress will move early in this year to adopt a capital cost recovery law which will affect many persons in this state and, if not provided for in this session, will cause tremendous bookkeeping problems for both the State and the private sector.

Your Committee, therefore, has decided to amend S.B. No. 1201 to insure that businesses would gain the benefits of rapid capital cost recovery in filing Hawaii taxes at the same time they would enjoy the changes in the federal law as well as to continue the practice of conformance between state and federal tax laws whenever possible. The amended bill provides that upon passage by Congress of H.R. 1053, "Capital Cost Recovery Act of 1981", or a similar law concerning the recovery of capital costs, such provisions shall take effect relative to Hawaii tax laws on the same effective date.

Your Committee on Ways and Means is in accord with the intent and purposes of S.B. No. 1201, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 518 Consumer Protection and Commerce on S.B. No. 299

The purpose of this bill is to require adequate notification to prospective buyers, lessees, and tenants that the real property to be leased, sold, or transferred is situated within officially designated flood, tsunami, and airport zones.

Your Committee received testimony from the commanders of two military air stations which strongly support this bill. For many years, military officials have made good faith efforts to reduce noise levels and potential accidents for civilian areas adjacent to air stations. However, the military has been frustrated by increasing development in neighboring communities and the objections of new residents who subsequently discover the full impact of air field operations.

In addition, this bill would protect homeowners and renters of property in recognized hazard zones.

Originally, this bill required disclosure that real property situated within hazard zones be revealed in advertising. Your Committee amended the bill to remove the disclosure provision after receiving testimony from the Hawaii Association of Realtors that such a requirement would be unduly burdensome, may be ineffective, and would result in higher purchase and rent costs for consumers. Instead, your Committee added a requirement that would insure timely notice to consumers prior to any transaction. Your Committee also made technical non-substantive amendments to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 299, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 519 Consumer Protection and Commerce on S.B. No. 524

The purpose of this bill is to amend Section 453-8.3, Hawaii Revised Statutes, to allow the Board of Medical Examiners to provide an affirmative or negative reply to an inquiry by a hospital or health care facility as to whether a report of an adverse decision is on file with the Board.

Testimony received from the director of health of the state Department of Health supported the bill because it would allow hospitals and other health care facilities to review credentials more effectively and help insure quality of care.

The Department of Regulatory Agencies testimony concurred with that of the department of health.

Your Committee has amended the bill to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 524, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 520 Consumer Protection and Commerce on S.B. No. 590

The purpose of this bill is to extend, under the sunset law, chapter 458, Hawaii Revised Statutes, relating to the Board of Dispensing Opticians, to December 31, 1987.

During its consideration of this bill your Committee reviewed the Legislative Auditor's Sunset Evaluation Report No. 812, January, 1981, relating to dispensing opticians. The auditor recommended that Chapter 458 be allowed to expire as scheduled.

Your Committee received testimony favoring the bill from the Association of Dispensing Opticians of Hawaii and from the Board of Dispensing Opticians. Witnesses expressed great concern about the potential of harm to the public if the existing regulatory authority over the dispensing opticians is not maintained. Based on the testimony, your Committee finds that there is sufficient justification for continuing regulation of dispensing opticians.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 590 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Uwaine, Kuroda, Machida and Henderson.

SCRep. 521 Consumer Protection and Commerce on S.B. No. 591

The purpose of this bill is to extend, under the sunset law, chapter 459, Hawaii Revised Statutes, relating to the Board of Examiners in Optometry, to December 31, 1987.

Your Committee has considered the Legislative Auditor's Sunset Evaluation Report No. 81-7, dated February, 1981, concerning optometrists. The auditor found that the

potential harm to the public health, safety and welfare justifies continuing regulation of the practice of optometry. The auditor recommended that the Board of Examiners in Optometry be retained.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 591 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 Machida.

SCRep. 522 Consumer Protection and Commerce on S.B. No. 599

The purpose of this bill is to streamline the administration of the regulation of optometrists.

In its consideration of this bill, your Committee reviewed the Legislative Auditor's Sunset Evaluation Report No. 81-7, February, 1981, dealing with optometrists. Among the auditor's recommendations was that the Board of Examiners in Optometry utilize the examination prescribed by the National Board of Examiners in Optometry (NBEO). Members of the Hawaii board testified that the NBEO examination has shortcomings and that it has been the subject of critical evaluation by candidates to whom it has been administered.

Your Committee, nonetheless, finds merit in the concept of the NBEO examination, and concludes that it should serve as a guide for the board's examination. Accordingly, it has amended the bill to require that the written examination given applicants for licensure pursuant to rules and regulations under chapter 91, Hawaii Revised Statutes, be at least equivalent in difficulty to the current NBEO examination and that it cover the same body of knowledge. It is your Committee's intent that the board either use the NBEO examination or devise its own equivalent examination.

In the opinion of your Committee, this action will aid in maintaining high standards of qualification in the practice of optometry in Hawaii, an important phase of the health and medical care to which our citizens are entitled.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 599, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 523 Consumer Protection and Commerce on S.B. No. 600

The purpose of this bill is to streamline the administration of the regulation of practicing psychologists.

Your Committee has amended this short form bill to add substantive provisions amending the definition of the practice of psychology and to add to the reasons for denial, revocation or suspension of certification as a practicing psychologist.

During its public hearing of this bill your Committee heard testimony from the Board of Certification of Practicing Psychologists and others in the field of psychology leading it to conclude that the statutory definition of practicing psychology found in Section 465-1, Hawaii Revised Statutes, lacks precision. The bill, as amended, provides for a more precise definition.

Further, your Committee finds that the grounds for denial, revocation or suspension of certification as set forth in Section 465-13, Hawaii Revised Statutes, needs to be expanded to include professional misconduct, or gross carelessness, or manifest incapacity. Therefore, the bill, as amended, makes an appropriate change to Section 465-13 to add those grounds for disciplinary action or denial of certification.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 600, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

## SCRep. 524 Consumer Protection and Commerce on S.B. No. 1062

The purpose of this bill is to add a new section to Chapter 514A, Hawaii Revised Statutes, to provide that the installation of any solar energy device, as defined in Section 468B-1, shall require approval only by the board of directors of the Association of Apartment Owners and by any percentage, number or group of apartment owners as may be required by the declaration or bylaws.

Your Committee received supporting testimony from the Hawaii Association of Realtors, which noted that Section 514A-89, Hawaii Revised Statutes, requires the unanimous consent of apartment owners to authorize the addition of any "material structure" to a condominium project by any apartment owner. This would preclude the installation of a solar energy device without the approval of all owners. The provisions of this bill, in effect, exempts the installation of solar devices from the unanimous consent requirement of section 514A-89.

Although the intent of Section 514A-89 is to protect the integrity of a condominium project from individual alterations which could mar the property, your Committee finds that there is an overriding public interest in encouraging the use of alternate energy devices. Moreover, the decision to allow installation would still be subject to the board of directors of the condominium project and the approval of such percentage of apartment owners as may be required by the declaration of horizontal property regime for the project.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1062, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Machida.

## SCRep. 525 Consumer Protection and Commerce on S.B. No. 1338

The purpose of this bill is:

1. To prohibit businesses which do not have a liquor license from having or keeping or offering liquor to be carried off the business premises or consumed on the premises.
2. To prohibit a licensee from permitting nude or scantily clad entertainers who perform on the licensed premises to solicit the purchase of drinks by patrons.
3. To make it unlawful for any person or licensee to offer or give any premium or free goods of intoxicating liquor directly or indirectly as an inducement to entice any other person to enter any place or premises or to induce them to remain there.

Your Committee has heard testimony from the Department of Finance, City and County of Honolulu, which stated that the provisions of this bill would prevent circumvention of the present liquor laws and protect patrons from unsavory methods of solicitation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1338 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, Machida and Henderson.

## SCRep. 526 Consumer Protection and Commerce on S.B. No. 1642

The purpose of this bill is to clarify the responsibilities of the Board of Nursing to resolve an apparent constitutional conflict.

Presently, section 457-5, Hawaii Revised Statutes, empowers the Board of Nursing to prescribe standards and approve curricula of educational programs for persons preparing for licensure. However, Article X, Section 6, of the state Constitution, grants the Board of Regents of the university the sole power to approve programs and curricula in the university system.

This bill resolves the apparent conflict by retaining power of the Board of Nursing to prescribe standards while leaving approval of curriculum to the Board of Regents.

Your Committee made nonsubstantive technical amendments to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1642, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda, Machida and Henderson.

SCRep. 527 Consumer Protection and Commerce on S.B. No. 1753

The purpose of this bill is to incrementally reduce cash-reserve requirements for state-chartered banks as federal reserve requirements increase.

Presently, membership in the Federal Reserve System is mandatory for nationally-chartered banks, and voluntary for state-chartered banks. The cash-reserve requirements of member banks are set by the Board of Governors of the Federal Reserve System. Hawaii's non-member banks' requirements are set by section 403-71, Hawaii Revised Statutes.

However, recently enacted federal law (P.L. 96-221, the Monetary Control Act of 1980) now requires that all banks, whether or not members, must comply with federal cash-reserve requirements. Beginning in 1986, Hawaii's six non-member banks will be phased into compliance with federal reserve requirements over an eight-year period. This bill provides that as the federal cash-reserve requirements for these state-chartered banks increase incrementally, state cash-reserve requirements be correspondingly decreased at the same rate and over the same period.

Your Committee received testimony from the Department of Regulatory Agencies which approved of the reductions of cash-reserve requirements allowed by this bill.

Your Committee has amended the bill by making technical amendments relating to drafting style which have no substantive effect.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1753, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kuroda and Machida.

SCRep. 528 Consumer Protection and Commerce on S.B. No. 1988

The purpose of this bill is to increase the majority required to extend or renew the life of a limited term corporation. The bill also provides dissenting shareholders the right to demand fair market value for their shares if they choose to disassociate themselves from the revived corporation.

Presently, only a two-thirds vote is required to extend the duration of a corporation, however, in an analogous situation, section 416-121, Hawaii Revised Statutes, requires a three-fourths vote in order to voluntarily dissolve an on-going corporation. This bill amends section 416-22 to make consistent the required vote for extraordinary corporate actions.

Your Committee made a minor technical amendment, at the request of the Department of Regulatory Agencies, to clarify the intent of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1988, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 529 Human Resources on S.B. No. 653

The purpose of this bill is to permit children six months of age and older to be cared for in day care centers. The bill further sets standards for the establishment and operation of infant day care centers, which will be able to provide care to children under two years of age.

Currently, day care centers are only authorized to provide care for children two years of age and older; the state has no process for licensing infant care which makes infant



care difficult to provide.

Testimony received indicates that not only is there a demand for infant day care centers, but also points out the many beneficial aspects of such centers. Infant care programs are preferred over in-home individual care because of the enforcement of stringent standards which assures safer, directed play activities under the supervision of qualified staff. Infant care programs provide a busy parent with "relief time" to run errands or to pursue career endeavors which may indirectly prevent the occurrence of child abuse. Moreover, infant care centers can provide these services in a more cost effective manner.

Your Committee amended this bill by deleting subsection (e) in section 346-19.2 which exempts any person who is employed or operates as a day care center director of a licensed day care center on July 1, 1981 from the qualifications requirements of a day care center director specified under section 346-19.2(b).

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 653, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 530 (Majority) Human Resources on S.B. No. 1280

The purpose of this bill is to amend section 383-10, Hawaii Revised Statutes, to include tips and gratuities as wages for unemployment insurance purposes by deleting the current exclusion of tips in the unemployment insurance law.

The deletion of the current exclusion of tips in the unemployment law does not necessarily mean that tips are wages for unemployment purposes. Inclusion of tips as wages will depend on whether the term "wages" as defined in section 383-10 can be amended to include tips.

To avoid potential questions of interpretation, your Committee recommends that this bill be amended by adding language which specifically states that tips or gratuities paid directly to a worker from a customer and reported to the employer for payroll tax deduction purposes are wages to the employee for unemployment insurance.

The purpose of the amendments to the bill is to avoid potential questions of interpretations for including tips as wages for unemployment insurance purposes.

Your Committee on Human Resources is in accord with the intent and purpose of S.B. No. 1280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1280, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 531 Ecology, Environment and Recreation on S.B. No. 98

The purpose of this bill is to delete the requirement that the environmental impact statements process be followed for actions involving the acquisition of improved real property.

Your Committee received testimony in support of the intent of this bill from Life of the Land, and received testimony in opposition to the bill from the Office of Environmental Quality Control, the Environmental Quality Commission, and the Environmental Center of the University of Hawaii.

Current law requires that the environmental impact statement process be followed for actions involving the expenditure of state or county funds used to acquire improved real property.

Your Committee finds that the purchase of improved real property usually does not result in significant environmental impacts and should, therefore, not be subject to the environmental impact statement process. However, your Committee has amended the bill to provide that the environmental impact statement process shall be followed in instances in which improved real property is being acquired through condemnation proceedings. Your Committee has proposed this amendment because the definition

of factors to be considered in the preparation of environmental impact statements set forth in H.R.S. Chapter 343 includes the effect of proposed actions on the "social welfare of the community and state." In situations in which property is being given up involuntarily by the owner, a potential for adverse social impacts exists and should be addressed through the environmental impact statement process.

Your Committee has further amended the bill to provide that the acquisition of unimproved real property shall be subject to the environmental impact statement process. Your Committee finds that such property is often acquired for the purpose of improving or developing it, and that the potential impacts of the proposed acquisition and development should be examined before monies are spent.

Lastly, your Committee has amended the bill by inserting a provision which amends H.R.S. Section 345-5(b) to make it consistent with the intent of the bill.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of S.B. No. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 98, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators George and Mizuguchi.

SCRep. 532 (Joint) Ecology, Environment and Recreation and Economic Development  
on S.B. No. 508

The purpose of this bill is to amend chapters 183, 187, 188, 189, 191 and 199 of Title 12, Hawaii Revised Statutes, to: (1) transfer the management of terrestrial animals from the division of fish and game to the forestry division, which is to be redesignated as the division of forestry and wildlife; (2) redesignate the fish and game division as the division of aquatic resources; and (3) make administrative changes which clarify and expand other provisions of Title 12, consistent with the policies and practices of the Department of Land and Natural Resources and the proposed reorganization therein.

Testimony from the Department of Land and Natural Resources in support of this bill revealed that the bill would amend chapter 183 to place more responsibility on landowners to fence in their livestock, to allow a shorter period for public notification needed to prevent further damage of forests by cattle, and to update and change language for clarity.

The bill would amend chapter 187, relating to the aquatic resources program, by extending the term of the county advisory committees from two years to four years, by adding educational use to scientific collecting permits, by providing for revocation of the permits, and by updating and changing language for clarity.

The proposed changes to chapter 188 would provide for a uniform sliding scale of penalties, protect aquatic resources from the use of indiscriminately destructive agents such as poisons, explosives, etc., allow the taking of fresh water prawns with spears, allow speargun use by unsupervised persons under 14 years old, authorize permits for taking marine life in state waters of the Northwestern Hawaiian Islands, include the word "ooppu" to cover grown fishes of hinana species, allow the taking of Marquesan sardine, change the license fee for fresh water gamefish fishing to conform to present fees being charged, include Samoan crab within a list of protected crustaceans with eggs, assess graduated punishments for first, second, and third or subsequent violations, and establish a new, consolidated section on penalties.

Substantive changes to chapter 189, relating to commercial fishing, include a provision to maintain confidentiality of monthly catch report information in order to encourage accurate catch data reporting by licensees, and elevation of the maximum penalty from \$200 to \$500 and reducing the maximum imprisonment penalty to conform with the Hawaii Penal Code.

The bill would amend chapter 191 relating to wildlife activities to include various terminology of game birds, wild birds and their control as nuisances or pests, to eliminate archaic terminology such as game reserves and shooting grounds, and to provide for graduated punishment in a new consolidated section on penalties.

Finally, proposed changes to chapter 199 would clarify the enforcement responsibilities for historic sites and reaffirm the enforcement of firearms laws of the state.

Your Committees have amended Section 78 of the bill to provide that per-specimen penalties shall be optional, rather than mandatory.

Your Committees have also made numerous technical amendments to the Bill to clarify its intent.

Your Committees on Ecology, Environment and Recreation and Economic Development is in accord with the intent and purpose of S.B. No. 508, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 508, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Mizuguchi, Yee, Machida and Yamasaki.

SCRep. 533 Consumer Protection and Commerce on S.B. No. 73

The purpose of this bill is to increase the amount of compensation a professional solicitor may receive from a charitable organization and to require organizations to list the amount of such compensation in its registration statement.

Presently, a solicitor can not receive as compensation more than ten per cent of the total money, pledges, or other property raised. Your Committee received testimony from the Department of Regulatory Agencies that many medium and smaller organizations need professional assistance in fund-raising. The department testified in support of increasing the present ceiling to allow these organizations to obtain the help they require.

Your Committee also received testimony that recent rulings of the United States Supreme Court have cast a shadow on statutes that set absolute maximums on the amount of compensation professional solicitors can receive. Your Committee, at the request of the department, amended the bill to provide that the present limitation may be exceeded if such an action is reasonable based on special facts or circumstances.

Your Committee also amended the bill to provide the director of regulatory agencies the authority to promulgate rules, pursuant to chapter 91, to implement the provisions of chapter 467B.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 73, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 73, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 534 Consumer Protection and Commerce on S.B. No. 526

The purpose of this bill is to conform terminology relating to the Board of Massage to that of other regulatory boards; to provide adequate time for medical examinations of license applicants; and to allow tuberculin tests for persons who cannot be exposed to required x-rays.

As received by your Committee, the bill required x-rays or a tuberculin test to be made within sixty days of the license application. Your Committee has amended the bill to allow the x-ray or tuberculin test to be made within six months prior to the application. Your Committee has further amended the bill by making style and language changes which have no substantive effect.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 526, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 535 Consumer Protection and Commerce on S.B. No. 532

The purpose of this bill is to amend present laws relating to the operations of trust companies.

Specifically, this bill amends chapter 406, Hawaii Revised Statutes, by requiring as a condition for doing business, that a trust company have at least \$1,000,000 in paid capital stock. This raises the present \$200,000 capital stock requirement. However, the amendment will not apply to a trust company already doing business, unless it opens

additional offices.

This bill also requires applicants seeking to do business as a trust company, to provide the Department of Regulatory Agencies with certain information and a \$1,000 investigation fee. This bill also permits the director to hold a hearing on the application, requires that an applicant prove that its operations as a trust company will promote public convenience, and requires reasonable assurance that an applicant's operations will be solvent.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 532 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 536 (Majority) Consumer Protection and Commerce on S.B. No. 1066

The purpose of this bill is to require persons who are engaged in the business of selling beneficial interests in land trusts to be licensed as real estate brokers or salesmen under chapter 467, Hawaii Revised Statutes.

Chapter 558, Hawaii Revised Statutes (the Land Trust Act), creates a method of holding title to real property by means of a trust wherein the title to real property is vested in a trustee while the benefits of ownership are retained by the beneficiary. Under the Land Trust Act, the interest of the beneficiary is declared to be personal property.

Although the Land Trust Act provides for a convenient method of holding title to real property under certain circumstances, your Committee finds that it provides a means by which the real estate licensing laws may be circumvented. Because Chapter 558 makes the beneficial interest in a land trust personal property, theoretically, a person could place a real estate project into a land trust and then market the beneficial interests in the project as personal property. Persons selling the property would be selling personal property and not real property and, therefore, would not need to be licensed as real estate salesmen or brokers under chapter 467. Purchasers would not enjoy the protection provided for in chapter 467. The provisions of this bill would prevent such a situation by making the sale of beneficial interests in land trusts the sale of "real estate" for the purpose of the real estate licensing laws only.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.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 except Senator Machida.  
Senator Yee did not concur.

SCRep. 537 Consumer Protection and Commerce on S.B. No. 1752

The purpose of this bill is to amend the laws relating to retail installment sales to exclude certain transactions from the definition of "retail installment contract" and to conform the provisions relating to refinancing of "balloon" payments to similar provisions in the laws relating to industrial loan companies.

Under current law, transactions in which money is advanced in payment of the purchase price of goods fall under the definition of retail installment contracts. Such transactions also fall under the definition of "open end loan" found in chapter 408, Hawaii Revised Statutes, and the terms of such loans are regulated under that chapter. The removal of such transactions from the definition of "retail installment contract" will clarify that the terms of open end loans are governed by the provisions of chapter 408.

Currently, section 476-3.1, Hawaii Revised Statutes, provides that "balloon" payments under retail installment contracts must be refinanced by the seller at terms no less favorable to the buyer than the terms of the original sale. The amendment proposed by this bill would exempt from the provisions of section 476-3.1, transactions in which the principal balance of the original sale is less than \$10,000. This would allow sellers to refinance balloon payments for such purchases at prevailing interest rates at the time of the refinancing.

Your Committee finds that because of the present volatility in interest rates, requiring sellers to refinance large balloon payments at previously fixed interest rates will tend to restrict the supply of credit to consumers. The provisions of this bill will help to keep a credit supply available for higher priced consumer goods.

Your Committee has amended the bill by making a technical amendment which has no substantive effect.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1752, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 538 Consumer Protection and Commerce on S.B. No. 1756

The purpose of this bill is to allow the Real Estate Commission to contract with private testing services to receive and process applications for salesmen and broker examinations.

Presently, the professional and vocational licensing division of the Department of Regulatory Agencies receives and processes applications for real estate salesmen and broker examinations.

Your Committee received testimony from the department that last year, more than 7,000 salesmen and broker applications were processed, resulting in a tremendous strain on resources and staff. The department estimated that the bill could save the department one thousand and fifty manhours annually.

The department testified that if this bill is enacted, the testing agency would be contracted to receive and process only salesmen applications. The department would retain the functions for brokers' examinations.

Your Committee made a number of nonsubstantive technical amendments to clarify the intent of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1756, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 539 Consumer Protection and Commerce on S.B. No. 1936

The purpose of this bill is to modify the law on special licenses by permitting special licensees to purchase liquor from any authorized dealer, whether wholesale or retail.

At its public hearing on this bill your Committee received testimony from the Retail Liquor Dealers Association of Hawaii stating that passage of this bill would benefit the consumer and liquor dealers.

Your Committee has amended this bill to correct minor grammatical and technical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1936, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 540 Consumer Protection and Commerce on S.B. No. 1947

The purpose of this bill is to clarify present law relating to travel agencies.

As received by your Committee in Senate draft 1 form, this bill would have made substantive and technical changes to chapter 468K, Hawaii Revised Statutes, relating to travel agencies.

Your Committee, however, received testimony that the present law, enacted in 1980, has not been in existence long enough to assess the need for significant amendment. The bill was accordingly amended to retain only necessary technical and clarifying changes.

Your Committee will, however, continue to monitor the implementation of chapter 468K and should circumstances warrant, consider enactment of substantive changes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1947, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1947, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Saiki, Soares and Yee.

SCRep. 541 Economic Development on S.B. No. 101

The purpose of this bill is to amend current law by adding a requirement that the Board of Land and Natural Resources not allow state land to be disposed of or used in support of any policy which discriminates against anyone based upon his or her sex.

Your Committee has amended the bill by adding the requirement that Board of Land and Natural Resources not allow state land to be disposed of or used in support of any policy which discriminates against anyone based upon his or her religion.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 101, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 542 Economic Development on S.B. No. 521

The purpose of this bill is to amend current law to enable the governor to amend or repeal rules adopted to handle shortages of petroleum products, within the first 120 days of their adoption without prior notice or hearing.

Your Committee finds that the current statute is silent on amendment or repeal of rules within the first one hundred twenty days without prior hearing or notice. This bill will clarify the statute to allow such amendment or repeal within the first one hundred twenty days.

Your Committee has made technical, nonsubstantive amendments to this bill.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 521, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 543 Economic Development on S.B. No. 639

The purpose of this bill is to allow any liquor which has had any part of it manufactured in Hawaii to be labelled, designated, or sold using the word "Hawaii", "Hawaiian", or "Aloha State".

The current statute makes it unlawful for any person to label, designate, or sell any liquor using the word "Hawaii", "Hawaiian", or "Aloha State", unless such liquor is wholly manufactured in the state. Your Committee finds that the current statutory provisions are too restrictive to permit most liquor from Hawaii to be so designated.

Your Committee recognizes that signifying that a product is from Hawaii, or that at least a part of its manufacture took place in the state, may have a significant positive effect upon its marketability. The benefits to Hawaii's businesses serve to broaden and diversify the state's economic base.

Your Committee has amended the bill to allow liquor which is either wholly or partially manufactured in Hawaii to be labelled, designated, or sold using the word "Hawaii", "Hawaiian", or "Aloha State".

Your Committee is in accord with the intent and purpose of S.B. No. 639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 639, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 544 Economic Development on S.B. No. 1859

The purpose of this bill is to amend the current statute pertaining to mergers and consolidations.

Your Committee has amended the bill to amend the Hawaii merger statute so as to make an offeror who has made a take-over bid liable to dissenting shareholders in a merger or consolidation proceeding for the difference between the amount offered under the take-over bid and the fair market value which the dissenting shareholder is entitled to receive in the event the former is greater than the latter. This bill is intended to protect dissenting shareholders who do not respond to take-over bids.

Your Committee finds that an offeror may pay a premium for shares in a take-over bid in order to gain control of a corporation. Thereafter, in order to gain complete control, the offeror may use either a merger or consolidation procedure. If this bill is enacted, minority shareholders who do not tender their shares in response to a take-over bid can be assured of being treated equally with those who tender their shares in a take-over bid. This would prevent the elimination of the minority shareholders through a merger or consolidation procedure.

Your Committee on Economic Development is in accord with the intent and purpose of S.B. No. 1859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1859, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 545 Health on S.B. No. 399

The purpose of this bill is to remove youth shelter facilities from the listing of subjects of health regulations by the Department of Health. This bill will amend section 321-11, Hawaii Revised Statutes.

Your Committee received favorable testimony from the Department of Health that the Youth Shelter Facilities of Hawaii, subject to the Family Court, should be under the jurisdiction of the Department of Social Services and Housing and the court.

Your Committee has amended the bill to make nonsubstantive technical changes.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 399, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 546 Health on S.B. No. 486

The purpose of this bill is to reflect changes in the federal administration of health services.

Your Committee received testimony that the responsibility for the Social Security Act, Title V, Crippled Children Services Program, was previously with the Secretary of Labor. The responsibility for the program now rests with the Secretary of Health and Human Services. This bill amends section 321-52, Hawaii Revised Statutes, to change a reference to the Secretary of Labor to the Secretary of Health and Human Services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 486 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 547 Health on S.B. No. 665

The purpose of this bill is to relieve the University of Hawaii of the responsibility for providing child psychiatric services at Leahi Hospital.

Your Committee received testimony which indicated that the administration of Leahi Hospital was transferred from the University of Hawaii to the Department of Health

in 1976. At the time, only the University had the child psychiatric personnel to maintain the necessary clinical supervision and training program at the hospital. Since 1976, the Department of Health has acquired the necessary professional staff and can assume responsibility for providing child psychiatric services.

Your Committee has made a minor technical amendment to the bill which has no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 655, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 548 Health on S.B. No. 1726

The purpose of this bill is to allow trained technicians to enucleate the eyes of a donor. This bill amends Section 327-7, Hawaii Revised Statutes, to authorize trained technicians to perform enucleations.

Your Committee received testimony from several private groups and state departments which supported the enactment of this measure.

Your Committee has made a minor technical amendment to the bill which has no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1726, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 549 Transportation on S.B. No. 1629

The purpose of this bill is to permit the use of photosensitive or amber-colored lenses in safety glasses or goggles worn by motorcycle and motor scooter riders.

Your Committee heard testimony from the Department of Transportation that the law is silent on the question and that existing rules and regulations do not prohibit the use of such glasses or goggles. However, your Committee also heard testimony from Street Bikers United that there is some confusion as to whether or not current rules and regulations allow the use of such glasses or goggles as a statement in the Hawaii Drivers Manual indicates that their use is prohibited. This group urged the adoption of the measure as a means of clarifying the issue. Your Committee finds this argument persuasive.

Your Committee has amended the bill to include the proviso that such glasses and goggles must transmit not less than 85% of the incident visible radiation, the prevailing technical definition of a clear lens.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1629, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Kuroda.

SCRep. 550 Consumer Protection and Commerce on S.B. No. 66

The purpose of this bill is to regulate transient vacation rental units.

Your Committee finds that the state is losing tax revenues because the general excise tax is not being paid on income derived from transient vacation rental units. The provisions of this bill are designed to reduce such lost revenues by requiring that any person, prior to offering a lodging unit for transient rental use, file a disclosure statement with the Real Estate Commission. The disclosure statement is to include the name, address, and telephone number of the person offering to rent the unit and the name, address, and telephone number of managing agent responsible for the rental unit.

The Real Estate Commission testified that it lacks the resources to regulate transient vacation rentals and suggested that the Department of Taxation would be the more appropriate agency to accept disclosure statements. Your Committee is in agreement with the testimony



of the Real Estate Commission and has made appropriate amendments to the bill.

Your Committee has further amended the bill by adding language to subsection (c) of section -2 of the new chapter proposed by the bill to clarify that any disclosure statement shall not be deemed to permit transient rental use which falls under the definition of "transient vacation rentals" in chapter 514E, in areas in which transient vacation rentals are prohibited by section 514E-5.

The bill has also been amended by making a violation of the proposed new chapter a misdemeanor, rather than a violation, and to make corporate officers and directors who aid in or abet a violation liable for such acts.

In order to allow persons affected by the bill adequate time to comply with its provisions, the disclosure statement provided for by the bill is required to be filed 120 days after the bill is enacted.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 66, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 66, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 551 Consumer Protection and Commerce on S.B. No. 67

The purpose of this bill is to provide for the strict regulation of time sharing sales and for the regulation of exchange programs involving time share units.

Your Committee has become increasingly aware of public complaints with respect to the manner and style of sales and solicitation activities of persons associated with the time sharing industry in Hawaii. Through the press and other media coverage, through personal correspondence, telephone inquiries, on-site observation, and discussion with government officials and private citizens, your Committee concludes that the public temper demands reform and strict regulation of time sharing sales activities.

Public concern is found not only in distaste for overzealous, high-pressure sales techniques, but also in the contemplation of their effect upon the tourist industry, which so heavily impacts the economy of the state. Informed citizens, aware of critical comment and complaint by visitors, are apprehensive over the prospect of a seriously declining tourist flow which they relate in part to the prevalence in tourist areas of time share hawkers and buttonholers. Increased complaints of this type received by the Office of Consumer Protection corroborate and validate this public concern.

Your Committee is aware that those who have been engaged in disruptive sales practices are a minority in the time sharing industry, yet their activities have caused the vast majority of complaints that have been received to date. This activity has been a direct cause of the perceived need for strict regulation, with sanctions on time sharing sales practices by this Committee and the Senate.

At its first public hearing on S.B. No. 67, your Committee received testimony of private citizens and government officials who shared the view that reform of time sharing sales practices is needed. The Office of Consumer Protection was responsive to the purpose of the bill even though it perceived First Amendment problems. The Council of Presidents was in support and remarked on the solicitation of pedestrians by time sharing representatives. The Waikiki Improvement Association commented on the "rampant solicitation". A local attorney offered testimony citing First Amendment considerations.

Accordingly, your Committee has modified the bill to respond to the major issues of concern relating to time sharing sales. In its amended form the bill stresses the concept of deceptive trade practices, and by reference makes time sharing trade practices subject to all provisions of chapter 480, Hawaii Revised Statutes. It is the intention of your Committee that time share companies and sales be subject to section 480-2, Hawaii Revised Statutes, relating to "unfair methods of competition". Thus, the amended bill sets out deceptive trade practices, including the failure to disclose fully that promotional devices are "being used for the purpose of soliciting sales of time share plans or units." Equally important is the requirement to inform each purchaser, orally and in writing, at the time he signs a contract, of his right to cancel or void the contract.

Section 480-13, Hawaii Revised Statutes, allows private plaintiffs to bring treble-damage lawsuits for injuries sustained through acts in violation of chapter 480. The treble-damage provision should provide incentive for private parties to redress injuries

while concurrently assisting the state in its enforcement of the law.

The bill also sets out prohibited practices, with an emphasis on disclosure and making the prohibited practices a violation of chapter 514E, Hawaii Revised Statutes. Penalties for such violations are civil in nature and provide for fines of not less than \$500 nor more than \$10,000 for each offense, with each date of offense declared a separate offense. Corporate and individual responsibility is made a matter of law, with the penalties applicable to each. Under the civil penalty section of the bill there is parity between the civil penalty provisions of chapters 514E and 480, Hawaii Revised Statutes, and the amended language makes clear that agents or independent contractors of time share sellers will also be subject to civil penalties.

The amended bill empowers the director of regulatory agencies, upon satisfaction that "any person" is in violation of chapter 514E, Hawaii Revised Statutes, to bring suit on behalf of the state to enjoin any violation. The bill also provides for the voiding of every sale, transfer, or exchange made in violation of chapter 514E at the election of the purchaser, and agents of the seller may be held jointly and severally liable for the purchase price, plus interest, court costs, and reasonable attorney's fees.

The exchange program portions of the bill have been slightly expanded in line with the tenor of the amendments above described, but remain basically unchanged since exchanges are part of time sharing sales.

The bill has been amended to include a severability clause and to effect other technical changes.

The bill, as amended, responds to the increasing public insistence upon stricter regulation of the time sharing industry and is both sound and equitable in its approach to the legitimate interests of the state, private citizens, visitors to Hawaii, and those in the time sharing industry.

Your Committee is in accord with the intent and purpose of S.B. No. 67, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 67, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 552 (Majority) Consumer Protection and Commerce on S.B. No. 251

The purpose of this bill is to (1) prohibit medical practitioners from dispensing drugs except under specific circumstances; and (2) within those specific circumstances, to require medical practitioners to dispense drugs subject to the same controls that are now applicable to licensed pharmacists.

It is recognized that controlling the supply and regulating the dispensing of drugs within the community serves the public health and safety. It is also recognized, however, that providing medical practitioners the ability to administer medications in isolated or emergency situations serves an important public need.

This bill serves both these vital interests by restricting the dispensing of drugs and medications in the state, while granting medical practitioners necessary flexibility to dispense drugs when circumstances warrant.

Your Committee amended the bill to correct typographical errors.

Your Committee is in accord with the intent and purpose of S.B. No. 251, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 251, S.D. 2.

Signed by all members of the Committee except Senators Machida and Yee.  
Senators Henderson and Saiki did not concur.

SCRep. 553 Consumer Protection and Commerce on S.B. No. 400

The purpose of this bill is to raise the allowable maximum rate of interest for certain transactions.

This bill amends chapter 478, Hawaii Revised Statutes, relating to interest and usury by raising present interest limits on unwritten contracts, judgments, written contracts, and on loans made by agents.

Presently, banks, savings and loans, and industrial loan companies are exempted from general interest and usury provisions and make loans at interest rates which substantially exceed those set by chapter 478, Hawaii Revised Statutes. Other businesses, however, are limited to 12% interest on their written contracts. This provides an "incentive" for their customers to default on contracts, in effect financing purchases at a very advantageous rate of interest. Besides creating cash flow problems for businesses, losses result because inventory and other expenses are often financed through lending institutions charging prevailing rates. It is a no-win situation for business and the only apparent solution is increasing prices to cover the losses.

Your Committee finds that forcing consumers at large to subsidize defacto "loans" to delinquent customers, is not equitable and economically sound. Your Committee, therefore, is in accord with the general intent of S.B. No. 400.

Your Committee, however, received testimony from the financial community that raising interest and usury ceilings may be too broad an approach at this time.

Your Committee amended the bill by limiting its scope to allow wholesalers and retailers of tangible personal goods to charge interest at the rate of one and one-half per cent a month, to eliminate the present "incentive" for default.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 400, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 554 Consumer Protection and Commerce on S.B. No. 528

The purpose of this bill is to permit the suspension or revocation of a pharmacist's license who improperly dispenses drugs and to require suspension and revocation upon conviction of certain federal laws.

Your Committee received testimony from the Board of Pharmacy in support of the deterrent effect of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 528, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Machida and Soares.

SCRep. 555 Consumer Protection and Commerce on S.B. No. 596

The purpose of this bill is to streamline and improve the regulation of the occupation and practice of massage in this state.

Chapter 452, Hawaii Revised Statutes, is presently scheduled to "sunset" on December 31, 1981. The Legislative Auditor, pursuant to statutory requirement, issued Sunset Evaluation Report No. 81-1, January, 1981 after reviewing the present regulatory structure.

The Legislative Auditor's report alternatively recommended that:

- 1) Regulation of the occupation and practice of massage by the Board of Massage be allowed to expire on December 31, 1981 and that the counties be given the option to assume regulation of massage; or
- 2) If the legislature decides that the possibility of injury from the practice of massage and the problem of prostitution warrant continued state regulation: (1) apprenticeship should be made a requirement for licensing; (2) a conviction of an offense involving moral turpitude should be specified as a grounds for denial or revocation of a massage license; and (3) advertising of massage services by unlicensed persons should be prohibited.

Your Committee finds that although the continued regulation of massage is necessitated by the potential of harm to the community, both basic recommendations of the Legislative Auditor can and should be adopted.

Your Committee, therefore, amended the bill to extend chapter 452, Hawaii Revised Statutes, for six years and adopted the first recommendation of the Auditor's report

by eliminating the present Board of Massage and giving the counties the option of regulating the practice of massage.

The responsibility for regulating massage, until counties decide to assume the duty, or if the counties decide not to assume the duty, is placed with the director of regulatory agencies.

This bill also adopted the second basic recommendation of the Auditor by (1) requiring apprenticeship as a condition for taking the massage therapist examination, (2) making a conviction for an offense involving moral turpitude a ground for denial or revocation of a license, and (3) prohibiting advertising by unlicensed persons.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 596, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 556 Consumer Protection and Commerce on S.B. No. 598

The purpose of this bill is to review and improve administration of the law governing dispensing opticians.

Your Committee has amended the bill to prohibit the duplication of both hard and soft contact lenses by an optician without a patient examination by either an optometrist or ophthalmologist.

Your Committee made a technical change to section 458-6 by deleting the word "investigation" and inserting the word "examination" in its place. Also, the last sentence of section 458-7 was amended to read, "No certificate holder shall cause any person to take facial measurements, fit or adjust lenses or duplicate frames unless such persons are acting under the direct personal supervision of a certificate holder."

Your Committee also amended the bill to incorporate a recommendation of the Legislative Auditor's Sunset Evaluation Report, 81-2, to limit licensing to individuals.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 598, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 557 Consumer Protection and Commerce on S.B. No. 601

The purpose of this bill is to amend the law relating to the regulation of speech pathologists and audiologists.

Presently, speech pathologists and audiologists employed by state and local governments are exempt from licensure. Your Committee finds that the application of professional skills and techniques by trained speech pathologists and audiologists are of such importance to the health and well being of our citizens that licensure should be required for all practitioners.

Your Committee has amended the bill to remove the government licensure exemption of local or state employees and to require government-employed speech pathologists and audiologists to qualify for licensure by December 31, 1984, pursuant to rules of the Board of Speech Pathologists and Audiologists. It is the intent of your Committee to disallow "grandfathering" of unlicensed persons practicing as speech pathologists and audiologists.

Your Committee, during its deliberations on this and other related measures, considered the Legislative Auditor's Sunset Evaluation Report No. 81-5, February, 1981, relating to speech pathologists and audiologists, and though it does not find that additional statutory revision is warranted at this time, concurs with the following recommendations:

- 1) That applications should be processed more expeditiously and the staff's efficiency in processing applications should be maintained.
- 2) That the staff observe rules regarding documents required to be submitted with an application.

- 3) That the Board's rules be amended to achieve statutory conformity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 601, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 558 Consumer Protection and Commerce on S.B. No. 636

The purpose of this bill is to permit the legislature to extend for ten years a twice reviewed and renewed regulatory activity under the Hawaii Regulatory Licensing Reform Act (the "Sunset" law).

Presently, the number of activities (31) and frequency of sunset review (every six years or less) has placed a substantial strain on the two agencies involved in the process, the Department of Regulatory Agencies and the legislative auditor.

Your Committee amended the bill to require, rather than merely permit, the legislature to reenact, for a ten-year period, any chapter twice previously reviewed and reenacted. Your Committee also added a provision to specifically limit the term of all other reenactments, to no more than six years, to clarify and conform to the original intent of the "Sunset" law.

Your Committee recognizes that certain regulatory programs may merit ten-year sunset extensions, however, it will nevertheless continue to monitor all programs and initiate review whenever necessary.

Your Committee amended the bill to provide an evaluated regulatory board or commission thirty days to react, review, and respond to the report, prior to its submission to the legislature. Presently, boards and commissions may make comments to the Auditor; however, the law does not specifically provide for a time period during which they may review and comment upon the report.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 636, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 559 (Majority) Consumer Protection and Commerce on S.B. No. 643

The purpose of this bill is to create a new home warranty program by establishing warranty provisions, contractor requirements, and procedures.

Your Committee, during its consideration of the bill, was assisted by an ad hoc panel, which represented contractors, homeowners, and other concerned parties, and which researched the problem and developed the concept embodied in the bill as amended.

Your Committee finds that establishing a warranty program requires very technical and specialized provisions. Therefore, your Committee amended the bill to require the contractors licensing board to establish and develop the specific provisions of the warranty program.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.  
Senator Soares did not concur.

SCRep. 560 Consumer Protection and Commerce on S.B. No. 816

The purpose of this bill is to require a one hundred percent approval by apartment owners of new designations of additional areas in common elements, or subject to common expenses.

Your Committee has amended this bill to allow developers of incremental or phased

projects to continue with their project. We have also included a new section for chapter 514A, Hawaii Revised Statutes, to notify apartment owners in writing of increases in the cost of common expenses prior to such an increase.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 561 Consumer Protection and Commerce on S.B. No. 868

The purpose of this bill is to require health insurers to provide coverage for "well-baby" visits for children up to two years of age.

A "well-baby" visit is a preventive examination of an infant to determine the general health of the child. This bill specifically provides for a series of six well-baby visits from birth to age two.

Your Committee received testimony from the Department of Health and the Hawaii Pediatric Society that although most parents have some form of health insurance, many young families cannot afford well-baby visits because these examinations are not included with the required coverage of their policies. The society also testified that the costs of well-baby coverage for an average policyholder would be very nominal (less than \$.20 per month).

Your Committee also received testimony from the Hawaii Medical Services Association that such coverage should be made optional, rather than required, for all policyholders, many of whom are not interested in such a benefit.

Based on the nominal cost to a policyholder interested in such coverage, your Committee amended the bill to make well-baby benefits optional coverage.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 868, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 868, S.D. 2.

Signed by all members of the Committee except Senator Henderson.

SCRep. 562 (Majority) Consumer Protection and Commerce on S.B. No. 1050

The purpose of this bill is to prohibit the eviction of certain elderly and handicapped persons prior to a potential conversion of their rental unit into a condominium.

Condominium conversions can create severe problems for elderly and handicapped renters because they often lack the financial or physical flexibility to find alternative housing.

Your Committee amended the bill to require nine months notification to elderly or handicapped tenants as defined by section 359-52, Hawaii Revised Statutes. Also, your Committee deleted provisions in the bill relating to rent increases and eviction.

It is the intent of this Committee that this bill shall not preclude any notice given under section 521-38, Hawaii Revised Statutes, prior to the effective date of this Act.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1050, S.D. No. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1050, S.D. 2.

Signed by all members of the Committee.  
Senators Henderson and Soares did not concur.

SCRep. 563 (Majority) Consumer Protection and Commerce on S.B. No. 1319

The purpose of this bill is to limit an owner of more than one unit in a condominium project to one vote in the owners' association.

Presently, the number of votes an owner may be entitled to is determined by the number of units owned. This permits one, or a small group of multi-unit owners, to wield disproportionate influence within the association.

This bill would promote greater participation and representation for the large majority of condominium residents, who are single-unit owners.

Your Committee has amended the bill to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1319, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Henderson, Soares and Yee did not concur.

SCRep. 564 Consumer Protection and Commerce on S.B. No. 1359

The purpose of this bill is to allow insurers to issue variable life insurance policies.

A variable life insurance policy is one in which cash value and death benefits vary according to the investment experience of a separate account established by the insurer. Presently, insurers are permitted to issue variable annuity contracts and this bill would extend the concept to life insurance policies, as allowed in 48 other states.

Your Committee amended the bill to correct drafting and other technical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1359, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 565 Consumer Protection and Commerce on S.B. No. 1542

The purpose of this bill is to allow a broker for a residential condominium project to compile a reservation list of persons who wish to purchase an apartment but who do not intend to become owner-occupants ("nonoccupant-owners"). Presently, brokers are required to compile a list of intended owner-occupants.

This bill would provide nonoccupant-owners the opportunity to place their names on a reservation list but would prohibit brokers from collecting earnest money deposits from prospective nonoccupant-owners. The provisions of the bill merely allows brokers to compile a list but does not grant any priority to those persons on the nonoccupant-owner reservation list.

Your Committee amended the bill to clarify its intent that although a broker may compile a list of potential non-occupant owners, those intending to become owner occupants shall still have priority for purchase of units as provided in section 514A-105.

Your Committee also amended the bill to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1542, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1542, S.D. 2.

Signed by all members of the Committee except Senators Kuroda, Machida and Yee.

SCRep. 566 Consumer Protection and Commerce on S.B. No. 1691

The purpose of this bill is to provide for mandatory disciplinary actions against dentists who violate certain federal and state laws dealing with medical assistance programs and drugs.

Presently, there are no specifically required disciplinary actions against dentists who are convicted of certain serious offenses. This bill would require the suspension or revocation of a dentist's license to practice for not less than one year for these violations.

Your Committee amended the bill by not requiring suspension or revocation if the violations are minor or unintentional.

Your Committee also amended the bill by:

(1) Adding a provision to amend section 448-6, Hawaii Revised Statutes, to delete the requirement that the Board of Dental Examiners examine applicants for licensure in February and August of each year. This change in the law will allow the board flexibility in scheduling examinations at times most convenient for applicants.

(2) Adding a provision to amend section 448-10, Hawaii Revised Statutes, mandating rather than allowing the board to accept for the practical examination applicants who have passed the theory examination of the National Board of Dental Examiners.

These amendments are essentially "housekeeping" measures and were requested by the Board of Dental Examiners.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1691, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1691, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Machida.

SCRep. 567    Judiciary on S.B. No. 115

The purpose of this bill is to provide a remedy for the overcrowding of the prison. Where the correctional facilities are so overcrowded that any further increase in the inmate population would pose a dangerous condition or would constitute cruel and unusual punishment, the director of social services, with the consent of the governor shall certify to the Hawaii Paroling Authority that such condition exists. Thereafter, the paroling authority shall parole one or more prisoners for each person subsequently sentenced to imprisonment. Paroles would be granted to prisoners who demonstrate the highest probability of remaining at liberty without violating the law and without endangering society. This procedure shall continue until the director certifies that the correctional facility population is at or below ninety-five percent of its capacity, but before it decreases below ninety percent capacity. The Hawaii Paroling Authority shall establish rules for intensive monitoring of those paroled by requiring that the parolees report for overnight confinement at certain facilities, more frequent reporting to parole officers be required where such facilities are not available, and that parole officers make frequent checks with the parolee's employers and associates.

The testimony submitted by the Department of Social Services and Housing and the Prosecuting Attorney's Office indicate that an alternative is needed to alleviate the overcrowded conditions of the prison until sufficient correctional facilities can be built.

Your Committee recognizes this bill as being desirable at the time to provide a "safety valve" to prevent any dangerous conditions from arising.

Your Committee has amended the bill to provide that no prisoner who is imprisoned for a class A felony shall be paroled under this provision. Your Committee feels that there are those who can be considered too dangerous to society and they should not be considered for release under this bill.

Your Committee has amended the bill to provide that the director shall notify the governor as to those persons who are paroled; but the governor may revoke the parole of any person pursuant to Section 353-68(b), Hawaii Revised Statutes.

Your Committee has further amended to provide for the establishment of rules and regulations by the director and paroling authority on or before June 30, 1982.

Your Committee has made a nonsubstantive change by deleting "convict" and adding "person." Your Committee has also changed the approval date to December 31, 1981 to allow time to implement this program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 115, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 568    Judiciary on S.B. No. 118

The purpose of this bill is to lower the age when jurisdiction over a minor may be waived over to the Circuit Court, from sixteen to fourteen.



The bill also makes it mandatory that the Family Court waive jurisdiction over a minor whom the Court determines to be "probably responsible for an act which is prohibited by law as being a felony", and who has previously been determined to be a law violator as spelled out in the bill. These prior acts would include: (1) an act prohibited as being a class A felony, (2) two or more acts within the last three years prohibited as being a felony of any class, (3) one or more acts prohibited by law as being a felony, and two or more acts prohibited as being a misdemeanor within the last three years, or (4) five or more acts within the last three years prohibited by law as being misdemeanors.

Your Committee believes that it is undesirable to lower the age for waiver and subject minor children of fourteen to possible waiver over to Circuit Court for treatment and disposition as adults. However, your Committee believes that mandatory waiver is necessary for those minors who have serious prior records of the type defined in the bill. The bill has been amended to reflect this position.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 118, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 569    Judiciary on S.B. No. 375

The purpose of this bill is to prohibit the consumption, possession, or transportation of intoxicating liquor while operating or riding in a motor vehicle. Under this bill, any receptacle containing alcohol must be kept in the trunk of the car or in any other area outside of the reach of the driver or passengers.

Your Committee heard testimony from the Director of Transportation, the Honolulu Police Department, the Department of the Public Prosecutor, County of Maui, and the Department of the Prosecuting Attorney, City and County of Honolulu. These agencies all are strongly in favor of the bill, with the Director of Transportation pointing out that over forty per cent of all fatal crashes in Hawaii have alcohol involvement.

Your Committee is in agreement with the intent of this bill to prohibit the consumption of intoxicating liquor on streets and highways while operating a motor vehicle. However, your Committee has revised the bill to exempt mere possession without consumption by the driver, from restriction, as well as consumption by one other than the driver. Your Committee believes that the proscriptions in this bill against mere possession of opened containers of alcoholic beverages will give police cause to stop vehicles which may potentially be involved in dangerous accidents.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 375, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 375, S.D. 1.

Signed by all members of the Committee.

SCRep. 570    (Majority) Judiciary on S.B. No. 418

The purpose of this bill is to authorize the prescribing, distribution, and use of marijuana, including tetrahydrocannabinols, under strict guidelines, for the treatment of glaucoma, alcoholism and for persons undergoing chemotherapy. The use of marijuana is limited only to those who have received prescriptions from qualified medical practitioners. The dispensing of marijuana shall be the responsibility of the Department of Health.

The testimony submitted by The Hawaii Council of Churches and others indicates that legalizing marijuana would be beneficial and a humane alternative for purposes of treating those people who suffer from various illnesses and afflictions.

This bill does not specify possible sources for the Department of Health to obtain marijuana, including tetrahydrocannabinols (THC). The federal government grows marijuana for similar purposes and your Committee suggests that the Department of Health may wish to investigate the possibility of obtaining its supply from this source.

Additionally, your Committee does not intend to legalize the production of marijuana, for the purposes of this bill, and recognizes that such production falls under the purview of the federal government.

Your Committee recognizes that this bill will be beneficial to those people who seek medical relief from certain illnesses and finds that safeguards have been established for the purposes of this Act.

Your Committee has amended the bill by deleting the reference of production as part of the purpose of this Act and by specifying that the rules and charges related to the dispensing of marijuana will be established for the purposes of this bill. The bill has been also amended to specify that this Act will be in effect until December 31, 1986. It is the intent of your Committee, that the Legislature will review the effects of this Act, prior to December 31, 1986, and if the findings warrant the extension of the provisions of this Act, then the Legislature will take appropriate action to this effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 418, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 418, S.D. 2.

Signed by all members of the Committee.  
Senators O'Connor and Soares did not concur.

SCRep. 571    Judiciary on S.B. No. 991

The purpose of this bill is to amend Chapter 92, Hawaii Revised Statutes, relating to public agency meetings and records. The bill provides for closed meetings to the public upon a two-thirds vote of all board members rather than two-thirds of board members present at the meeting, but the vote of each member and the reason for holding a closed meeting shall be publicly announced. The bill also changes the exception which allowed closed meetings to consult with the board's attorney. Under the bill, a closed meeting would be allowed to consult with the attorney only in matters relating to an actual lawsuit in which the board or government agency under which the board falls is named as a party. The bill also provides that the board cannot make any decision or deliberate toward a decision in any executive meeting. The bill provides that there must be written public notice of any meeting including executive meetings and the purpose of the meeting shall be stated. The Attorney General and the Prosecuting Attorney shall investigate any complaint from a resident. Any person may file suit under this provision and the court may order payment of reasonable attorney fees and court costs to a successful plaintiff. Public officials shall not require a person seeking to examine public records to state reasons for the examination. The bill further provides that all legislative committee reports shall be made a public record. Any approval or disapproval of records must be noted on the report including the member's name. Any person may bring suit to enforce this provision.

The testimony submitted by the Small Business Association of Hawaii, Hawaii Committee for Freedom of the Press, and Common Cause indicates that this bill is in keeping with the Sunshine Law in Hawaii. Testimony submitted by the Honolulu Community Media Council indicates that these changes are the ones specified by the Legislature in 1975; "The 1975 law states that its purpose is 'to protect the people's right to know', and that the provisions requiring open meetings 'shall be liberally construed', and exceptions to open meetings shall be strictly construed against closed meetings."

Your Committee recognizes this bill is desirable in carrying out the state policy of openness in government and thereby maintaining public confidence.

Your Committee has amended the bill by deleting the provision which would have allowed the board to consult its attorney only in matters relating to an actual lawsuit in which the board or government agency under which the board falls is named as a party. Your Committee feels that this provision would contravene the attorney-client privilege which covers matters not limited to actual litigation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 991, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 572    Judiciary on S.B. No. 997

The purpose of this bill is to clarify the definitions of "pornographic" and "pornographic for minors" in section 712-1210, Hawaii Revised Statutes, and to conform with decisions by the United States Supreme Court in *Miller vs. California*, 413 U.S. 15 (1973) and the Hawaii Supreme Court in *State vs. Manzo*, 58 Hawaii 440 (1977).

The provisions of this bill amend the definition of "pornographic" to mean any material or performance that the average person, applying contemporary community standards would find, taken as a whole, appealing to the prurient interest; is patently offensive; and lacks serious literary, artistic, political, or scientific value.

The term "pornographic for minors" has been clarified by changing the requirement that "it is utterly without redeeming social value" to "taken as a whole, it lacks serious literary, artistic, political, or scientific value".

Your Committee held a hearing on a proposed draft to this bill. The proposed draft provides for three new sections to Chapter 721, Hawaii Revised Statutes. These sections add provisions regarding the dissemination of explicit sexual material to minors and the display of the same material. Existing laws which are replaced by these new sections were repealed to conform to this draft. The intent of this action is to strengthen the laws regarding "explicit sexual material" and the enforcement thereof. This will also be beneficial to further deter the proliferation of pornographic material in Hawaii. These amendments were based on suggested state legislation formulated by the Presidential Commission on Obscenity and Pornography.

Testimony in favor of the proposed draft was received from the Honolulu Police Department, citing the need of these provisions because our present pornography laws have slowed the police in effectively prosecuting individuals. They further stated that this proposal attempts to condense the present pornography definition while retaining standards that measure what may be offensive to a substantial segment of the public.

Your Committee has amended the bill by adding the provisions of the proposed draft which establishes three new sections for "explicit sexual material" and by adding a new provision regarding the selling or displaying of explicit sexual material to persons in general. In addition, section 712-1211 on "Displaying indecent matter", section 712-1214 on "Promoting pornography", and section 712-1215 on "Promoting pornography for minors" have been repealed. The repeal of these sections is due to the establishment of the new sections which provide for these provisions. Section 712-1210 has been amended to retain only the definition of minors. Also, sections 712-1213, and 712-1216 have been amended to conform to the provisions of the proposed draft.

Your Committee has also amended the bill to include the noncommercial distribution of explicit sexual material to minors. Your Committee finds that this bill strengthens existing laws on offenses related to obscenity, especially in regards to minors. We further find that this bill will further the prosecution of persons promoting obscene material in Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 997, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 573 (Majority) Judiciary on S.B. No. 1034

The purpose of this bill is to provide for the admission of evidence in any criminal proceeding, although it may be the product of an unreasonable search and seizure where the police officer conducted the search in good faith. An officer shall be deemed to have acted in good faith where he acted under a warrant even though the warrant is later determined to be invalid.

The bill also provides that persons whose constitutional rights have been violated may bring a civil action against the police officer, except where contraband or property to which the person has no legal claim is involved. The state and counties would be immune from any liability for the conduct of any police officer. This provision would not limit other civil remedies available by law.

State v. Kaluna, 55 Hawaii 361, provides that although the police must not be hampered in the legitimate exercise of their authority, minimal safeguards must exist to protect a person's right of privacy as contained in Article 1, Section 7 of the State Constitution. Your Committee believes that the criminal and civil penalties provided in the bill would assure this result. Your Committee has therefore amended the bill to provide that an unreasonable search or seizure by a police officer shall be a class C felony and that in any civil action for unreasonable search and seizure, the officer would be subject to liability for compensatory damages, punitive damages, reasonable attorney's fees, and court costs.

Your Committee has also amended the bill to clarify existing laws to specifically provide that police officers may be prosecuted for any criminal offenses committed during the course of any search or seizure covered by the rule.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1034, as amended herein, and recommends that it pass Second Reading in the form attached

hereto as S.B. No. 1034, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 574    Judiciary on S.B. No. 1534

The purpose of this bill is to make it a misdemeanor for a person to sell or give liquor to any habitual or common drunkard, or to any obviously intoxicated person. The bill further exempts from civil liability a person who has unlawfully sold liquor to an intoxicated person for injuries caused to any third person by said intoxicated person, and a social host who furnishes liquor to any intoxicated person who causes injury to a third person, except where minors are involved.

A representative of the Retail Liquor Dealers Association of Hawaii testified in favor of the bill, but suggested limiting civil liability to liquor establishments only for serving liquor to an intoxicated person who causes injury to a third person.

Your Committee, however, believes it desirable to impose civil as well as criminal liability on any seller of liquor, in sales to all persons, whether they be adults or minors. This is in line with a 1980 Hawaii Supreme Court decision, which by judicial fiat imposed liability on a bar for injuries sustained by a third person, in the absence of any Dram Shop statute in effect at the time of the incident. The bill has been amended by deleting the new section in Section 2 of the bill, that would have established an exception to liability for any person, who sell, furnishes, gives, or causes to be sold any liquor to a habitual or common drunkard or an obviously intoxicated person and who causes injury to a third person. This section has been replaced by a new section that provides for civil liability in addition to criminal liability, in cases where injury by an obviously intoxicated person, occurs to a third person.

The bill has been further amended by the deletion of a new section relating to minors, in Section 2 of the bill. This section would have established liability in cases where minors were served liquor and who caused injury to a third person. This change has been made since the term intoxicated person means any adult or minor. Therefore, the previously mentioned new section which attaches civil liability to persons who serve liquor to a person who causes injury to a third person, would include the service of liquor to minors and adults.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1534, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 575    (Majority) Judiciary on S.B. No. 1681

The purpose of this bill is to provide a preliminary review procedure in actions against professional engineers, architects, and surveyors. The attorney for the plaintiff is required to file a certificate, subject to some exceptions at the time the complaint is filed, declaring that the attorney has reviewed the case and consulted with at least one architect, engineer, or land surveyor and concluded that there is a basis for a lawsuit. The exceptions include the following: (1) the statute of limitations would impair the action and the certificate could not be obtained in time in which case the certificate shall be filed within sixty days after the complaint is filed, (2) the attorney was unable to obtain consultation after good faith efforts were made, or (3) the attorney is relying on the doctrine of *res ipsa loquitur* or on a failure to inform of procedural consequences or both. With one exception, the attorney and people who are consulted have a privilege to refuse to disclose the content of the consultation and the identity of those consulted.

Testimony submitted by the American Institute of Architects of Hawaii and the Consulting Engineers Council of Hawaii indicates the desirability of providing a procedure that would eliminate unnecessary court actions. Testimony submitted by the Construction Industry Legislative Organization, Incorporated indicates that many frivolous claims are brought against those who may have no connection whatever with the cause of the injury. But because of the technicality of the cases and the inexperience in the part of the judge to determine justification for including a particular person in the action, individuals are unnecessarily forced to go through the costly procedure of defending themselves.

Testimony from the Consulting Engineers Council of Hawaii and the Hawaii Society of the American Institute of Architects recommended amending the bill by replacing the certificate procedure with a hearing held by a conciliation board. Your Committee agrees

with this change and has amended the bill accordingly.

Your Committee has amended the bill by establishing a new Part of the Hawaii Revised Statutes for procedures for claims to be heard by a conciliation board before the complaint is filed in court. The change establishes a Design Professional Conciliation Board for the purposes of this Part. In any action for damages, the complaining individual shall file a claim with the Board. The Board shall consist of three persons who shall review and render findings and advisory opinions on the issue of liability and damages. Notice of a claim shall be given to all parties who may be involved. Any party may file a written response to a claim filed.

At the hearing on the claim, the Board may receive any type of evidence and may in its discretion permit any party or counsel for a party to question other parties, witnesses, or consultants. The Board may subpoena witnesses and invoke the aid of the courts to assure compliance with the subpoena. The Board may encourage parties to settle the case any time prior to the rendition of its advisory decision. Evidence obtained from the hearing is inadmissible in any subsequent litigation except in a situation where a party refuses to cooperate with the Board and is subject to an assessment of costs and fees. Within fifteen days of a hearing, the Board shall file a decision, if the case has not been settled or disposed, with the Director of Regulatory Agencies who shall mail copies of it to all parties. The filing of the claim with the Board shall stop the running of the statute of limitations until sixty days after the decision is mailed or delivered by the Board to the parties involved.

All parties involved have the duty to cooperate with the Board or be subject to an assessment of costs and fees by the Court. All board members are immune from any defamation action while acting within their capacity as a member of the Board.

The Director of Regulatory Agencies shall administer this Part.

Your Committee has amended the bill to provide that the Director of Regulatory Agencies shall prepare and submit a report to the Legislature annually appraising the effectiveness of this procedure.

Your Committee recognizes that this bill would be beneficial in terms of preventing individuals from involvement in frivolous and costly suits. There would be assurances that only reasonable and meritorious claims are brought to the court's attention and result in the savings of valuable time of all those involved.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1681, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1681, S.D. 2, and be placed on the calendar for Third Reading.

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

SCRep. 576    Judiciary on S.B. No. 1684

The purpose of this bill is to clarify the law relating to campaign spending.

The bill does the following: (1) redefines "committee" under the law, so that exemption to registration and reporting requirements are given only to groups which spend less than set aggregate amount; (2) deletes the present provision that requires pledges to be counted as contributions; (3) changes from forty-five to sixty days before the primary or general election as the time committees must file organizational reports; (4) eliminates the present limitation of the number of fund raisers a candidate may have, (6) ends the limitation of contributions of political parties to candidates; (7) proposes changes in the voluntary expenditure limits for each respective state and county office set forth; (8) changes the filing dates for the deficit and surplus reports presently required; (9) increases the maximum of \$100 to \$500 for qualifying candidates for the offices of representative, state senator, county council, prosecuting attorney, board of education, and all other offices besides governor, lieutenant governor, and mayor; (10) eliminates the present requirement that a qualifying candidate receive no more than fifty per cent of the amount to which entitled for an election; and (11) eliminates the necessity of a contributor making contributions to five different candidates to obtain the maximum deduction of \$500.

Testimony received from Jack M. K. Gonzales, Esq., Executive Director of the Campaign Spending Commission, was in support of the above changes. He testified that many

candidates have not marked pledges down as contributions because of the difficulty in balancing their books when such pledges were not received. The requirement of obtaining occupations of persons contributing through the mail was characterized as onerous. He opposed limits on the contributions of political parties. Testimony received from a representative of the League of Women Voters indicated that there was a need to revise the bill to exempt individual contributors from registration and reporting requirements.

Your Committee adopted most of the recommendations made by the Executive Director of the Campaign Spending Commission, but revised the bill to exempt individual contributors from the registration and reporting requirements by redefinition of "committee". Your Committee further revised the bill to eliminate ceilings on contributions to candidates from any person, as your Committee is of the belief that existing provisions by way of reporting requirements make such a restriction unnecessary. Your Committee has provided for a thirty per cent increase in the voluntary spending limits for candidates, and a ten per cent increase for each subsequent year, as inflation is making such an increase necessary. Finally, your Committee has revised the bill to simplify the campaign reporting procedures and has eliminated the present requirement of filing reports in years in which the person is not a candidate.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1684, S.D. 1, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 1684, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 577 Housing and Hawaiian Homes on S.B. No. 55

The purpose of this bill is to allow construction of two-family dwelling units or two separate units for single-family residential use on lots zoned for residential use.

Your Committee finds that an immediate increase in the supply of housing can be achieved by allowing construction of multiple dwellings.

The zoning created by this bill ("ohana" zoning) would allow more residents to live in lower-density residential areas. Construction of additional units, through expansion of existing units, would be less costly than building new structures, since land and infrastructure are amortized; and ohana zoning would allow several generations to live together and share with one another. Senior citizens will specifically benefit, allowing them to occupy separate units on a single family lot.

Your Committee has amended this bill by changing "residential lot" to a "lot zoned for residential use". This change would allow lot owners without homes to plan for the construction of two-family dwelling units. The bill has also been amended to include attached and unattached dwelling units. This change specifies the kind of construction permitted.

Your Committee has also made non-substantive changes to eliminate unnecessary language and clarify the provisions of this bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 578 Housing and Hawaiian Homes on S.B. No. 646

The purpose of this bill is to allow group living in areas zoned for residential use.

As received by your Committee, this bill allowed group living as a permitted use for any real property zoned by a county use ordinance under a residential use designation provided that (1) not more than seven unrelated adults all age fifty-five or older made up the group; and (2) not more than two cars owned by members of the group are garaged or parked on the street at the residence.

Your Committee has amended the bill to delete the age requirements for members of the group and the reference to numbers of automobiles owned by members of the group.

As amended, the bill would allow group living facilities as a permitted use on residential

zoned real property if the facility houses no more than seven adults (not including facility staff members) and the facility is appropriately licensed.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 646, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 579    Housing and Hawaiian Homes on S.B. No. 1321

The purpose of this bill is to establish county advisory commissions to assist the County Central Coordinating Agencies (CCA's) in the performance of their duties.

In an effort to improve the coordination and efficiency of state and county land use and planning control systems, Act 74, Session Laws of Hawaii 1977, mandated each county to designate an existing agency as a central coordinating agency. Among other functions, each agency is required to maintain an up-to-date repository of all laws, ordinances and regulations, etc., relating to land development; study the feasibility of utilizing master application forms for the filing of land use requests; and coordinate inter-agency hearings and meetings on land use applications.

Your Committee finds that although progress has been made toward implementing Act 74, the advisory commissions to be established by this bill are necessary to provide expert technical participation in the activities of the CCA's.

The bill has been amended to require representation of housing consumer organizations on the advisory commission and to make clarifying language changes which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1321, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 580    Housing and Hawaiian Homes on S.B. No. 1324

The purpose of this bill is to require the establishment of procedures for notifying applicants of the completeness of land use approval or development permit applications within thirty days after an application has been filed.

Due to the complexity of land use laws and regulations, reviewing agencies will often repeatedly ask for supplemental information. The applicant's efforts in locating the information, preparing it for submission to the agency, and the agency's review of the entire application can cause substantial delays in the final approval of a land development project. Delays caused by requests for supplemental information can result in substantial increases in the final cost of a project.

Your Committee has amended the bill to insert December 31, 1981, as the date by which the counties must establish the procedures mandated by the bill. Your Committee has further amended the bill by making clarifying language changes which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1324, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 581    (Majority) Housing and Hawaiian Homes on S.B. No. 1785

The purpose of this bill is to involve the Office of Hawaiian Affairs (OHA) in the selection of members for the Hawaiian Homes Commission.

Under current law a vacancy in the Hawaiian Homes Commission is filled by the governor with the consent of the senate. This bill amends the nomination and appointment procedure

to require that the governor make an appointment to the commission from a list of nominees submitted by the Office of Hawaiian Affairs. The bill also empowers OHA to make an appointment upon failure of the governor to make a timely appointment.

Your Committee has amended this bill to provide for four-year terms for members of the Hawaiian Homes Commission and to prevent any person from serving for more than two consecutive terms.

Your Committee has also made other nonsubstantive, technical corrections.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1785, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Ajifu and Anderson did not concur.

SCRep. 582    Housing and Hawaiian Homes on S.B. No. 2108

The purpose of this bill is to charge the Office of Hawaiian Affairs (OHA) with establishing the role that the Hawaiian people might play in the development of Hawaii's relations with nations of the Pacific region.

Your Committee finds that the organization and functions of OHA make that agency uniquely suited to undertake the added responsibility provided for under this bill. Your Committee further finds that the state and the Hawaiian people will benefit by establishing strong relationships with nations in the Pacific area. The people of the Pacific area have many areas of mutual concern and cooperation will be to the mutual benefit of all. Moreover, the Hawaiian people, through study and interaction with their neighbors in the Pacific, will be better able to understand and appreciate their own culture.

Your Committee has made non-substantive language changes to clarify the intent of the bill.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2108, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 583    Ways and Means on S.B. No. 335

The purpose of this bill is to establish standards for grants, subsidies, and purchases of service pursuant to Article VII, section 4, of the State Constitution which requires that "no grant of public money or property shall be made except pursuant to standards provided by law." This means that all appropriations of public funds must be made in accordance with standards, whether these appropriations are made at the state or county levels. Accordingly, this bill applies to the State, the judiciary, and the counties.

This bill establishes standards for providers and recipients for grants, subsidies, and purchases of service, the conditions with which applicants must comply, the procedures for the review and funding of requests, and the monitoring and evaluation of transfers for grants, subsidies, and purchases of service.

Your Committee has made the following amendments to the bill:

1. The section on standards for providers and recipients has been amended by creating two new sections. The first requires all applicants to meet certain qualifying standards in order to qualify for the submission of a request for a grant, subsidy, or purchase of service, and the second requires applicants to comply with certain conditions in order to receive transfers.

2. A new provision has been added that contracts are to be executed within sixty days after appropriations are enacted, or as soon thereafter as practicable. If the period is beyond sixty days, the agency shall inform the requestor as to when the contract can be expected.

3. In addition, minor style changes have been made.



The most substantive of the amendments is the new section on qualifying standards for submission of requests for grants, subsidies, and purchases of service. In order to qualify, a requestor must be a profit organization incorporated in the State with a certificate of good standing or a nonprofit organization exempted from the federal income tax by the Internal Revenue Service; have a governing board, if it is a nonprofit organization, whose members serve without compensation and have no conflict of interest; have bylaws or policies on the manner in which the organization conducts its business, including policies relating to nepotism and management of potential conflict of interest situations; have at least one year's experience with the project or program; and meet applicable licensing and accreditation requirements.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 335, S.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 335, S.D. 2.

Signed by all members of the Committee.

SCRep. 584 Ways and Means on S.B. No. 362

The purposes of this bill are to (1) include sales of materials and commodities to licensed agricultural producers and agricultural cooperative associations which are to be incorporated into saleable produce or finished or saleable products in the definition of "wholesale" under the general excise tax law; and (2) provide exemptions for diversified agricultural producers and cooperative associations under the income tax and general excise tax laws.

Your Committee has amended the bill by deleting the income tax and general excise tax exemptions. Your Committee has also amended the bill to clarify that the new general excise provision added to section 237-4, Hawaii Revised Statutes, applies only to licensed agricultural producers and agricultural cooperatives under chapter 421, Hawaii Revised Statutes, who are members of the statewide agricultural cooperative association. In addition, your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 362, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 362, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 585 Ways and Means on S.B. No. 544

The purpose of this bill is to conform the Hawaii Income Tax Law to the Internal Revenue Code.

This bill amends the date the federal Internal Revenue Code applies to Hawaii from December 31, 1979 to December 31, 1980. By making this amendment Hawaii adopts changes made to the Code by Congress during the 1980 calendar year. Your Committee notes that this bill is required by section 235-2.3, Hawaii Revised Statutes, and that the Congressional changes adopted are only adopted for Hawaii purposes as made operative, limited, or made nonoperative by the Hawaii Income Tax Law.

Your Committee heard testimony in favor of this bill from the Department of Taxation, the Chamber of Commerce, and the Tax Foundation of Hawaii.

Your Committee finds that there is little or no revenue effect in the provisions of this bill. In recommending this bill for passage, your Committee notes the following amendments contained in this bill.

1. Section 235-2.2, Hawaii Revised Statutes, is amended by deleting the adoption of section 2005(a), Public Law 94-455. This deletion conforms the state income tax law to Public Law 96-223 which the legislature adopted on a prospective basis in Act 159, Session Laws of Hawaii 1980. Further conforming amendments are also made to section 235-2.3, Hawaii Revised Statutes, through the deletion of references to Public Law 95-600, section 702. These amendments conform the Hawaii income tax law to the federal law with respect to the carryover basis of inherited property.

2. In addition to a number of miscellaneous federal income tax amendments being adopted in this bill, of major importance is the Installment Sales Revision Act of 1980, Public Law 96-471. The major amendments in this Act eliminate the requirement that not more than thirty per cent of the selling price may be received in the tax year of a

sale, eliminate the requirement that the sale consist of two payments in different tax years, and make installment sales tax treatment automatic unless the taxpayer elects otherwise. The law also necessitates the amendment of section 235-2.3(n), Hawaii Revised Statutes, to provide for retroactive effective dates contained in federal law, as Public Law 96-471 (as do more and more public laws) contains many effective dates which occur during the calendar year 1980 which if not adopted in Hawaii would work a hardship for Hawaii's taxpayers who relied on the federal law during the 1980 taxable year.

Due to the number of retroactive effective dates contained in this Public Law and the possibility of many amended income tax returns that may result, your Committee recommends to the House early passage of this bill and transmittal to the governor.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 544, S.D. 1, and recommends it pass Third Reading in the form attached hereto as S.B. No. 544, S.D. 1.

Signed by all members of the Committee.

SCRep. 586 Ways and Means on S.B. No. 552

The purpose of this bill is to require persons collecting rent from real property to keep records of the rent collected and of the ownership of the property for general excise tax purposes.

The bill further provides that such persons are subject to a misdemeanor penalty for the failure of keeping and making available these records.

Your Committee has amended the bill to provide that either copies or originals of the records may be kept for the one-year period.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 552, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 552, S.D. 2.

Signed by all members of the Committee.

SCRep. 587 Ways and Means on S.B. No. 557

The purpose of this bill is to provide a permanent excise tax credit of \$50 multiplied by the number of qualified exemptions to which the taxpayer is entitled to each resident taxpayer.

After due consideration your Committee has amended the bill to provide a one time general credit of \$50 multiplied by the number of qualified exemptions to each resident taxpayer regardless of adjusted gross income to be claimed in 1982 on taxes paid during the 1981 taxable year. In addition your Committee has amended the existing excise tax credit schedule by increasing the tax credit for each adjusted gross income bracket by ten per cent. Your Committee believes that this formula is an equitable way of reducing the state's general fund surplus to Hawaii residents as required by the State Constitution.

Your Committee has made other nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 557, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 588 Ways and Means on S.B. No. 648

The purpose of this bill, as received, is to designate a percentage of surplus general revenues to be paid directly into a surplus revenue fund established by this bill whenever anticipated current year revenues exceed the prior year's revenues by a given percentage. The surplus revenue fund would then be used to pay state deficits.

Your Committee has amended this bill by deleting the condition that expected current year revenues must exceed prior year revenues and instead permitting the designation of surplus revenues out of the prior year's unreserved and undesignated general fund balance. Your Committee has also deleted the provision requiring that the surplus revenues be paid into a fund separate from the general fund and has provided instead that a portion of the general fund be designated for the excess revenue reserve. The amount of ten

per cent of the prior year's undesignated and unreserved general fund balance has been designated to constitute the surplus revenue fund and a ceiling of \$30,000,000 has been placed on the total amount which may be designated as surplus revenue at any one time.

This bill has also been amended to utilize generally accepted accounting terms, to wit, by substituting the term "excess revenue reserve" for "surplus revenue funds", the term "general fund balance" for "surplus", and "anticipated general fund deficit" for "deficit".

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 648, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 589 Ways and Means on S.B. No. 891

The purpose of this bill is to amend the section on the seed distribution program revolving fund to provide that moneys from the fund may also be used by the agricultural diagnostic service center for diagnostic services on soil, plant tissue, etc., and to change the threshold amount of the revolving fund over which any excess amount must be remitted to the state general fund at the end of each fiscal year.

Your Committee has amended the bill to delete the language providing for an appropriation for the revolving fund, since these funds have already been appropriated. Also the bill was amended to make \$100,000 instead of \$500,000 the threshold amount in the revolving fund over which any excess amount must be remitted to the state general fund at the end of each fiscal year. Other nonsubstantive, technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 891, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 891, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Abercrombie and Young.

SCRep. 590 Ways and Means on S.B. No. 972

The purpose of this bill is to amend certain sections of the chapter on criminal injuries compensation.

This bill expands the eligibility coverage by providing that the criminal injuries compensation commission may order the payment of compensation to the dependents of a private citizen who dies while preventing the commission of a crime, in apprehending a criminal or materially assisting a peace officer in such prevention or apprehension. The types of allowable compensation have been expanded to include compensation for pecuniary loss suffered by dependents of a deceased private citizen. Also, some allowable terms and forms of periodic payments of compensation are enumerated. The maximum allowable amount of compensation has been increased from \$10,000 to \$30,000.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 972, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 972, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 591 Ways and Means on S.B. No. 1202

The purpose of this bill is to provide a public service company tax exemption to any contract carrier by water having a gross weight exceeding ten thousand gross tons which is engaged in the business of transporting persons for tourism or sightseeing purposes within the state for a period of five years from the date of first engaging in this business and that the public service company tax of four per cent of gross income shall be imposed after this period.

Tourism is an important foundation of the state's economy and promotes economic

growth and employment opportunities for many of its residents. The tourist industry is presently experiencing a slowdown and concern over this slowdown has prompted the search for new ways to revitalize the ailing industry. One suggested method is to encourage the transportation of tourists within the State by water which is currently done on a relatively small scale by large contract carriers.

Your Committee has heard testimony indicating that the business of transporting persons for tourism or sightseeing purposes within the state by large contract carriers by water requires large capital expenditures during the initial years of operation. Presently, section 239-6, Hawaii Revised Statutes, requires these large contract carriers by water to pay a public service company tax equal to four per cent of their gross incomes derived from this business. The imposition of this tax merely adds to the high costs of engaging in this business and further exacerbates the profitability of this business, most notably during the initial years of operation.

This bill would provide a public service company tax exemption to these contract carriers during their initial years of operation which would serve to lower the costs of business during this period, provide an incentive to continue operations in this business, and stimulate other contract carriers by water to enter into this business. Providing such an exemption would attest to the state's commitment to promoting its tourist industry and related employment opportunities for its residents.

Your Committee has amended the bill by rewriting it in appropriate statutory language and deleting the provisions that the exemption shall apply for a period of five years and that a tax of four per cent shall be imposed thereafter and substituting instead the provision that the tax exemption shall be applicable for the period July 1, 1981 to June 30, 1986. The purpose of this amendment is to provide for a specific and limited time period in which the exemption shall apply and to provide for legislative review of the exemption before its termination.

The effective date has been amended to conform to the provisions of the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1202, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 592 Ways and Means on S.B. No. 1231

The purpose of this bill is to amend the present tax rate structure imposed on electric and gas companies.

Under present law, electric and gas utility companies are assessed a public service company tax, a public utility fee, and a franchise tax, all based on the gross revenue derived from the sale of electricity and gas. Your Committee notes, that as the cost of fuel oil, which is passed on to consumers, rises, the utility revenue and taxes thereon rise accordingly. Since these taxes are passed on to consumers, the effective cost of electricity has risen to the point where about 11 per cent of the bill of an average customer of Hawaiian Electric Company was allocated to taxes in 1980. Your Committee notes that oil which cost about \$3 per barrel in 1973 now costs about \$40 per barrel and together with taxes, accounts for more than 75 per cent of the average bill.

This bill would change the basis of taxation from gross receipts to one based on a fixed number of cents per energy unit sold. The various tax rate figures contained in the bill are based on the amount of tax revenue paid to the State in the three tax categories during 1980 and are calculated to provide similar revenue in future years. Your Committee believes that these measures will help to offset the rapid rise in the cost of energy.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1231, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1231, S.D. 2.

Signed by all members of the Committee except Senator Kawasaki.

SCRep. 593 Ways and Means on S.B. No. 1329

The purpose of this bill is to increase lower and moderate income government housing construction through the issuance of special purpose revenue bonds.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1329, S.D. 1, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Young.

SCRep. 594 (Majority) Ways and Means on S.B. No. 1096

The purpose of this bill is to add a third circuit judge to the third circuit court.

The workload of the third judicial circuit, which comprises the island of Hawaii, necessitates the addition of the third judge.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 595 Ways and Means on S.B. No. 1496

The purpose of this bill is to provide a broad range of educational opportunities to exceptional children by offering an allowance for the education of these children.

Your Committee is acutely aware of the fact that PL 94-142 mandates the provisions of free appropriate public education of handicapped, i.e. exceptional children. Unfortunately, the federal funds required to implement PL 94-142 have not accompanied the mandate. The state has nevertheless accepted its new responsibilities, but due to a number of reasons, including the relative newness of the Department of Education's involvement in this area, the needs of all exceptional children have not been adequately met.

One of the principal problems faced by the Department of Education (and the state) in meeting the needs of special education is the high cost of special education combined with the needs of regular education. The funding difficulties faced by the Department of Education (and the state) are emphasized by the fact that the average cost per child to provide regular education is slightly over \$2,000, compared to an average cost of over \$3,200 for special education. Moreover, the fact that most special education efforts in the past have been undertaken by private agencies has resulted in a situation where much of the expertise and most of the experience rest in private schools or programs. Consequently, many parents continue to send their children to private special education schools at great personal financial sacrifice even though "free appropriate public education" may be available. To these parents of unfortunate youngsters the "free" public education is apparently not appropriate.

Some may argue that those parents who choose to send their unfortunate youngsters to private special education schools or programs should pay for that "privilege". An argument of this nature misses several important points. First, and most important, it is not a "privilege" to be responsible for the education of an "exceptional" child as defined in Hawaii Revised Statutes, section 301-21. This is not the same situation as sending a child to private schools such as Kamehameha, Punahou, or Iolani. Second, because of the vast difference in cost of education between regular education and special education, significant savings will accrue to the state for each child attending a private special education school or program. Monies thus made available can be used to benefit children in the Department of Education's regular and special education programs. Third, the Department of Education has traditionally not been involved in educating preschool-age children, and therefore, much of the experience and expertise for the education of these children rests clearly in the private sector. Fourth, despite the Department of Education's proclamation that special education services should be solely their province, it is clearly not sound public and fiscal policy to permit the continuing duplication of existing resources.

Your Committee notes that the Department of Education's apprehension about this bill appears to indicate a lack of confidence in their programs. This bill would not reimburse parents for the full cost of the tuition fees they would pay at a private special education program. The bill only allows reimbursement of 75% of tuition and fees to a maximum of \$1,500. Since the tuition and fees generally run much higher, e.g., tuition of the Variety Club School is \$3,500, most parents will still have to make financial sacrifices. Thus the DOE's special education programs should continue to have the tremendous advantage of being "free".

The attorney general has testified that the bill may violate the supremacy clause of the United States Constitution because PL 94-142 requires a state to provide free appropriate public education. Your Committee finds the attorney general's testimony misleading in that in cases where the Department of Education cannot meet the needs of children and such children are sent to private schools the tuition and fees will continue to be entirely paid by the state. Rather, the bill is designated to assist those children who are voluntarily sent to private special education schools approved by the Department of Education.

The attorney general has also expressed concern that the education allowance may be unconstitutional because the Hawaii constitution provides in part, "nor shall public funds be appropriated for the support or benefit of any sectarian or private education institution". However, the bill provides public funds for the benefit of children and not an institution. Your Committee finds that the use of public funds paid directly to private institutions under the Western Interstate Commission on Higher Education (WICHE) program has apparently not been found unconstitutional. Similarly, the state is presently participating in the Hawaii Student Incentive Grant Program, a program in which the state provides matching funds for federal grants which are provided to qualified students attending state or private institutions of higher learning. Therefore, your Committee is confident that aid to students, as distinguished from aid to private institutions, should pass constitutional muster.

The attorney general has also testified that the educational allowance may run afoul of establishment clause of the State Constitution which provides, "No law shall be enacted respecting an establishment of religion...". Your Committee has taken note of this concern and after discussions with constitutional law specialist, Professor John Van Dyke of the University of Hawaii Law School, has amended the bill to provide that the educational allowance be available only to those children enrolled in a non-sectarian school or program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1496, S.D. 1, as amended herein, and recommends it pass Third Reading in the form attached hereto as S.B. 1496, S.D. 2.

Signed by all members of the Committee.

SCRep. 596 (Majority) Ways and Means on S.B. No. 1497

The purpose of this bill is to establish a trust fund of \$10,000,000 for the Office of Hawaiian Affairs, and to amend affected statutes to bring them into conformity with the creation of this trust fund.

The legislature finds that the creation of the Office of Hawaiian Affairs (OHA) gives great promise of fulfilling the goals of betterment of the conditions of native Hawaiians and Hawaiians and recovering just reparations from the federal government for the loss of native lands.

It is critical that OHA be allowed adequate resources to enable it to meet the expectations created. The recent election campaign for the board of trustees as well as the actions of the board in seeking the participation of the Hawaiian community in determining the goals and objectives of the office have shown that the office has generated the moral support required to make this venture a success.

The next step is for OHA to develop and implement programs. To do so, OHA needs more than moral support and words of encouragement. OHA needs an adequate and assured source of funding. Last year the legislature in response to the 1978 constitutional mandate and the demands of the Hawaiian community, allocated to OHA twenty per cent of all funds derived from the public land trust created by Congress in the Admission Act of 1959. While these funds are expected to amount to more than \$1 million annually, they are restricted to the use of native Hawaiians (those of one-half Hawaiian blood). As a result, the office requires another source of funds for its program for Hawaiians of less than one-half Hawaiian blood. Your Committee finds that funding for Hawaiian programs, as that for native Hawaiians, should be assured.

Present budgetary procedures require OHA trustees to annually lobby for legislative appropriations. The result is an unsure and haphazard funding process subject to the vicissitude of politics. The responsibilities of OHA require the provision of an assured source of funding. The challenges to be faced by the OHA trustees are awesome enough without the need to expend effort in the legislative arena.

Therefore, your Committee finds that a Hawaiian affairs trust fund should be established and administered by the Department of Budget and Finance with the approval of the

board of trustees. The investment income of the fund should provide an adequate and stable source of funds for OHA.

The purpose of the fund is twofold. First, it obviates the need for OHA to be entangled in the political atmosphere of seeking legislative appropriations. Second, the creation of the fund is an affirmation by the people of the State of Hawaii to its commitment to the promise of OHA.

Your Committee is confident that the significance of this bill will not be lost on the federal government as they pursue the question of native claims.

Your Committee has amended this bill by deleting the appropriation and providing instead that the moneys for the trust fund shall be paid directly from general excise taxes. In addition, the bill has been amended to specify that the procedures for investment of the fund and subsequent disbursements be based on an investment plan approved by both the director of finance and the board of trustees. Your Committee feels that this procedure will eliminate any problems that would result from a request for disbursement that is incompatible with the investment. To safeguard the fund, the bill has also been amended to limit the scope of investments to that permitted for investments of other state funds. References in the current law to income from the sale of goods or services has been deleted inasmuch as your Committee finds that such is not an actual source of income of OHA.

Your Committee has also amended the bill to clearly identify the rationale for the fund by adding a new part in section 10-1, Hawaii Revised Statutes, and to specify that the investment income accruing to the office be payable to the office in order that the board may invest the excess earnings that are expected to accrue.

Your Committee noted that OHA has experienced some difficulty in receiving the funds from its pro rata share of public trust lands. Therefore, the bill has been amended to specify that such funds are payable to the office. Finally, the bill has been amended to remove the mandatory request for appropriations to a permissive one in recognition of the creation of the fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1497, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1497, S.D. 2.

Signed by all members of the Committee.  
Senators Kawasaki and Ajifu did not concur.

SCRep. 597    Ways and Means on S.B. No. 1713

The purpose of this bill is to bring state regulations concerning health care insurance for the elderly into compliance with federal Public Law 96-625, enacted by Congress on June 8, 1980. The federal law requires states to adopt before July 1, 1982, a regulatory system for Medicare supplements which is in conformity with federal requirements. Failure to adopt such a system will subject the state to federal regulation. This bill authorizes the state insurance commissioner to adopt a variety of rules regulating terms and types of coverage, eliminating misleading provisions, and providing for full disclosure in the sale and marketing of health care coverage to senior citizens.

Your Committee finds that this bill will protect the state's elderly consumers of medical insurance and ensure that the state retains regulation in this area.

Your Committee has added a provision to require that the rules to be adopted by the state insurance commissioner be adopted before July 1, 1982. Nonsubstantive changes have also been made to this bill for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1713, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1713, S.D. 1.

Signed by all members of the Committee.

SCRep. 598    Ways and Means on S.B. No. 1720

The purposes of this bill are to increase the maximum annual limit of the University of Hawaii research and training revolving fund from \$600,000 to \$2,000,000 and to require the university to prepare and submit an annual report on the status of the revolving fund to the legislature.

Your Committee finds that the quality of instruction at the University of Hawaii is largely dependent on the university's excellence in research. The ability of the university to excel in research is largely dependent on the financial status of the research and training revolving fund. In the past, the extramural research funds generated by moneys from the revolving fund has enabled the university to make significant contributions in many areas of research.

Under current law, an annual maximum of \$600,000 in funds from various research and training contracts and grants is permitted to be deposited into the revolving fund. This ceiling on the revolving fund has severely limited the ability of the university to acquire additional urgently needed extramural funds for research and to attract distinguished faculty to conduct research.

Your Committee has amended the bill to reduce the revolving fund ceiling from \$2,000,000 to \$1,000,000. The new ceiling will assist the university to compete more effectively for additional extramural research funds and to attract more distinguished faculty to the university to conduct research.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1720, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1720, S.D. 1.

Signed by all members of the Committee.

SCRep. 599 Ways and Means on S.B. No. 1722

The purpose of this bill is to implement the 1978 amendment to the State Constitution which gives the Board of Regents exclusive jurisdiction over the internal organization and management of the University of Hawaii.

This bill amends section 26-11, Hawaii Revised Statutes, to include part of the language used in Standing Committee Report No. 39, Committee on Education, 1978 Constitutional Convention, the pertinent part of which provides:

Among examples of matters which would fall under the exclusive purview of the Board of Regents, under the proposed amendment, would be the authority to establish or abolish an administrative or program unit, to establish or abolish subordinate offices or positions and to transfer officers and employees between positions, subject only to the limits of available appropriations and of the provisions of such laws of general application as the civil service and collective bargaining laws.

After the allocation and allotments have been made to the university, the bill in its original form would have placed the final authority and responsibility for the management of the funds with the university. Doing so would have placed accountability for management of the funds with the university.

This bill recognizes the role of the governor as the executive head of the state responsible for the formulation of broad public policy and general allocation of the state's resources. The university, on the other hand, is recognized by the Constitution as a corporate entity with functions and characteristics which are distinct from other state agencies. In recognition of this unique situation, the bill in its original form would have permitted the establishment of a separate budget execution process for the university which would allow the Board of Regents to exercise exclusive jurisdiction over the internal organization and management of the university.

In the budget preparation process, the Department of Budget and Finance will continue to set departmental ceilings, review the university's request, and develop an executive budget for transmission to the legislature. This approach insures that the executive responsibility over the general allocation of state resources will continue to be recognized.

In the budget execution process the governor would make the general allocation for the fiscal year, and the Department of Budget and Finance would continue to make quarterly allotments. However, after the allotment is made, the bill in its original form would have given the Board of Regents final authority and responsibility for internal allocations within the total allotments, and for reallocations if the situation so required.

This bill has been amended to delete specific provisions which would allow the university to have final authority and responsibility for program structure, program objectives, program size indicators, operations plans, and effectiveness measures in the budget



preparation process. In addition, the provisions which give the university the final authority for the management and control of allotted and other funds of the university have been deleted. The purpose of these amendments is to recognize the authority of the governor over the general allocation of the resources of the state for the various state programs.

Your Committee has carefully reviewed this bill and found it necessary to make certain language changes which would serve to clarify its purpose and intent as it relates to the preparation and execution phases of the executive budget process.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1722, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1722, S.D. 1.

Signed by all members of the Committee except Senators Kawasaki and Young.

SCRep. 600 (Majority) Ways and Means on S.B. No. 1840

The purpose of this bill is to remove statutorily based ceilings on compensation for public officers and employees who are excluded from collective bargaining units.

Chapter 89C, Hawaii Revised Statutes, authorizes the chief executives of the state and counties, the Board of Education, the Board of Regents and the chief justice of the supreme court to make appropriate adjustments in the compensation, hours, terms and conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining coverage. However, under section 89C-2 any adjustments in the compensation are limited as follows:

- (1) For officers and employees covered by chapters 77 and 297, to a maximum of ninety-five per cent of the maximum compensation for the first deputy or first assistant to the head of a department; and
- (2) For officers and employees covered by chapter 304, to a maximum of ninety-five per cent of the compensation paid to the president of the University of Hawaii.

The same limitations are placed on adjustments in compensation for officers and employees whose salaries are fixed by the appointing authority.

This bill amends section 89C-2 to remove the limitations on the compensation described above.

Upon consideration of this measure, your Committee has amended the bill:

- (1) To retain the limitation on compensation for officers and employees covered by chapter 304.
- (2) To repeal section 7818, Hawaii Revised Statutes and portions of section 77-13, Hawaii Revised Statutes, to effectuate the intent of the bill.
- (3) By making technical and language changes which have no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1840, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1840, S.D. 2.

Signed by all members of the Committee except Senator Young.  
Senator Kawasaki did not concur.

SCRep. 601 Ways and Means on S.B. No. 775

The purpose of this bill is to implement a tax on tourist-related activities.

Your Committee notes that the legislature is faced with a unique financial condition this year with the spending ceiling and the continued necessary development of the state's tourist-related areas. The state must assist these areas to maintain themselves and to improve due to the current economic recession and the competition being provided for the tourist dollar by other areas of the world. With the continued competition for state finances and the continued need to maintain or move ahead in this particular area of the state's economy, your Committee has prepared Senate Bill No. 775, a short-form bill, for further consideration with the substantive provisions added.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 775, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 775, S.D. 1, and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee.

SCRep. 602 Ways and Means on S.B. No. 1298

The purpose of this bill is to adjust the travel allowances provided to public officers and employees and legislators.

Your Committee has placed the necessary substance into this short form bill. For public officers and employees who are not legislators, the inter-island travel allowance is raised from the statutory \$30 to \$45 a day and the out-of-state travel allowance is raised from \$45 to \$60 a day. In addition, the maximum excess rate for special circumstances for these public officers and employees is raised from \$45 to \$65 a day. For legislators who are residents of Oahu, the inter-island travel allowance applicable during a session is raised from \$30 to \$45 a day. For legislators who are not residents of Oahu, the inter-island travel allowance applicable during a session is raised from \$20 to \$30 a day and the inter-island travel allowance applicable during the interim or a recess of more than three days is raised from \$30 to \$45 a day. For all legislators, the out-of-state travel allowance is raised from \$45 to \$60 a day.

Your Committee feels that the present allowances are inadequate and that the increases proposed by this bill are necessary.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1298, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1298, S.D. 1, and be placed on the calendar for Second and Third Readings.

Signed by all members of the Committee.

SCRep. 603 (Majority) Education on S.B. No. 167

The purpose of this bill is to provide for a five-minute period prior to the commencement of classes in all public schools so that each student can meditate or reflect on that individual's ethical or moral beliefs.

Your Committee heard testimony on this bill from the Department of Education and Professor Robert Potter.

Your Committee finds that providing for a short period of reflection would be beneficial to students and would promote the welfare of the state. However, your Committee has amended the bill to provide for a one minute, rather than a five minute meditation period prior to commencement of classes.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 167, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kobayashi.  
Senator Kuroda did not concur.

SCRep. 604 Education on S.B. No. 1662

The purpose of this bill is to amend chapter 298, Hawaii Revised Statutes, to provide that the Department of Education shall release any public school student from school attendance to observe religious holy days.

Your Committee heard testimony from the Department of Education, The Hawaii Council of Churches, The National Spiritual Assembly of the Baha'is of the Hawaiian Islands and interested individuals.

Your Committee finds that the currently recognized religious holy days do not encompass the spectrum of religious beliefs current in our community. It is in the tradition of separation of church and state to respect those beliefs regardless of the numbers of people who may hold them.

Your Committee intends that missed school work resulting from release time for a student as authorized by this bill would be required to be completed.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1662 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 605 Education on S.B. No. 1692

The purpose of this bill is to provide for means by which the Department of Education would be able to contract with private agencies for educational services.

Your Committee heard testimony from the Department of Education and the Hawaii State Teachers Association on this bill.

Your Committee recognizes that handicapped children within our society require a multi-disciplinary approach by our state education system which will utilize existing health and mental health professionals and agencies, both public and private. Further, your Committee finds that the Department of Education, given realistic fiscal constraints, should actively support the utilization of existing services that would enhance their role and responsibility for ensuring compliance with the requirements of Public Law 94-142.

Therefore, your Committee has amended this bill by adding a new section to Chapter 296 which would enable the Department of Education to contract with private agencies for educational services.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1692, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kobayashi.

SCRep. 606 Education on S.B. No. 1693

The purpose of this bill is to implement the provisions of Article X, Section 3 of the Hawaii State Constitution by conforming the statutes relating to the power of the Board of Education.

Your Committee finds that these statutory changes are the initial steps in aligning the Hawaii Revised Statutes with the 1978 constitutional amendment.

In order to effect its implementation, your Committee has amended this bill by amending Section 296-2 to include language from the constitutional amendment. Section 296-2 has been further amended to eliminate the language which makes the superintendent the secretary of the Board.

Your Committee heard testimony in support of this measure from the Hawaii State Teachers Association, Ms. Janie Nakamatsu and Mr. Meyer Ueoka, members of the Board of Education.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1693, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kobayashi.

SCRep. 607 Education on S.B. No. 1697

The purpose of this bill is to provide for the conversion of the job-sharing pilot project in the Department of Education to a permanent program.

Your Committee has amended the purpose of this short form bill to provide for the extension of the job-sharing pilot project in the Department of Education through the 1982-1983 academic years.

Your Committee heard testimony in support of this measure from the Department of Education, the Hawaii State Teachers Association (HSTA), and Ms. Lois Tyler, co-chairman of the committee for job-sharing.

Although the Department of Education is in favor of extension of the job-sharing project, the department indicated concern with respect to collective bargaining and the collective bargaining agreement between the Board of Education and the HSTA. This concern

centers around the status of job-sharers who work less than twenty hours per week in light of the provisions of section 89-6(c) which excludes part-time employees who work less than twenty hours per week from bargaining units.

Your Committee agreed that the job-sharing pilot project should be extended for a period of two years during which time the concerns expressed by the department and teachers could be addressed by appropriate statutory change. Therefore, the bill, as amended, extends the job-sharing pilot project to the end of the 1982-1983 academic year.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1697, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 608 (Majority) Education on S.B. No. 1699

The purpose of this bill is to provide that all incidents of violence or vandalism, occurring on public school premises, shall be reported by Department of Education personnel to the appropriate juvenile or adult authorities for required action or disposition.

Your Committee heard testimony in support of this bill from the Department of Education, the Hawaii State Teachers Association, the Hawaii Crime Commission, and the Hawaii Parent Teachers Association.

Your Committee finds that adequate statutory provisions are available with respect to the commission of acts of violence, regardless of whether it is on or off public school campuses. However, your Committee finds that the crucial aspect which needs to be addressed is the reporting of these crimes.

Therefore, your Committee has amended this bill to provide for reporting of such incidents, a penalty for failure to report such incidents, and penalties for interfering with the reporting of such incidents.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1699, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 609 Public Utilities on S.B. No. 1223

The purpose of this bill is to require the P.U.C. to submit a biennial comprehensive energy report to the legislature and the governor. The bill would also require utilities to submit biennial 10 year energy forecasts to the P.U.C.

Your Committee heard testimony that utilities already submit reports on 5 year projections for capital expenditures. Your Committee also heard testimony from the Public Utilities Division consumer advocate supporting the measure in light of the utilities' poor forecasting record and the need for long range planning. Your Committee feels that with today's energy situation, long term comprehensive energy reports by both the P.U.C. and utilities are highly desirable. Because the reports are required at 2 year intervals and because utilities already submit limited forecasts, your Committee does not feel that the additional forecasts required will impose an unreasonable burden on utilities.

Your Committee has amended S.B. No. 1223 to require the P.U.C. to formulate policies and objectives to guide public utilities in implementing energy conservation. Public utilities would also be required to fully implement these policies and objectives by 1985. The P.U.C. would be required to submit annual progress reports to the legislature from 1982-1986.

Your Committee heard testimony from the P.U.C. stating that it has already directed the utilities to undertake conservation efforts such as an active consumer education program. However, your Committee also heard testimony from the P.U.D. consumer advocate which pointed out that delegation of conservation promotion to utilities results in 2 noncomplementary and inconsistent objectives. Utilities are expected to both promote the sale of their product (energy) as a normal, regular business goal and, on the other hand, discourage use of their product through conservation efforts. In other words, utilities are no longer merely producers of energy but also the state's major energy

managers. Your Committee therefore feels that utilities should not be given responsibility for formulating energy conservation policies and objectives. Such responsibility should be placed firmly in the hands of the P.U.C.

Your Committee has further amended S.B. No. 1223 to require both gas and electric utilities to provide rate structure and energy conservation information to consumers. In this time of ever increasing utility bills your Committee feels it imperative to provide consumers with both rate-making and conservation information so that the consumers may learn where their money is going and how to save it.

Your Committee on Public Utilities is in accord with the intent and purpose of S.B. No. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1223, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 610 Ways and Means on S.B. No. 931

The purpose of this bill is to permit the state Post-Secondary Education Commission to cooperate with the federal government, rather than with just the United States Department of Health, Education and Welfare in qualifying the state to receive federal funds. The bill also permits the maximum amount of any grant awarded under the state incentive grant program to equal federal law maximums. Restrictions on the use of such funds to aid students not enrolled in state schools have been deleted by this bill.

Your Committee finds that this law will provide for a greater number of students to avail themselves of programs of the federal government and recognizes the need to provide greater financial assistance reflective of the increasing costs of higher education.

Your Committee has amended this bill by deleting the section on severability inasmuch as this provision is covered by section 1-23, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 931, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 931, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 611 Ways and Means on S.B. No. 1695

The purpose of this bill is to provide for the transfer of authority and budget of the Department of Accounting and General Services physical plant operations and maintenance (AGS 807) to the Department of Education's physical plant operations and maintenance (EDN 307).

According to testimony from the Department of Education (DOE) concerning this bill it was noted that the DOE currently operates under Executive Order 80-6 which delineates the responsibility for repair and maintenance, custodial and janitorial services for public school facilities. The Department of Education also has responsibility for physical plant operations and maintenance. However, the budget, authority, equipment, and physical facilities, exist, in part, under the control of the Department of Accounting and General Services.

Respecting this division of authority, your Committee also finds that such a transfer of authority and budget is consistent with the state constitutional amendment, adopted in 1978, which outlines that the board of education "...shall have jurisdiction over the internal organization and management of the public school system..."

Your Committee has amended the referred short form bill to the appropriate form to effectuate such a transfer and to conform it to recommended drafting style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1695, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1695, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 612 Ways and Means on S.B. No. 422

The purpose of this bill is to establish a temporary Hawaii cancer commission to assist Hawaii's cancer victims to obtain interferon treatment.

Presently, cancer represents one of the leading causes of death in Hawaii, accounting for approximately one thousand deaths annually. In addition, cancer threatens the physical and mental well-being of its victims and their families. Among the many new advancements and discoveries in modern cancer research, one that has shown great promise in combatting cancer is the anti-cancer agent known as interferon. However, because of the complex manner in which interferon is produced, it is quite expensive and therefore its acquisition is presently beyond the financial means of most cancer patients.

Your Committee understands that interferon treatment is still in its experimental stages but, nevertheless, offers cancer patients a viable and potentially effective treatment option and therefore it is in the public interest that the State provide interferon treatment to cancer victims.

This bill would provide a mechanism for the acquisition and dispensing of interferon to Hawaii's cancer patients.

Your Committee has made nonsubstantive language amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 422, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 422, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 613 Ways and Means on S.B. No. 660

The purpose of this bill is to establish effective controls on the prescription of controlled substances, to create a fund to finance an enforcement program; and to add two drugs and delete one from the list of Schedule II controlled substances.

This bill amends the section on prescriptions, by setting up strict prescription procedures, including the use and retention of official prescription forms. The bill amends the section on forfeitures to extend its applicability to violations of chapter 712, part IV, offenses relating to drugs and intoxicating compounds. The bill also establishes a drug control and enforcement special fund for the expenses of enforcement of chapter 329, Hawaii Revised Statutes, and chapter 712, part IV, Hawaii Revised Statutes.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 660, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 660, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie, Saiki and Yee.

SCRep. 614 Ways and Means on S.B. No. 1447

The purpose of this bill is to eliminate the requirement that a person must survive for at least 30 days after the date of filing for retirement.

Presently, for an employee who dies within 30 days after the date of filing his application, his beneficiary would receive his accumulated contributions, his contributions to the post retirement fund, and up to a maximum of his yearly salary. This method would prevail unless it was proven that his death was of a terminal nature.

If the employee dies within 30 days after the date of filing his retirement application, this bill would allow the beneficiary of the employee to receive the allowance under the option selected by the employee which would have been payable had the employee retired.

Your Committee on Ways and Means has further amended the bill to eliminate from Chapter 88 the requirement that the election of an elective officer or judge to terminate membership in the retirement system of the state must be made within six months of the attainment of 75 per cent of average final compensation; to remove the restriction which provides that a judge who elected to terminate membership under the conditions heretofore described shall be required to terminate his service as a judge upon attainment of age 65; and to permit any elective officer or judge who has elected to terminate membership in the system and who is still in service to be reinstated in the system upon application.

Your Committee on Ways and Means is in accord with the intent and purposes of S.B. No. 1447, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Abercrombie, Saiki and Yee.

SCRep. 615 (Majority) Ways and Means on S.B. No. 1942

The purpose of this bill is to remove the statutory ceilings on the salaries of the president and other executive and managerial administrators of the University of Hawaii, and to allow the Board of Regents to prescribe these salaries.

If the University of Hawaii is to realize its full potential as a quality institution of higher learning, it must as a first step be able to compete effectively in recruiting and retaining competent faculty and administrators. The salary of the university president has remained at the same statutory ceiling of \$45,000 since 1976; all excluded executive and managerial salaries have been frozen since 1977 at the statutory ceiling of not more than ninety-five per cent of the president's salary, or \$42,750. This artificial ceiling has resulted in a compression of the executive and managerial pay scales such that pay ranges no longer reflect differing levels of responsibilities.

Testimony presented to your Committee included a 1980 study by the advisory committee to the Board of Regents on administrative salaries at the University of Hawaii which revealed that as of July 1, 1980, 166 employees covered by collective bargaining agreements were compensated beyond the salary level of the excluded executives and academic administrators. This problem has resulted in some administrators returning or expressing a desire to return to their faculty positions. Furthermore, candidates for various high level posts were of necessity recruited on the basis of the acceptance of salary offered.

The advisory committee sought salary data on comparable institutions, which would reflect salaries of those professional groups from which the university was likely to recruit its administrators. The committee selected from the annual administrative salary survey of the College and University Personnel Association a group of 40 public universities of comparable size with enrollments of 20,000 or more. The results indicated that University of Hawaii salaries lie far below counterpart salaries in comparable institutions. The median salary (adjusted for 1980-81) for presidents of comparable institutions was \$71,432 a year, the median salary for chancellors was \$65,657 a year, and the median salaries for deans of the various college disciplines ranged from \$40,788 to \$78,164. By comparison, the salary of the president of the University of Hawaii is \$45,000, the salary of the Manoa Chancellor is \$42,750, and the salary ceiling for Manoa deans is \$42,750.

Previous legislation in sections 304-11 and 304-13, Hawaii Revised Statutes, indicates that the legislature has recognized the need for establishing comparability for University of Hawaii faculty members with similar institutions on the mainland with respect to certain conditions of employment. In order for the university to maintain its role as a major institution of higher education, it is now apparent that the concept of comparability must be extended to include academic administrative personnel. To accomplish this, it is imperative that we remove the statutory ceilings on academic and nonacademic administrative salaries, including that of the university president. In addition, it is proposed that the salary range for the president of the university, and for executive and managerial personnel, be established by the Board of Regents in accordance with pay scales of comparable institutions.

Your Committee has carefully reviewed this bill and amended it to separate academic and nonacademic salaries of university personnel. It was determined that it was not appropriate to combine the two groups under the same general salary plan as originally proposed.

In order to recognize the differences between academic and nonacademic personnel in relationship to appropriate compensation levels, your Committee has amended the bill to provide that the salaries of nonacademic administrators shall not exceed the maximum salary paid department heads and executive officers as provided by statute.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1942, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1942, S.D. 1.

Signed by all members of the Committee except Senators Abercrombie and Yee.  
Senator Kawasaki did not concur.

SCRep. 616 Government Operations and Intergovernmental Relations on S.B. No. 50

The purpose of this bill is to regulate the ownership of cats.

Under current law, dogs are required to be licensed and the ownership of dogs is regulated under chapter 143, Hawaii Revised Statutes. The provisions of this bill amend the provisions of chapter 143 to bring cats within the scope of the chapter. The bill also adds a new section to chapter 143 requiring owners of eight or more licensed cats to keep the cats in a cattery at all times. A cattery is defined as an enclosed structure in which cats live and from which they cannot escape.

Your Committee finds that the unregulated keeping of cats can lead to nuisances and health hazards and that the regulations proposed by this bill promotes the public health and welfare.

Your Committee has amended the bill to make technical changes and to effectuate the purpose of this measure.

As amended, the bill:

- (1) Makes amendments throughout chapter 143, Hawaii Revised Statutes, to make the existing provisions applicable to cats.
- (2) Prescribes the amount of license fees for cats and dogs ranging from \$4 to \$10, depending on the sex of the animal and whether the animal is spayed or neutered.
- (3) Requires every person owning eight or more cats to keep the cats in a cattery at all times.
- (4) Makes changes in chapter 143 to improve the administration of the law.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 50, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 50, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 617 (Majority) Judiciary on S.B. No. 1579

The purpose of this bill is to require each newspaper publication operating under a joint newspaper operating arrangement to submit an annual report to the attorney general within thirty days of December 31 of each year. The attorney general is to prescribe the form of the report, which must show the assets and liabilities, all losses sustained, expenses and taxes paid, compensation paid to each editor and publisher, gross earnings and profits, losses recovered since last reported, payments made to stockholders, and all amounts carried to surplus, undivided profits or dividends paid. The reports would be public record. The bill also requires submission of special or supplementary reports as the attorney general may require. The bill further requires such newspaper publications to publish financial statements at least twice before the last Monday in January of every year. The statements would show the same information required in the annual report to the attorney general. Failure to submit the reports would subject the newspaper owner to a penalty of \$100 for each day the reports are late.

It is your Committee's intent to reaffirm the declaration of the public policy of the United States and the State of Hawaii "to preserve the publication of newspapers in any city, community, or metropolitan area where a joint arrangement has been heretofore entered into because of economic distress or is hereafter effective" in accordance with the provisions of section 480-31, HRS, and Public Law 91-353, 84 Stat. 466 and the public policy of the state that has previously been declared to be in conformity with the public policy of the United States.

The Legislature found that the Newspaper Preservation Act (Act 205, Session Laws of Hawaii 1972, Section 480-31, Hawaii Revised Statutes, et. seq.) was enacted to maintain newspaper competition in the community based on the premise that competing newspapers give the community that diversity and commentary which is essential to public awareness of vital issues. The Legislature further found that a major impetus for the passage of the Act was the belief that one of the State's major newspapers was on the verge of failing and could only be maintained as a separate editorial voice by operating under a joint operating arrangement with the other major newspaper. Since the enactment of the Newspaper Preservation Act, the Legislature and the public have been unable to gain information relating to the financial condition of the newspapers operating under a joint operating agreement and, therefore, are unable to determine if the Act has met its intended purpose of restoring the "failing" newspaper to financial health.



Your Committee finds that advertising and circulation rates for the major newspapers have risen sharply since 1972, and there is legitimate public concern about the negative impact on our local business community. It may very well be that your Committee should consider other forms of legislative relief in order to insure the liability of both papers as well as reduce or slow down the ever-increasing cost of advertising.

Based on the foregoing, your Committee finds and declares that there is not only a rational basis, but also a compelling public interest in requiring newspapers operating under joint newspaper operating arrangements to disclose financial information in order that the public and the Attorney General may determine (1) whether the Newspaper Preservation Act has and is accomplishing its intended purpose; (2) whether such laws lead to the artificially inflated prices which contribute to the inflationary spiral; (3) whether laws which grant exemptions from the antitrust laws are desirable under any circumstances, and (4) whether additional laws, amendments, or exemptions should be passed in order to insure the original preservation purpose. Your Committee finds that the public interest is served when the public is made aware of the disclosures required by this Act.

Your Committee is, therefore, in agreement with the intent of this bill which is to insure that the original legislative intent to preserve the publication of newspapers because of economic distress is in fact being accomplished by this legislation. Your Committee feels that it is necessary to review this financial information on an annual basis in order to evaluate the provisions of Chapter 480, Part II and make a determination as to whether or not the legitimate preservation objective is being adequately accomplished through this legislation.

Your Committee has amended the bill to delete the requirement that financial statements of the newspaper publications be published, since the annual reports will be public record. Your Committee has also amended the form of the required annual report by deleting reference to specific disclosure requirements and instead only requiring that the report be prepared according to standard accounting principles for annual corporate financial statements, covering in a consolidated report a balance sheet and income and expense statement, audited by an independent certified public accountant. Your Committee has deleted the forty-five day extension period for the filing of the reports.

Your Committee also amended the bill by changing the word "by" to "to" on line 5 of page 1.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1579, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.  
Senators George, Kuroda and O'Connor did not concur.

SCRep. 618 (Majority) Judiciary on S.B. No. 4

The purpose of this bill is to reinstitute a nonmandatory death penalty for certain types of murder.

The Constitution of the United States and the Constitution of the State of Hawaii both expressly proscribe the infliction of cruel or unusual punishment.

Four years after its holding in Furman v. Georgia, 408 U.S. 238 (1972), which foreclosed executions under state laws then in existence, a majority of the Supreme Court of the United States held that the death penalty is a constitutionally permissible punishment, at least for carefully defined categories of murder. However, the Court went on to say that the 8th Amendment required the sentencing authority to be provided with carefully controlled discretion; a bifurcated trial was seen as the ideal procedure. Mandatory death penalty laws are, as a general rule, unconstitutional, Roberts v. Louisiana, 428 U.S. 325 (1976), Roberts v. Louisiana, 431 U.S. 633 (1977), as are statutes which give juries unbridled discretion to choose whether defendants should be sentenced to death, or to life imprisonment, Woodson v. North Carolina, 428 U.S. 280 (1976), and those which do not allow individualized consideration of mitigating factors, Lockett v. Ohio, 438 U.S. 586 (1978), Bell v. Ohio, 438 U.S. 637 (1978).

The U. S. Supreme Court has held that the death penalty does not, under all circumstances, constitute cruel and unusual punishment in violation of the Eighth and Fourteenth Amendments. Constitutional concerns can be met by carefully drafted statutes that ensure that the sentencing authority is given adequate information and guidance. Death penalty statutes satisfying these considerations have been upheld by the Supreme Court. Gregg v. Georgia, 428 U.S. 153 (1976), Proffitt v. Florida, 428 U.S. 242 (1976),

Jurek v. Texas, 428 U.S. 262 (1976).

Your Committee finds that S.B. 4, S.D. 2, does not conflict with any of the following death penalty cases decided by the Supreme Court in recent years. (In addition to the cases cited above, see also Godfrey v. Georgia, 48 U.S.L.W. 4541 (1980), Adams v. Texas, \_\_\_ U.S. \_\_\_, 65 L. Ed.2d 392, 100 S. Ct. \_\_\_ (1980), Beck v. Alabama, \_\_\_ U.S. \_\_\_, 65 L. Ed.2d 392, 100 S. Ct. \_\_\_ (1980), Coker v. Georgia, 433 U.S. 584 (1977), and Gardner v. Florida, 430 U.S. 349 (1977).)

Your Committee upon further consideration has amended the bill in order to clarify the basic concepts relating to capital punishment and to conform other provisions of the Hawaii Penal Code.

The bill, as amended herein, would:

1. Provide that after determination of guilt in first degree murder cases in which the death penalty may be imposed a separate sentencing proceeding shall be held.

2. Provide that aggravating circumstances include but not be limited to:

- A. Homicide committed by incarcerated prisoner;
- B. Actor committing more than one homicide;
- C. Knowingly creating a great risk to a person other than the victim;
- D. Homicide committed during commission of, attempt to commit, or flight from robbery, rape, sodomy, arson, burglary, or kidnapping;
- E. Homicide committed to avoid or prevent arrest;
- F. Homicide committed for pecuniary or personal gain;
- G. Homicide by person previously convicted of first or second degree murder;
- H. Homicide committed to prevent person from testifying or providing evidence in legal proceedings;
- I. Unlawful or malicious use of explosive.

3. Provide that mitigating circumstances include but not be limited to:

- A. No significant prior criminal history;
- B. Defendant under influence of extreme mental or emotional distress;
- C. Under extreme duress or substantial domination of another person;
- D. Substantial impairment of capacity to appreciate wrongfulness of conduct due to mental disease, intoxication, or influence of drugs;
- E. Youth of the offender;
- F. Defendant was an accomplice, murder was committed by another, and defendant's participation was relatively minor;
- G. Any other fact in mitigation.

4. Provides that the court will impose verdict a sentence of death or life imprisonment without parole after an unanimous verdict by the jury of death. If the jury is unable to reach a verdict, the court must impose a sentence of life imprisonment with or without parole.

5. Provides that if jury verdict is waived, the court decision must be supported by specific written findings if death sentence imposed.

6. Supreme Court may set aside death sentence if it finds prejudicial error in sentencing proceeding only. Upon remand, trial court must impose life sentence without parole.

7. Provides for execution by lethal gas.

8. Provides that persons guilty of second degree murder shall be sentenced to life imprisonment with possibility of parole, or twenty years imprisonment.

9. First degree murder includes intentional causing of death of:

A. Police officer, corrections personnel, parole officer, probation officer, prosecuting attorney or county attorney while performing official duties;

B. Judges when performing official duties;

C. Witness in murder prosecution;

D. Hired killers;

E. Murder of person while defendant imprisoned;

10. Provides that all other murders constitute second degree murder.

11. Conforms other provisions of the Hawaii Penal Code.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 4, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 4, S.D. 2.

Signed by all members of the Committee.

Senators Cayetano, George and Uwaine did not concur.

SCRep. 619    Legislative Management

Informing the Senate that S.R. No. 132 and Stand. Com. Rep. Nos. 373 to 618 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 620    (Joint/Majority) Ecology, Environment and Recreation and Public Utilities  
on H.C.R. No. 79

The purpose of this concurrent resolution is to request the permission of both the federal and state governments to allow the burning of higher sulfur content fuel oil at Hawaiian Electric Company's Kahe power plant.

In 1970 the Federal Clean Air Act took effect. This Act required all industries, including Hawaiian Electric Company, to take steps to prevent air emissions containing more than a certain level of sulfur dioxide and other pollutants. Industries could, for example, burn low sulfur fuel, install "scrubbers" to clean up emissions from high sulfur fuel or coal, or buy or produce fuel that had been processed to lower its sulfur content.

Between 1977 and 1978, the amount of sulfur dioxide in the air in the Kahe area produced by the Hawaiian Electric Company's generating facility exceeded the air quality standards of the Clean Air Act.

In 1978, in its application to the Environmental Protection Agency for permission to build Kahe #6, Hawaiian Electric Company offered to comply with the Clean Air Act by: 1) agreeing to only use 0.5% sulfur at Kahe #6, and 2) agreeing to switch to 0.5% sulfur fuel at Kahe units #1-5, whenever Kahe #6 started up.

In November 1980, Hawaiian Electric Company started burning 0.5% sulfur fuel in Kahe units #1-5. This fuel is much more expensive and must be imported from foreign countries. These increased costs are being paid for by the consumers.

Testimony before your Committees has revealed that recent developments substantially improve the prospects of relief for Oahu's electric consumers. The Kahe plants may be burning a lower level of sulfur fuel than is actually required by the Federal Clean Air Act. The Environmental Protection Agency, the state Department of Health, and Hawaiian Electric Company are currently engaged in re-evaluating the level of sulfur fuel which could be burned at Kahe. Hawaiian Electric Company has testified that it is entirely possible that a final agreement and EPA amendment of their Kahe permit could occur as early as September 1981.

The Public Utilities Commission and Hawaiian Electric Company have assured your Committees that any savings resulting from allowing Hawaiian Electric Company to

use higher sulfur fuel will be passed on in total to the consumers of Oahu. The President of Hawaiian Electric Company has informed your Committees that these savings are estimated to be approximately \$50 million dollars a year, and that this would mean "a reduction of 13% in the average residential bill, or put another way, approximately \$70 for every person living on Oahu."

Based on this information, your Committees agree with the House and recommend that burning of higher sulfur content fuel oil be allowed at the Kahe facility as long as no detrimental health effects are ascertainable.

In order to clarify the Legislature's intention in this regard, your Committees have made one amendment to the first BE IT RESOLVED clause by adding that we support:

"The use of higher sulfur content oil at Hawaiian Electric Company's Kahe Power Plant to the maximum extent possible, without adversely affecting the health of the public, as defined by the National Primary Ambient Air Quality Standards;" (amendment underlined).

Your Committees on Ecology, Environment and Recreation and Public Utilities concur with the intent and purpose of H.C.R. No. 79, H.D.1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 79, H.D.1, S.D.1.

Signed by all members of the Committees.  
Senator Young did not concur.

SCRep. 621 Legislative Management

Informing the Senate that S.C.R. No. 46, S.R. No. 133 and Stand. Com. Rep. No. 620 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 622 Legislative Management

Informing the Senate that S.C.R. Nos. 47 and 48 and S.R. Nos. 134 to 139 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 623 Legislative Management

Informing the Senate that S.C.R. No. 49 and S.R. Nos. 140 and 141 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 624 Agriculture on S.R. No. 43

The purpose of this resolution is to urge Hawaii's congressional delegation to work for the inclusion of fresh, edible ginger root in section 600e of the Federal Agricultural Marketing Agreement Act of 1937.

Your Committee received testimony from the chairperson of the Department of Agriculture and from the Hawaii Farm Bureau Federation in support of this resolution. Your Committee finds that non-U.S. grown ginger root, because it is not specifically covered under the 1937 Act, may enter U.S. markets free of the stringent inspection to which Hawaii-grown ginger root is subjected. The Hawaii Ginger Association has expressed its concern over the future strength and viability of Hawaii's ginger root industry if foreign grown, ungraded (and often inferior) ginger root is allowed to enter the market. In order to apply the stringent grading regulations and standards which are now applied to Hawaii-grown ginger root to foreign-grown ginger root, federal legislation must be enacted.

Your Committee has made technical, nonsubstantive amendments to this resolution.

Your Committee is in accord 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. 625 Legislative Management

Informing the Senate that S.C.R. Nos. 50 and 51, S.R. Nos. 142 to 152 and Stand. Com. Rep. No. 624 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 626     Legislative Management

Informing the Senate that S.C.R. Nos. 52 and 53 and S.R. Nos. 153 to 157 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 627     Legislative Management

Informing the Senate that S.C.R. Nos. 54 and 55 and S.R. Nos. 158 to 163 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 628     Ways and Means on H.B. No. 794

The purpose of this bill is to conform the Hawaii Income Tax Law to the Internal Revenue Code.

This bill amends the date the federal Internal Revenue Code applies to Hawaii from December 31, 1979 to December 31, 1980. By making this amendment Hawaii adopts changes made to the Code by Congress during the 1980 calendar year. Your Committee notes that this bill is required by section 235-2.3, Hawaii Revised Statutes, and that the Congressional changes adopted are only adopted for Hawaii purposes as made operative, limited, or made nonoperative by the Hawaii Income Tax Law.

Your Committee heard testimony in favor of S.B. No. 544, a companion bill to this bill from the Department of Taxation, the Chamber of Commerce, and the Tax Foundation of Hawaii. Your Committee also heard favorable testimony on S.B. No. 2124 regarding the adoption of federal tax provisions on domestic international sales corporations. Those provisions are incorporated in this bill.

Your Committee finds that there is little or no revenue effect in the provisions of this bill. In recommending this bill for passage, your Committee notes the following amendments contained in this bill.

1. Section 235-2.2, Hawaii Revised Statutes, is amended by deleting the adoption of section 2005(a), Public Law 94-455. This deletion conforms the state income tax law to Public Law 96-223 which the legislature adopted on a prospective basis in Act 159, Session Laws of Hawaii 1980. Further conforming amendments are also made to section 235-2.3, Hawaii Revised Statutes, through the deletion of references to Public Law 95-600, section 702. These amendments conform the Hawaii Income Tax to the federal law with respect to the carryover basis of inherited property.

2. In addition to a number of miscellaneous federal income tax amendments being adopted in this bill, of major importance is the Installment Sales Revision Act of 1980, Public Law 96-471. The major amendments in this Act eliminate the requirement that not more than thirty per cent of the selling price may be received in the tax year of a sale, eliminate the requirement that the sale consist of two payments in different tax years, and make installment sales tax treatment automatic unless the taxpayer elects otherwise. The law also necessitates the amendment of section 235-2.3(n), Hawaii Revised Statutes, to provide for retroactive effective dates contained in federal law, as Public Law 96-471 (as do more and more public laws) contains many effective dates which occur during the calendar year 1980 which is not adopted in Hawaii would work a hardship for Hawaii's taxpayers who relied on the federal law during the 1980 taxable year.

3. The bill adopts the Internal Revenue Code provisions for domestic international sales corporations (DISC), if any corporation so electing to be a DISC is incorporated and has its principal place of business in Hawaii. A DISC is a domestic corporation whose income is predominately (95 per cent) derived from export sales and rentals. Payment of income taxes on a portion of the export sales and rental income may be deferred if qualified as a DISC. Your Committee notes that the Governor's Committee on Hawaii as a Regional Center expressed the advantages to the state in adopting provisions similar to the federal provisions relating to DISC to be a means of attracting multinational corporations to locate in Hawaii. The combination of Hawaii's strategic location in the Pacific basin with a preferential tax treatment afforded under DISC provisions would support efforts

to attract new businesses to Hawaii and thereby create additional employment opportunities for Hawaii's people.

Your Committee notes the number of retroactive effective dates contained in the Installment Sales Revision Act of 1980 being adopted in this bill. Due to these dates and the closeness of the April 20 filing deadline for income tax returns which would have to be amended if this bill does not obtain early enactment, your Committee recommends an early signing to the Governor and publication of such enactment so that the taxpayers of this state are able to file appropriate income tax returns.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 794, 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. 629 Consumer Protection and Commerce on H.B. No. 328

The purpose of this bill is to reaffirm the interpretation of Chapter 480, Hawaii Revised Statutes, as consistent with federal law and federal court interpretations of federal antitrust law.

Hawaii's antitrust laws were enacted in 1961 and the intent of the legislature at that time was clearly to utilize the precedents developed in the federal law in applying Chapter 480. Conference Committee Report No. 19, H.B. No. 27, H.D. 2, S.D. 2, C.D. 1 (May 27, 1961) states:

In conclusion it is the intent of your committee on conference that wherever there are comparable provisions of the federal antitrust laws and tests similar in language to those provided in this bill, it is intended that those decided federal cases applicable and relating to those provisions and tests will guide the interpretation and application of such terms and provisions of this bill in the light of the economic and business conditions of this state. Id. at page 19.

Your Committee, however, received testimony from the Antitrust Division of the Department of the Attorney General that in a recent case involving the state's first criminal antitrust action, the First Circuit Court ruled that in order to indict a defendant under §480-4, Hawaii Revised Statutes, Hawaii's counterpart to §1 of the Sherman Act, the state must allege and prove specific intent on the part of the defendant. The circuit court's ruling was in direct conflict with the U.S. Supreme Court's ruling in United States v. United States Gypsum Co., 438 U.S. 422 (1978), in which the court held that violations of §1 of the Sherman Act were general intent crimes. The state court's interpretation of §480-4, Hawaii Revised Statutes, would make state enforcement of state antitrust laws much more difficult and burdensome than federal enforcement of federal antitrust laws.

While in agreement with the intent of the bill, your Committee has amended the bill to prevent any conflict between this bill and §480-3, Hawaii Revised Statutes, by adding a second sentence to the proposed new section stating that the new section shall not be construed to conflict with section 480-3.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 328, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 328, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 630 Consumer Protection and Commerce on H.B. No. 779

The purpose of this bill is to authorize the director of regulatory agencies to establish, amend, or repeal registration, renewal, and late renewal fees for regulatory programs it administers and enforces.

Presently, a number of regulatory programs placed in the Department of Regulatory Agencies do not have provisions for registration, renewal, or late fees. This bill authorizes the director to set fees, pursuant to chapter 91, to defray the costs of enforcement and administration of these programs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 779, 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 Machida and Yee.

SCRep. 631 Legislative Management

Informing the Senate that S.C.R. Nos. 56 to 60, S.R.Nos. 164 to 169 and Stand. Com. Rep. Nos. 628 to 630 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 632 Housing and Hawaiian Homes on H.B. No. 50

The purpose of this bill is to increase the bond authorization for tax-exempt, mortgage-backed revenue bonds, and to permit an applicant who owns land to be eligible for a loan with which the person could finance the construction of a home on the land.

The increase of \$250 million in the authorization for the issuance of revenue bonds will enable a greater number of Hawaii residents to take advantage of the Hawaii Housing Authority's successful Hula Mae program.

The change in eligibility requirements will allow applicants who own land upon which they plan to build, usually on the neighbor islands, to qualify for Hula Mae loans. Present statutory limitations prohibit the making of loans to persons who have owned any interest in real property within the three years prior to application for the loan.

Your Committee finds that the provisions of this bill will enable a greater number of residents to participate in the Hula Mae program and is in conformance with the intent of the program to provide the opportunity for home ownership to citizens of the state.

Upon consideration of this measure, your Committee has amended the bill by amending the definition of "eligible borrower" to allow an otherwise qualified person who is a vendee under an agreement of sale for the purchase of a principal residence to be eligible for a Hula Mae loan to refinance the agreement of sale. Under current law, such a person would not be eligible for a loan because he or she owns an interest in residential property.

Your Committee finds that persons who are otherwise qualified for Hula Mae loans should be eligible to refinance an agreement of sale under the Hula Mae program. It is your Committee's intent that persons who are venders under an agreement of sale at the time this bill is enacted as well as persons who become venders after enactment shall be eligible for Hula Mae loans.

Your Committee has further amended the bill by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 50, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 633 Housing and Hawaiian Homes on H.B. No. 641

The purpose of this bill is to amend the Housing Loan and Mortgage Program under chapter 356 and implement the rental housing revenue bond program.

The 1980 Legislature authorized \$122.5 million in revenue bonds for interim and permanent financing of rental projects for persons of low and moderate incomes. However, soaring construction, financing and land costs, the unavailability of federal subsidies, as well as recent changes in the federal mortgage revenue bond law, have prevented the implementation of this much-needed program.

This bill creates a new part to chapter 356, establishing a rental assistance program which would be funded by federal subsidies, private grants or contributions, or by appropriations. These funds are to be deposited into the rental assistance fund, created by this bill, allowing the accumulated earnings from this fund to be used to make rental assistance payments to owners of eligible projects. The principal amount appropriated under this bill is intended to be preserved and the rate of return on this fund's investment is to be maximized. Furthermore, the Hawaii Housing Authority is prohibited from making rental assistance payments in excess of the amount of earnings accumulated in the rental assistance fund.

To ensure that the rental units are maintained for low and moderate income families and individuals and to preserve the public purpose intent of this legislation, the bill contains requirements to prescribe certain regulatory provisions. These regulatory provisions require that the "eligible project" be financed under the Hula Mae multi-family revenue bond laws; have not less than twenty per cent of the dwelling units maintained for low and moderate income families and individuals; and be subject to a "regulatory agreement" which would regulate rents, charges, profits, return on owner's equity, development costs, and methods of operation.

The reservation of twenty per cent of all units financed by multi-family revenue bonds for low and moderate income families is a requirement of the recently enacted federal Mortgage Subsidy Bond Act. The Act basically mandates that these units be for families and individuals whose incomes would qualify them for the federal Section 8 rental assistance payment (currently those whose incomes are less than eighty per cent of the median income of the state).

The "regulatory agreement" and rental assistance contract, necessary elements of the program, will be a "contract" binding the Authority and the owner to certain rent levels, rental assistance payment amounts, charges, profits, return on owner's equity, development costs, and methods of operation.

Your Committee has amended this bill by adding an appropriations section which would allocate \$12 million from the general revenues of the state to be deposited into the Rental Assistance Fund. This appropriation would be an initial source of funding to establish the Rental Assistance Fund.

Your Committee has also amended this bill by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 641, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 641, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 634 Housing and Hawaiian Homes on H.B. No. 1233

The purpose of this bill is to amend section 10-11, Hawaii Revised Statutes, to authorize the Board of Trustees of the Office of Hawaiian Affairs to establish the salary of the administrator of the Office of Hawaiian Affairs; provided that such salary shall not exceed the salary of the highest paid state department head or director.

Your Committee finds that the present salary of the administrator of the Office of Hawaiian Affairs is not sufficient to compensate the administrator of the Office of Hawaiian Affairs who has responsibilities and duties which are similar in nature to those of a state department head or director.

Your Committee has made language changes to clarify the intent of the bill, and minor technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 635 Housing and Hawaiian Homes on H.B. No. 1255

The purpose of this bill is to amend the Office of Hawaiian Affairs voter registration procedure.

This bill would: (1) allow the registration affidavit of an Office of Hawaiian Affairs (OHA) voter to also apply to all primary, special primary, general, special general, special, or county elections, held in the state; and (2) require the election clerk to purge the OHA voter registration list of any voter who fails to vote in both the OHA election and the regular general election, provided that the voter also failed to vote in the preceding primary election.

Your Committee finds that under present law OHA voter registration is separate and



apart from the registration for regular elections. In order to keep these registrations separate and distinct, our present system provides for separate registration forms. During the last general election many voters registered for only the OHA election were under the impression that they were also registered to vote in the regular general election. This bill would allow OHA voters to subscribe to one affidavit and vote in all elections permitted under Title II, Hawaii Revised Statutes (the election laws).

Your Committee further finds that presently voter registration lists are purged every two years in order to maintain a current and updated voter list. This bill would require OHA voter registration lists to be purged of any voter who fails to vote in the OHA election, the regular general election, as well as the preceding primary election.

Your Committee has amended the bill by making technical changes and clarifying language changes which have no substantive effect.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1255, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 636 Ecology, Environment and Recreation on S.C.R. No. 24

The purpose of this resolution is to urge the U.S. Environmental Protection Agency and the National Oceanic and Atmospheric Administration to include Hawaii in a program they are currently developing to identify and evaluate nuclear waste disposal sites off the coasts of the United States.

Your Committee received testimony in support of this concurrent resolution from the Department of Health, the Environmental Center of the University of Hawaii, the Citizens' Party, Americans for Democratic Action, and the American Friends Service Committee. The testimony revealed a need to compile a complete inventory of the nuclear wastes which have been dumped off the coasts of the state.

Your Committee has amended this concurrent resolution by substituting "Department of Commerce" for "Department of the Interior" and by directing that a copy of the concurrent resolution be delivered to the President of the United States.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 24 as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 24, S.D. 1.

Signed by all members of the Committee.

SCRep. 637 Judiciary on H.B. No. 793

The purpose of this bill is to designate each director as the "Administrator" of each Intake Service Center and to clarify these positions and that of the state executive director of all the Intake Service Centers. This bill clarifies the appointment process as well as the administrative responsibility and accountability of these persons. The existing law, which does not make this distinction, has resulted in considerable confusion in terms of the roles among the various directors of the state's Intake Service Centers.

Your Committee feels that this bill would be beneficial in terms of clearing up this confusion and clarifying the roles of the over-all state executive director of all Intake Service Centers, and Administrators.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 793, 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 Cayetano and Kuroda.

SCRep. 638 Judiciary on H.B. No. 1007

The purpose of this bill is to provide that all claims for refunds, reimbursements, or other payments sought from the Legislature shall be subject to full review by the Attorney General. The Attorney General shall transmit the claims that are recommended to the Legislature together with any data and documents supporting each claim. The present law provides that the Department of Budget and Finance serves as a clearinghouse in the processing of claims which are submitted to the Legislature.

Your Committee finds that this bill would improve the claims procedure by requiring the Attorney General to review each claim and submit a recommendation as to the disposition of each claim to the Legislature.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1007 herein, and recommends that H.B. No. 1007 pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cayetano and Kuroda.

SCRep. 639 Judiciary on H.B. No. 1604

The purpose of this bill is to simplify the state income tax reporting provisions for contributors to political campaigns. The existing law provides that contributors to political campaigns must file an official tax deduction receipt form with the state income tax return in order to receive a tax deduction for their campaign contribution.

The testimony submitted by the Campaign Spending Commission and Hawaii County Council indicates that because this tax deduction was created as an incentive for candidates to comply with the voluntary expenditure limitations provided by existing law, it seems only appropriate that every effort be made to enhance the attractiveness of this deduction by minimizing the difficulty in obtaining it.

Your Committee feels that this would be beneficial in terms of encouraging compliance with the existing campaign spending laws.

Upon further consideration, your Committee has amended the bill by restoring the original language to the redesignated subsection (e) and subsection (f). This would clarify the reporting provisions regarding tax deduction and further simplify the reporting requirement.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1604, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1604, 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 Cayetano and Kuroda.

SCRep. 640 Government Operations and Intergovernmental Relations on H.B. No. 634

The purpose of this bill is to increase the penalty for unlicensed dogs and to give counties the power to fix impound fees.

Presently, under section 143-8, Hawaii Revised Statutes, counties may not charge more than 25 cents a day to recover the cost of care and feeding of impounded dogs. The penalty for unlicensed dogs is set at 50 cents. The actual cost of care incurred by the counties far exceeds this statutory fee and a 50 cent penalty is not sufficient motivation for the licensing of dogs. This bill would allow county councils to set more realistic fees.

Your Committee is in accord with the intent of the bill and amended it to limit the counties to fees not to exceed \$5 per day, providing that until and unless set by ordinance, the fees shall be \$2.50.

Your Committee also received testimony from the Honolulu Police Department that present licensing provisions require police officers and sheriffs to impound unlicensed or unleashed dogs. The department testified that police are not adequately equipped or trained for capturing animals. Accordingly, your Committee also amended the bill to remove police officers from enforcement provisions and substituted the term "animal control officer" for dog warden.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 634, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 641 Government Operations and Intergovernmental Relations on H.B. No. 1584

The purpose of this bill is to provide a pay increase for enlisted personnel of the Army and Air National Guard while on active duty in service of the state.

Based on an eight-hour day, the lowest pay and allowance for personnel is presently about \$28.74, or \$3.59 per hour. The state minimum wage is \$26.80 or \$3.35 per hour beginning July 1, 1981. The proposed increase in minimum daily pay from eight to ten times the minimum wage would set the minimum pay at \$33.50 per day or \$4.19 per hour. This would benefit the three lowest enlisted grades of Privates, Airmen E1, E2, and Private First Class E3.

Your Committee finds that because there are no provisions to compensate personnel for overtime when they are required to work more than the normal eight-hour day, lower ranking personnel are sometimes compensated at less than the state minimum wage when they work more than eight hours a day.

Your Committee is in agreement that Army and Air National Guard personnel should receive at least the equivalent of the state minimum wage and that this bill will provide needed relief to lower grades of enlisted personnel.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1584 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 Ushijima.

SCRep. 642 Education on H.B. No. 769

The purpose of this bill is to establish and provide an appropriation for a committee to be known as "The 1984 Hawaii Statehood Silver Jubilee Committee" which shall have charge of all arrangements for the state's official celebration of the 25th birthday of the State of Hawaii which will occur on Tuesday, August 21, 1984.

Your Committee has amended the effective date from "upon approval" to July 1, 1981. This new date is made in consideration of the new fiscal year.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 769, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 769, 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 Carpenter and Cayetano.

SCRep. 643 Education on H.B. No. 1880

The purpose of this bill is to provide the Department of Education statutory authority to assess and collect special fees and charges from pupils for co-curricular activities.

Your Committee heard testimony in support of this bill from the Department of Education and the Hawaii State Teachers Association.

Your Committee has made minor technical amendments to the bill which have no substantive effect.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1880, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880, 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 Carpenter and Cayetano.

SCRep. 644 Economic Development on H.B. No. 247

The purpose of this bill is to delete the prohibition on labeling or selling rum as "Hawaii Rum" or "Hawaiian Rum" unless it has been aged for at least two years.

Under present law, it is required that rum be aged for at least two years from the date of distillation if it is to be labeled or sold as "Hawaii Rum" or "Hawaiian Rum". The cost of storage facilities required to age rum for two years prior to sale is prohibitive and that the prohibition has proved to be an effective bar to local distillers establishing a market for Hawaiian rum.

Your Committee feels that the labeling requirement bears no reasonable relationship to insuring the quality of the product and therefore agrees with the intent of the bill that there is no need for such an aging requirement prior to labeling.

Current state law imposes on the manufacturer an excise tax of 20% of the wholesale price of liquor sold or used. Your Committee heard testimony that rum manufactured in Puerto Rico is exempt from local taxes and that federal excise taxes paid revert back to the commonwealth treasury. Your Committee agrees that these tax incentives place an enormous burden on local distillers who contemplate entering the rum market.

To alleviate the inequity of this situation, your Committee has amended the bill to provide for an exemption from the 20% excise tax imposed on rum manufactured in the state. The exemption shall run for a five year period ending June 30, 1986.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 247, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 645 Economic Development on H.B. No. 755

The purpose of this bill is to amend section 171-36, Hawaii Revised Statutes, to enable the Board of Land and Natural Resources (BLNR) to raise the lease rent at the time a lessee transfers his lease to someone else, based upon the consideration paid for the assignment of the lease.

Under the present law, when a lessee of state land wishes to sublease the whole or any part of the premises, he must first obtain the consent of the BLNR. The BLNR has the right to review and approve the rent to be charged the sublessee and, if necessary, to raise the basic rent. In the event a lessee wishes to transfer his lease to someone else, he must also obtain the BLNR's consent. However, there is no provision in the law at present allowing the board to raise the rent when a lease is transferred. The effect of this bill would be to amend section 171-36, HRS, to allow the BLNR to raise the rent, if necessary, based upon the assignment and transfer consideration paid by the transferee.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 755 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 646 Transportation on H.B. No. 1470

The purpose of this bill is to mandate the Department of Transportation to enter into arrangements for the sale and delivery of in-bond or duty-free merchandise at the Honolulu International Airport only by means of separate contracts providing for comparable facilities at the airport, and by no other arrangements or agreements such as delivery permits.

After a hearing and upon thoughtful consideration, your Committee on Transportation has amended the bill to provide for its expiration on June 30, 1982.

In the brief period during which the members of your Committee on Transportation, and their colleagues in the Senate and the House of Representatives, have had an opportunity to deliberate on this measure, lively controversy has developed over the interrelationship between the duty-free market in this state and the state's airport special fund which is so substantially refreshed by that market.

The question has been raised whether or not that market is capable of sustaining more than two concessionaires, or contractors, and no market analyses have been presented to answer this fundamental question either affirmatively or negatively.

There are differences of opinion within the legal community as to the propriety, and indeed the constitutionality, of restricting competition within the duty-free market to two contractors, with the heaviest arguments in this matter coming from legal advocates for the present concessionaires on the one hand and from the attorneys representing a would-be applicant for an in-bond delivery permit on the other. Falling somewhere between these two positions comes the voice of the state attorney general, which at this writing sounds more like a "maybe" than a firm "yes" or "no". Your Committee on Transportation, lacking the professional experience and knowledge to rule, Solomon-like, between the opposing arguments of attorneys, profoundly hopes that the office of the attorney general will be able to avail itself of the year's interval called for in this bill to make a firm determination in this disagreement.

A veritable galaxy of other questions has now surfaced in this matter, all legitimately connected to the issue, all requiring to be answered or determined to be insubstantial before a final decision is made. For the Legislature to take final action without examination of these attendant points would be to dispose of the question of the duty-free market in this state hastily and irresponsibly.

Your Committee on Transportation pondered the suggestion that passage of the bill as proposed in House Draft 2 could, if its results proved unfavorable to the state, be further amended and corrected in a subsequent legislative session. This course of action was rejected, as your Committee wishes to signal caution against major new expenditures in the duty-free market, and expresses this caution through the temporary nature of the bill's provisions.

What is the size and composition of the potential dutyfree market? Are foreign governments, and their customs agencies, favorably disposed toward receiving a greater volume of in-bond merchandise, possibly from one or more new operators? Are the international carriers prepared and equipped for additional duty-free cargo? Can U.S. Customs handle an increase in volume of this merchandise without major modification of space and staffing?

Should the Department of Transportation establish criteria for the reliability, experience, and reputation of possible permittees under the competitive system prescribed under the present statute, or should performance be the only criterion?

Can Honolulu merchants sustain indefinitely the impact of competition from dutyfree operators? As most passenger ships plying international waters offer some kind of dutyfree service to passengers, are there maritime implications the legislature should consider?

What effect would competition in the in-bond merchandise market have on Hawaii's economy considering such factors as contractors' guarantees, employment of Hawaii's people, and tax revenues? By introducing competition, would the state's bond ratings be adversely affected? How would competition in the duty-free market affect landing fees charged the airlines and perhaps airfares? What areas in Hawaii's economy would be affected by introducing competition in the duty-free market?

How many duty-free merchants could be allowed to operate at Honolulu International Airport without jeopardizing its orderly administration?

Can duty-free merchandise be singled out from other goods as eligible for access to the airport only by state permission, or would this tread somehow on the toes of a federal proscription against interference with the flow of foreign commerce?

What is the relationship between the percentage of revenue collected from concessionaires, or contractors, and the percentage proposed to be collected from permittees? Can any similarities or differences be supported as logical in view of the resources of the state which are extended in each case? Should consideration be given in establishing these percentages to the privileges extended to those delivering non-duty-free merchandise?

These questions, and others prompted by them, have persuaded your Committee on Transportation that it would be less than protective of the state's interest if it did not amend H.B. No. 1470, H.D.2, to provide for a year's time during which these matters can be appropriately studied and resolved.

Your Committee is aware of the unusual urgency placed on speedy disposition of this bill, an urgency which has been expressed with some forcefulness by both its opponents and its proponents. Your Committee nonetheless is mindful of the wisdom inherent in the adage "Haste makes waste," and is persuaded that it would be irresponsible to enact this bill without the precautionary provision of a year's grace in which to collect the data on which to base a permanent disposition of the matter.

H.B. No. 1470, H.D.2, has therefore been amended by your Committee on Transportation to provide that it will expire on June 30, 1982.

Your Committee has further amended the bill as follows:

1. Section 1 of the bill has been amended to more clearly articulate the state's policy with respect to duty-free operations and to express the intent of the Legislature that duty-free operations be reexamined by the Legislature during the 1982 Regular Session.

2. The reference in the bill to "more than one person as contractors" has been deleted and the phrase "no more than two persons ("contractors")" has been added. This amendment limits the number of contractors permitted to sell and delivery in-bond merchandise at Honolulu International Airport to two. Your Committee believes that this amendment more clearly expresses the policy of the state with respect to duty-free operations.
3. The reference to "commercial facilities", deleted in H.D.2, has been replaced.
4. The requirement that the Department of Transportation monitor market conditions and report any material change in circumstances to the Legislature has been deleted. Your Committee believes this requirement is unnecessary in light of the anticipated reexamination of duty-free operations in 1982.
5. The phrase "including its landing areas, cargo loading zones and commercial facilities" has been added to the last paragraph of Section 2 of the bill.
6. Other non-substantive, technical amendments have been made.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1470, H.D.2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1470, 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 Toyofuku.

SCRep. 647 Health on H.B. No. 1680

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist a number of not-for-profit health care facilities to provide and improve health care to the general public by financing new construction and renovation or by refinancing existing obligations.

Your Committee finds that the issuing of special purpose revenue bonds to the health care facilities is in the public interest and for the public health, safety, and general welfare. Further, the issuance is only authorized when the projects for which they are requested will commence within one or two years of the authorization and only when all requirements relating to the issuance and approval have been met.

Your Committee was informed that the application of Pearlridge Hospital for consideration in this bill was withdrawn, and the bill was appropriately amended.

Your Committee also made a technical amendment to the bill, adding the words "Relating to" to the title to correct an inadvertent drafting omission. Your Committee also made a number of non-substantive amendments to accurately identify two of the health-care facilities.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1680, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1680, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 648 Human Resources on H.B. No. 329

The purpose of this bill is to grant the legislative service agencies the authority to make adjustments to the compensation, conditions, and benefits of excluded officers and employees in their agencies.

Presently, the chief executives of the state and counties, as well as the chief justice, are authorized to make such adjustments for the excluded employees under their supervision. The directors of legislative service agencies, who also supervise excluded employees, are not similarly authorized.

Your Committee made a number of technical amendments to eliminate references to exempt employees and to the ethics commission, which is placed under the legislative auditor for administrative purposes.

Also, at the request of the Department of Personnel Services, a salary limitation was

deleted to ensure uniformity in benefits with other government employees.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. 329, H.D. 1, amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 329, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 649 Human Resources on H.B. No. 440

The purpose of this bill is to increase from five per cent to ten per cent the amount of the child care tax credit allowed against state income tax.

Your Committee finds that such an increase would be of assistance to the many families in this state of which both parents are part of the work force and to single-parent families. The tax credit does not match the federal tax credit, but your Committee believes that an equal credit is not necessary since the federal tax rate is substantially higher than the state tax rate.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 440, H.D. 2 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. 650 Human Resources on H.B. No. 635

The purpose of this bill is to delete the requirement that nonprofit corporations and sheltered workshops be certified in order to qualify for preference in government contracts and purchase of services by amending section 103-22.1, Hawaii Revised Statutes.

The above cited statute provides that a five per cent preference shall be given to certified nonprofit corporations and sheltered workshops when bidding on governmental purchasing contracts in order to encourage greater employment and employment training services for handicapped individuals in the state. The preference, however, has not been implemented because the Department of Labor and Industrial Relations does not have the authority to certify these organizations.

Your Committee has amended the bill to allow the Department of Labor and Industrial Relations to establish criteria for nonprofit organizations and public agencies operating facilities to help the handicapped, and to exempt service contracts awarded preferentially from the wage provisions relating to employees of public contractors.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 635, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 635, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 651 Human Resources on H.B. No. 695

The purpose of this bill is to provide statutory authorization to pay due to sickness. This bill would be of aid in obtaining approval of the Social Security Administration in excluding sick pay from wages subject to FICA tax.

Under section 209 (b) of the United States Social Security Act, wage payments made, due to sickness or accident disability if made under a plan or system established by the employer, can be excluded from wages subject to social security contributions (FICA tax). Only a few state or local government units could exclude such payments due to restrictive rulings and interpretations of the Social Security Administration.

In 1979, The Social Security Administration's Informational Release No. 17 appeared to make the exclusion of sick pay more feasible for government units by stating simply that payments made by state and local governments could be excluded if:

- (1) The government unit has legal authority to pay "on account of sickness", and
- (2) The government unit provides evidence that shows the payments were made under that authority.

While Chapter 79, Hawaii Revised Statutes, makes provision for accumulations of sick leave credits by officers and employees of the state and county governments in Hawaii, There is no express statutory authorization to pay on account of sickness, nor is there an express statutory prohibition against making payments from sick leave credits for purposes other than sickness. These elements are considered essential in obtaining ultimate approval of the Social Security Administration to exclude sick pay from wages subject to FICA tax. Therefore, the bill proposes these major changes to comply with the Social Security Administration's requirements.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 695, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 652 Human Resources on H.B. No. 709

The purpose of this bill is to appropriate and authorize funds for the fiscal biennium 1981-1983 for program planning, analysis, budgeting, and administrative director services for collective bargaining unit 1.

Your Committee has made nonsubstantive changes to this bill for the purpose of clarity and style.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 709, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 709, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 653 Human Resources on H.B. No. 741

The purpose of this bill is to provide women with equal treatment in employment when they are disabled due to pregnancy-related conditions, and to clarify policies and procedures relating to enforcement of unlawful or discriminatory employment practices.

State and county governments, as employers, are not subject to Chapter 378, Hawaii Revised Statutes, which prohibits discriminatory employment practices. State or county employee must file a complaint under Title VII of the Federal Civil Rights Act of 1964, as amended, with the Equal Employment Opportunity Commission (EEOC) in San Francisco. The aggrieved must then wait for an investigation which, until recently, often took about two years.

This bill provides for anti-discriminatory employment practices, under state law, to public sector employees. Clarification of the definitions and procedures relating to enforcement of discriminatory employment practices Chapter 378, Hawaii Revised Statutes are additionally provided by strengthening the existing statutory prohibition against employment discrimination because of sex by adding a definition of "because of sex" to include pregnancy and its medically-related conditions.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 741 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. 654 Human Resources on H.B. No. 767

The purpose of this bill is to authorize the establishment of a deferred compensation plan for public officers and employees of the state and counties.

Deferred compensation is basically an agreement whereby an employee authorizes his employer to defer a portion of his gross pay until retirement, at which time he would most likely be subject to a lower tax burden. The deferred moneys are invested by the state in accordance with various options permitted under mutual funds. The deferred moneys, earned interest, and appreciation accruing to these deferred funds are not taxed until the employee receives them.

Participation is strictly voluntary, and the employer makes no contribution to the plan. Deferred compensation would not affect already existing retirement, pension,



or social security benefits or plans, but would provide an additional source of income to participating officers and employees when they retire.

Deferred compensation in the public sector is a relatively recent phenomenon and has become an increasingly popular "non-cost" fringe benefit offered to public employees.

Your Committee wishes to emphasize that the plan shall bear all implementation and administrative costs. The bill provides for the start-up costs, but the plan will reimburse the state for these costs.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 767, H.D. 2, 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. 655 Human Resources on H.B. No. 785

The purpose of this bill is to explicitly state that the income and resources of both parents, whether natural or adoptive, in family groups with children are considered available for the support of the entire family under the general assistance program.

This bill provides for clarification of the general assistance law.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 785, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 656 Human Resources on H.B. No. 788

The purpose of this bill is to allow the Department of Social Services and Housing to more adequately meet the needs of veterans in Hawaii and to remove portions of existing statutes which have been declared unconstitutional.

This bill will allow the Department of Social Services and Housing to serve veterans who have served in the armed services during peacetime as well as during wartime, and to serve veterans with less than honorable discharges. This policy is in keeping with the Special Discharge Review Program primarily targeted for the less than honorable discharges emanating from the Vietnam era.

In addition, this bill deletes the durational residency requirement for grants for specially designed housing for wheelchair living which was determined to be unconstitutional by the attorney general. While eliminating the durational residency requirement, the bill ensures that applicants for the state grant were bona fide residents of the state before entering the armed forces. The state grant remains contingent upon the disabled veteran qualifying for the federal grant.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 788, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 657 Human Resources on H.B. No. 867

The purpose of this bill is to give the investigators of the Attorney General's Office the same benefits and privileges of a police officer or deputy sheriff.

Your Committee agrees that the (1) required duties and functions, (2) high risk factor, and (3) high stress type situations of the Attorney General's investigators are equal to or greater than their counterparts at the county level. Their functions and duties are similar to but greater in scope and responsibility than those of the county prosecutor's investigators, yet lack similar benefits that their counterparts are receiving on all county levels.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 867 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. 658 Human Resources on H.B. No. 920

The purpose of this bill is to require the state and the counties to make advance payments of their respective employee-beneficiaries' contributions to the public employees health fund on or before the first day of each month.

In the past, advance payments for state and county employee-beneficiaries' contributions were made by the health fund's board of trustees with state funds. Recently, the state attorney general advised the board against making these advance payments on behalf of the counties. In response to the attorney general's position on this matter, the board requested each county director of finance to make advance payments of its county's employee-beneficiaries' contributions.

Under present law, however, each county director of finance is not legally authorized to make such advance payments. This bill would provide the counties with the necessary statutory authority by requiring them to make advance payments of their employee-beneficiaries' contributions to the public employees health fund.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 920, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 659 Human Resources on H.B. No. 1158

The purpose of this bill is to allow the Employees' Retirement System to increase the present first mortgage loan amount from 75 percent to no more than 90 percent of the value of the real property and improvements mortgaged to secure it, provided that the obligation is insured or guaranteed against default or loss under a mortgage insurance policy issued by a casualty insurance company licensed to do business in the state.

The coverage provided by the insurer should be sufficient to reduce the Employees' Retirement System's liability to not more than 75 percent of the value of the real property and improvements mortgaged to secure it. Such an insurance coverage shall remain in force until the outstanding amount of the principal of the first mortgage is reduced to 75 percent of the market value and improvements mortgaged to secure it, at which time the coverage shall be subject to cancellation solely at the option of the board of trustees.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1158, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 660 Human Resources on H.B. No. 1357

The purpose of this bill is to allow the Department of Labor and Industrial Relations to apply Hawaii's pension offset in section 383-23.5, Hawaii Revised Statutes, in a more equitable manner and to precisely conform the language of the state's law to fully comply with the federal law.

Effective September 26, 1980, Public Law 96-364 amended section 3304(a)(15), Federal Unemployment Tax Act, to allow states to apply a less stringent standard than originally enacted in 1976. Under a less stringent standard, a state may limit pension offset to only pensions received from a base period or chargeable employer and to take into account contributions made by a worker to the pension plan. In addition, with the exception of social security pension and railroad retirement payments, no offset is applicable unless the worker's base period services or remunerations affected entitlement to the pension or increased the pension.

Your Committee amended the bill to correct a drafting error.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1357, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1357, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 661 Human Resources on H.B. No. 1358

The purpose of this bill is to delete the provisions in section 383-29(a), Hawaii Revised Statutes, which waives the one week waiting period on a new claim for unemployment benefits when it is immediately preceded by a compensable week of a prior claim, and for payment of the waiting week after a claimant is paid for twelve consecutive weeks following the first compensable week in a benefit year.

The Omnibus Reconciliation Act of 1980, Public Law, 96-499, eliminates the federal share of 50% of the cost of the first week of extended benefits in any state which provides for payment of the waiting week. This bill ensures that the State may continue to receive the federal share of the cost of the first week of extended benefits.

Your Committee made a number of technical amendments to correct typographical errors in the bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. 1358, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1358, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 662 Human Resources on H.B. No. 1359

The purpose of this bill is to conform section 383-170, Hawaii Revised Statutes, to section 202(a) of the Federal-State Extended Unemployment Compensation Act, as amended by Public Law 96-499, and to provide for the denial of extended benefits to any individual who fails to accept suitable work, as defined in this bill, or a referral to such work, or for failure to engage in a systematic and sustained search for work.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1359, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1359, H.D. 1, S.D. 1, and recommends that it be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 663 Human Resources on H.B. No. 1360

The purpose of this administration bill is to conform Chapter 383, Hawaii Revised Statutes, to Section 202 of the Federal-State Unemployment Compensation Act of 1970, amended effective September 26, 1980, by Public Law 96-364.

The federal law, as amended, prohibits payment of extended benefits on an interstate claim unless both the agent state, i.e., the filing state, and the liable state, i.e., the paying state, are in an extended benefits period. Extended benefits are still payable for the first two weeks on an interstate claim, but cannot be paid thereafter unless both states are in an extended benefits period.

Your Committee notes that nonconformity with the federal law may result in the loss of federal certification of the Hawaii Employment Security Law for employer tax credit.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1360, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 664 Human Resources on H.B. No. 1716

The purpose of this bill is to change the amount of the state's contribution to public employees' health benefits plans and to the children's dental plan.

Your Committee supports increasing the state's contribution to the medical and children's dental benefit plans. The amount of such increase would continue the state's past practice

of contributing to one-half of the monthly premiums for the health plans and all premiums of the dental plan, and would reflect the expected increased costs of the plans effective for the 1981-1982 fiscal year.

Nonsubstantive, technical amendments were made to the bill by your Committee.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1716, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1716, H.D. 2, S.D. 1 and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 665 Human Resources on H.B. No. 1871

The purpose of this bill is to provide an option to negotiate a salary conversion plan to reduce the number of steps within the salary ranges for civil service employees provided by Act 253, Session Laws of Hawaii 1980.

Three bargaining units - nurses, nonsupervisory blue-collar employees, and supervisory blue-collar employees - successfully negotiated conversion plans under the initial option. The costs of these plans are currently pending legislative approval and appropriations.

There are six bargaining units remaining (units 3, 4, 10, 11, 12, and 13), all involving white-collar employees, without a conversion plan. Representatives of these bargaining units have expressed a desire to have the option to negotiate such a plan.

Enactment of this bill provides the same option as that provided under the original Act and further extends the option for two more years.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. 1871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1871, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 666 Human Resources on H.B. No. 1873

The purpose of this bill is to amend the existing statutes relating to shortage categories in public employment as follows: (1) allows the entry salary for a shortage category to be adjusted by adding to the first step of an appropriate salary range a temporary shortage differential; (2) allows for similar adjustments in the entry salaries of other classes or groups of positions in classes if warranted to preserve internal relationships within the same series as the shortage category; (3) allows for adjustments in the pay of incumbents who are in a class or group of positions in a class where the entry salary has been adjusted so that no incumbent is paid below the adjusted entry salary; and (4) establishes procedures for phasing out shortage differentials whenever there are changes in the pay schedules or the entry salaries are lowered following a review of shortage category determinations.

Your Committee is in agreement that under the authority of Act 253, Session Laws of Hawaii 1980, model conversion plans regarding a reduction in the number of steps were negotiated for three bargaining units. Changes in the pay structures under these model conversion plans (i.e., fewer steps, larger percentage differences between steps, and a requirement that all employees be paid on step) prompted a review of the existing statutes on shortage categories. The review showed that amendments are necessary to: (1) restore flexibility in setting an appropriate entry salary for a shortage category; (2) preserve internal relationships within the series in which a shortage occurs; (3) assure that no incumbents are paid less than the adjusted entry salaries for their respective class or group of positions in a class; and (4) phase out shortage differentials which are provided as a temporary measure to alleviate recruitment problems.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1873, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 667 Human Resources on H.B. No. 1879

The purpose of this bill is to authorize and appropriate funds to provide for the fiscal biennium 1981-1983 salary increases and other cost adjustments for state officers and employees excluded from collective bargaining.

This bill is the funding vehicle through which excluded employees in the Executive and Judicial branches may receive equivalent salary increases to those which may be received by employees covered by collective bargaining agreements. Negotiations between the bargaining units and the state have not yet been concluded and so the actual cost items for excluded employees have not been determined. Your Committee therefore recommends further consideration of this bill by the Committee on Ways and Means.

Presently, the chief justice and the chief executives of the state and counties are authorized to adjust the compensation, conditions and benefits of their excluded employees. The employees of the legislative service agencies however are not similarly provided for and while considering this measure, your Committee also considered H.B. No. 329, H.D. 1, "A Bill for an Act Relating to Public Officers and Employees Excluded or Exempted From Collective Bargaining", which provides similar authorization for the heads of the legislative service agencies.

Your Committee has favorably considered H.B. No. 329, H.D. 1, which is also being referred to the Committee on Ways and Means, and therefore amended H.B. No. 1879 accordingly to authorize and appropriate funds for excluded employees of the legislative service agencies.

Your Committee also made a number of technical, nonsubstantive amendments to clarify the intent of the bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1879 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1879, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 668 Human Resources on H.B. No. 1267

The purpose of this bill is to expand the preference given to blind and visually handicapped persons in operating vending facilities in state or county owned public buildings.

Presently, section 102-14, Hawaii Revised Statutes, mandates state and county authorities to give preference to blind or visually handicapped persons in authorizing the maintenance of vending stands in state and county buildings.

As received by your Committee, this bill placed the responsibility for ensuring that preference be given to blind or visually handicapped persons with the Department of Social Services and Housing (DSSH); provided for licensing and issuance of permits for vending facilities by the DSSH; prohibited persons from advertising or soliciting sales of food and beverages in state and county buildings in competition with blind or visually handicapped vendors; and provided for transferring income from vending machines in state or county buildings to blind or visually handicapped vendors or to a trust fund administered by the DSSH.

Your Committee has amended the bill by:

(1) Deleting the licensing requirement; however, vending facilities will be authorized by permits issued by the DSSH.

(2) Deleting the provisions transferring income from vending machines to blind or visually handicapped vendors in the building where such machines are located or to a trust fund administered by the DSSH. In order to accomplish the intent of the deleted provision that income from vending machines accrue to the benefit of blind or visually handicapped vendors, your Committee has added a provision prohibiting future placement of vending machines in state or county buildings except by permit issued by the DSSH.

(3) Making numerous technical changes and clarifying language changes.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1267, H.D. 1, as amended herein, and recommends that it pass Second Reading

in the form attached hereto as H.B. No. 1267, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 669 Human Resources on H.B. No. 1724

The purpose of this bill is to: (1) increase the regular interest rate credited to employees from 4-1/2% to 5-1/4%; and (2) set the investment yield rate at 7%.

Your Committee has amended this bill to maintain the regular interest rate credited to employees at 4-1/2%. The interest rate of 4-1/2% seems to be reasonable due to the fact that social security does not pay any interest on its member's contribution.

Your Committee has further amended the bill to establish a 7% investment yield rate for FY 82-83 and the next biennium.

During this period the employers contribution to the pension accumulation fund will be reduced by any investment earnings in excess of 7%. Beginning with the actuarial valuation as of June 30, 1983, which is the basis for determining employer appropriation in FY 85-86, the assumed investment yield rate to be used in actuarial valuations of the System shall be adopted by the Board of Trustees provided further that the salary increase assumption shall be based directly on the actual experience during the five-year period covered by the most recent actuarial experience investigation.

In addition, the employer appropriation to the Pension Accumulation Fund shall not be reduced by any investment earnings beginning July 1, 1985.

Your Committee has amended this bill to make technical, non-substantive amendments.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1724, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1724, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 670 Public Utilities on H.B. No. 368

The purpose of this bill is to eliminate all state regulation of airlines as public utilities. This would be done by excluding aerial transportation enterprises from the definition of a public utility, by deleting the requirement that airlines operate under a certificate of public convenience, and by relieving airlines from payment of the public utility fee.

Under present law and practice, regulation of local airlines by the Public Utilities Commission is very limited. Only major financial transactions are reviewed. The P.U.C. testified that federal courts have determined that the Civil Aeronautics Board, and not the state regulatory agency, has jurisdiction over airline regulation. In addition, the Federal Air Deregulation Act of 1978 precludes state regulation of airlines. This bill would bring state law into conformity with federal law.

Your Committee recognizes the present uncertainty regarding the State's authority to tax airlines as public utilities. This question is presently being resolved in court. While this bill is not intended to influence current litigation, it will remove all uncertainty in this area by excluding airlines from all P.U.C.-related taxes.

Your Committee has amended H.B. No. 368, H.D.1, to remove the words "as a common carrier" from the phrase which specifically excludes aerial transportation from regulation. There is some question as to whether the term "common carrier" is limited to the two major, regularly scheduled, intrastate airlines. Since your Committee wishes clearly to exclude air taxis and sightseeing operations along with the major airlines, it feels the qualifier "common carrier" should be deleted.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 368, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 368, H.D.1, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 671 Public Utilities on H.B. No. 1048

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for the furnishing of electric energy.

Your Committee has previously approved of the concept and enabling legislation for the issuance of special purpose revenue bonds. This bill provides for a specific total amount of revenue bonds as requested by the electric utility companies of this state.

Your Committee has been informed by the state Department of Budget and Finance that this bond issue, and the other special purpose revenue bond issues before this Legislature, must be issued in a way that does not interfere with the state's ability to market its own general obligation bonds.

Thus, the department will issue only those amounts of special purpose revenue bonds that will be readily saleable and that will not limit the sales of the state's bonds. It is extremely unlikely that the state would be able to issue the entire \$160,560,000 in bonds requested before the next legislative session.

Hawaiian Electric Company has informed your Committee that it would not immediately apply for, or need to use, the entire amount in bonds requested by its companies.

Your Committee has therefore amended this bill so that the total amount of bonds authorized by this Legislature will not exceed \$72,252,000.

Your Committee on Public Utilities is in accord with the intent and purpose of H.B. No. 1048, H.D.2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1048, H.D.2, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 672 (Joint/Majority) Agriculture and Economic Development on H.B. No. 753

The purpose of this bill is to amend section 174-11, Hawaii Revised Statutes, to allow the Board of Land and Natural Resources (BLNR) discretion in fixing and adjusting irrigation system rates and charges.

Currently the law mandates the board to at least break even in its charges for the use of water from state-owned water systems. This bill would remove that requirement, allowing for lower rates to be charged, at the discretion of the board.

Your Committees are concerned that this bill could be used to reduce charges to farmers for all state-owned water systems, thus creating an unwanted subsidy program and becoming a burden upon the taxpayers. Nevertheless, your Committees additionally feel that in certain cases the current law is too restrictive in its wording, and that it hence denies the Board of Land and Natural Resources a needed flexibility in setting water rates. Your Committees are specifically thinking of a limited number of specific exceptional cases wherein the board should be allowed to set rates at less-than-a-break-even basis. On this basis, and only on this basis, your Committees support this bill and feel that it is consistent with the state's policy of promoting and encouraging agriculture in the state.

Your Committees on Agriculture and Economic Development are in accord with the intent and purpose of H.B. No. 753 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Carpenter, Machida, Kobayashi and Holt.  
Senator Kawasaki did not concur.

SCRep. 673 Judiciary on H.B. No. 114

The purpose of this bill is to provide funds for the compensation of victims, dependants, attorneys and others, for medical services as the result of criminal acts.

Testimony submitted by the Department of Budget and Finance indicates that the sum of \$598,535.24 should be appropriated.

The sum of \$598,535.24 is approved by your Committee to be appropriated out of the general revenues of the state to cover the payments of claims approved by the Criminal Injuries Compensation Commission in 1980. Your Committee finds that these claims are in order.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 114, 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 O'Connor.

SCRep. 674 Judiciary on H.B. No. 344

The purpose of this bill is to appropriate moneys out of the general revenues of the state for the payment of tax refunds, judgments, and settlements, and other miscellaneous claims against the state.

The claims for refunds, reimbursements, and other payments were filed with the state director of finance who transmitted these claims with the supporting data to the Legislature in accordance with the procedure established by statute.

Your Committee received transmittals from the state director of finance requesting the inclusion of the following additional claims:

#### REFUND OF TAXES

Mary E. H. Santos	\$ 368.88
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#### JUDGMENTS AGAINST THE STATE

Doris Lorenzer	\$12,715.07
Betty A. Furumoto for the Estate of Charles S. Furumoto, Thomas Furumoto, and Mitsuwa Kamaboko Factory, Ltd.	7,615.89
Central Pacific Development Corporation	4,635.07
Era Penrose, et al	66,246.58

#### MISCELLANEOUS CLAIMS

Katherine Y. Taruguchi	198.64
Alvin A. Anjou	310.00
Bernice B. Jackson	20.00
Robert W. Samson	39.87

The bill has been further amended, at the request of the director of budget and finance, by adjusting the four per cent interest charge on the principle of the judgments in claims to Dennis T. Higashiguchi, Rebecca Rose, Joseph Egdein, and Abel Lui. This adjustment corrects the interest owed because of information received regarding the actual dates of the judgments.

Non-substantive changes have been made by renumbering the pages of the bill due to the additional claims.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 344, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 344, 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 O'Connor.

SCRep. 675 Judiciary on H.B. No. 629

The purpose of this bill is to provide for salary adjustments or increases for officials of the Judiciary whose compensation is presently fixed or limited by statute. The salary increases would be applicable to the Chief Justice and associate justices of the Supreme Court, the Chief Judge and associate judges of the Intermediate Appellate Court, the various circuit court, district court, and district family court judges, the Administrative Director of the Courts and his deputy, and the Sheriff and his first and second deputies.

Your Committee finds that the last salary adjustments or increases for officers of the Judiciary were effectuated five years ago on January 1, 1976, with the exception of the salaries for the judges of the Intermediate Appellate Court, which were set in 1979 upon the creation of the Intermediate Appellate Court. Because of frequent and regular salary adjustments, the salaries of public employees and appointed and elected county officials now exceed the salaries of higher level officers within the Judiciary.

Your Committee has amended this bill by setting forth the compensation for the various positions within the Judiciary as follows:



- (1) Chief Justice of the Supreme Court - \$52,250 per year;
- (2) Associate justices of the Supreme Court - \$49,637 per year;
- (3) Chief Judge of the Intermediate Appellate Court - \$49,637 per year;
- (4) Associate judges of the Intermediate Appellate Court - \$47,155 per year;
- (5) Circuit court judges - \$46,750 per year;
- (6) District court and district family court judges - \$44,412 per year;
- (7) Administrative Director - annual salary open; and
- (8) Sheriff and first and second deputy sheriffs - annual salaries to be set pursuant to position classification and compensation plan under Chapter 77.

As noted above, your Committee has set the annual salary of the Chief Justice of the Supreme Court at \$52,250. The salaries for the other high level positions within the Judiciary have been fixed, on a percentage basis, with the base being the salary of the Chief Justice. Your Committee feels that using the salary of the Chief Justice as the base results in consistent and equitable salary adjustments, taking into consideration the inflationary trend and concomitant rise in the cost of living.

Your Committee has further amended this bill to provide for an increase in salary every two years, to reflect the increase in weekly wages on a statewide basis, as determined by the Director of Labor and Industrial Relations. Such increases shall be subject to override or revision by majority vote of each House of the Legislature convening in the session immediately preceding a projected increase. Included within this provision would be the salaries of the Supreme Court justices, including the Chief Justice, the intermediate appellate judges, including the chief judge, circuit court judges, district court judges, district family court judges, and the administrative director of the Judiciary. The effective date for the first projected increase is set for July 1, 1983.

Your Committee has made nonsubstantive changes to reflect existing statutory language and to conform to the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 629, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 629, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 676 (Majority) Judiciary on H.B. No. 919

The purpose of this bill is to provide for the payment of a judgment resulting from a settlement agreement in a lawsuit entitled, Sylvia Gamino v. State of Hawaii v. Yukio Yamamoto and Yama's General Contractors, Civil No. 59095.

Testimony submitted by the Attorney General's Office indicates that this appropriation should be made.

Your Committee feels that it would be in the best interest of the state that an appropriation in the sum of 4.1 million dollars be made to fully satisfy the judgment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 919 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

Senators George, Kobayashi and O'Connor did not concur.

SCRep. 677 Ecology, Environment and Recreation on H.B. No. 1590

The purpose of this bill is to help preserve and protect the environment by requiring prior legislative authorization for the leasing and development of state-owned submerged lands and lands beneath tidal waters.

Your Committee received extensive testimony on the leasing of state-owned submerged lands and lands beneath tidal waters during its consideration of S.B. 800, which would

prohibit the leasing of such lands in Keehi lagoon. That testimony is summarized in Senate Standing Committee Report 215.

That testimony revealed that there are two statutory avenues under which the Board of Land and Natural Resources can lease submerged lands and lands beneath tidal waters. H.R.S. section 171-60(a) provides that the board may, with the prior approval of the governor and authorization of the legislature, either (1) "lease public lands, including submerged lands . . . to a private developer or developers," and (2) "enter into a development agreement with a private developer or developers, for development and subdivision of such public lands . . ." H.R.S. section 171-53(c) provides that "the board may, with the prior approval of the governor, lease submerged lands, and lands beneath tidal waters which it deems are suitable for reclamation . . ."

Thus, both sections 171-60 and 171-53 allow the board to lease submerged lands to private developers with the approval of the governor; however, while section 171-60 also requires the authorization of the legislature, section 171-53 does not require such authorization. Also, section 171-60 pertains only to private developers, while leases could be issued under section 171-53 to persons other than private developers.

Based on testimony received on S.B. No. 800, your Committee finds that the reclamation and subsequent development of submerged lands and lands beneath tidal waters can have a number of significant social, environmental and economic impacts. Such impacts may be so significant that they should receive extensive public consideration, a fact which is recognized by section 171-60's requirement that both the legislature and the governor must authorize such projects. However, your Committee further finds that some proposals for reclaiming submerged lands and land beneath tidal waters would not involve impacts significant enough to merit review by the legislature. One such case, for example, might be a private homeowner who wishes to construct a small boating dock on state-owned submerged lands near his home.

Your Committee has amended Section 2 of this bill by deleting the requirement that all proposals for leases under section 171-53 be subject to the approval of the legislature, and has inserted language which requires that any lease proposal which is eligible for consideration under either section 171-53 or section 171-60 be considered under section 171-60. This amendment will ensure that lease proposals for projects involving reclamation and subsequent development by private developers will receive the extensive review provided by section 171-60, while reclamation projects not involving subsequent development by a private developer could be issued a lease under the less restrictive provisions of section 171-53.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 1590, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D.1, S.D.1, and be referred to the Committee on Economic Development.

Signed by all members of the Committee except Senators George and Cobb.

SCRep. 678 (Majority) Economic Development on H.B. No. 35

The purpose of this bill is to amend section 235-12, Hawaii Revised Statutes, by extending the present solar tax credit expiration date from December 31, 1981, to December 31, 1985. The bill also expands the exemption to include heat pumps and wind energy devices. The solar tax credit would apply to heat pumps and wind energy devices installed and placed in service after December 31, 1980.

Your Committee is in agreement that extending tax incentives to include wind energy devices and heat pumps will encourage Hawaii's citizens to install and utilize these energy saving devices, thereby reducing the state's dependence on a dwindling supply of fossil fuels. An extension of the tax credit to December 31, 1985 will conform with the federal expiration date for energy conservation tax credits.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 35, 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 Carpenter and Yamasaki. Senator Uwayne did not concur.

SCRep. 679 Economic Development on H.B. No. 76

The purpose of this bill is to support fisheries development by providing for the operation of a vessel as a fuel supply and catch storage facility.

Your Committee finds that the future of Hawaii's commercial fishing industry lies in the development of the vast fishing resources in the area north of Midway, including the Northwest Hawaiian chain, as well as the Western and Central Pacific areas, through the use of long-range fishing vessels.

Testimony before your Committee by the Department of Land and Natural Resources reveals that some of the major problems in the fishery industry are the lack of a fisheries base at Midway Islands, and the great distance between albacore fishing ground to the nearest cannery (Honolulu, 1,300 miles) which contribute to the marginal economic viability of long-range fishing activities based in Honolulu. The albacore vessels would have to travel 20 days per round trip to unload their catch during the short four to five month fishing season, thereby reducing their potential average catch from 80 tons per vessel per season to about 40 tons.

Your Committee finds that the use of a mothership to replenish fuel and supplies, and to provide necessary and adequate refrigeration storage facilities may present a viable alternative for the fishery industry. Your Committee further finds that the United States Navy has a surplus yard tanker and a (LSD27) U.S.S. Wetstone which appears to be an appropriate vessel to demonstrate the feasibility of the mothership concept and to be used for dry dock.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 76, 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 Carpenter and Yamasaki.

SCRep. 680    Economic Development on H.B. No. 125

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by manufacturing enterprises. Article VII, section 12, of the State Constitution permits this type of bond but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default, since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the state is that it encourages the expansion or establishment of businesses.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. 125, 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 Carpenter and Yamasaki.

SCRep. 681    Economic Development on H.B. No. 126

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by processing enterprises. Article VII, section 12, of the State Constitution permits this type of bond but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default, since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the state is that it encourages the expansion or establishment of businesses.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. 126, 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 Carpenter and Yamasaki.

SCRep. 682 Economic Development on H.B. No. 127

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by industrial enterprises. Article VII, section 12, of the State Constitution permits this type of bond but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default, since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the state is that it encourages the expansion or establishment of businesses.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. 127, 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 Carpenter and Yamasaki.

SCRep. 683 Economic Development on H.B. No. 1167

The purpose of the bill is to establish a venture capital information center to carry out an invention development program.

This bill recognizes the need for supporting the development of inventions and new products and to assist and provide guidance for innovators and inventors. The center established by this bill should serve to bring together investors with venture capital and developers of new products.

Your Committee has amended the bill to provide \$1,002,000 for the purposes of the venture capital information center. Of this sum, \$2,000 is to be used for reimbursements to the advisory committee. The remainder of \$1,000,000 is to provide for a revolving venture capital loan fund.

Your Committee is in accord with the intent and purpose of H.B. No. 1167, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1167, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Carpenter and Yamasaki.

SCRep. 684 Higher Education on H.B. No. 824

The purpose of this bill as introduced, was to improve and clarify several provisions with respect to financial aid and state scholarship units for the University of Hawaii.

Existing law provides that tuition waivers and reductions are limited to a specific number of students per year. This bill would change the formula to five per cent of the total fulltime enrollment of the previous fall semester for each campus in the system.

The existing law also provides for two types of scholarships, eighty-five per cent of which are called Hawaii state scholarships based on financial need, and fifteen per cent of which are called Hawaii merit scholarships, based on other qualifications. This bill would eliminate the Hawaii merit scholarships, and provide that all scholarships be awarded solely on financial need.

This bill would reduce the residency requirement for scholarship applicants from five consecutive years immediately preceding an application to twelve months. If the student is a minor, the residency of the parents or guardians applies.

This bill also clarifies and simplifies the existing formula by which the total units of state financial aid are distributed.

The House Committee on Finance further amended this bill to provide that the Board of Regents of the University of Hawaii monitor and evaluate the performance of the university

president, and that it prepare and submit an annual written evaluation report to the governor and the legislature.

Your Committee has amended H.B. No. 824, H.D.1, by deleting this provision.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 824, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 824, H.D.1, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cobb, Abercrombie and Cayetano.

SCRep. 685 Higher Education on H.B. No. 1808

The purpose of this bill is to appropriate funds to establish a Center for Hawaiian Biological Research, or a similar organizational entity, for the general purpose of studying the physical and biological features of the Hawaiian islands.

Your Committee finds it difficult to identify the specific missions, staffing, and implementation plans for the proposed program.

Nevertheless, your Committee on Higher Education is in accord with the general intent and purpose of H.B. No. 1808, H.D.2, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1808, H.D.2, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cobb, Abercrombie and Cayetano.

SCRep. 686 (Majority) Transportation on H.B. No. 168

The purpose of this bill is to prohibit the holding of movable signs on overpasses on the local interstate defense highway system in the interest of public safety.

Your Committee heard testimony from the Department of Transportation and the Police Department, City and County of Honolulu, that such a prohibition will enhance highway safety. Your committee also heard testimony from a member of the Senate that the bill will shift responsibility for safety from motor vehicle drivers where it rightly belongs to movable signholders, and that it will raise certain constitutional questions with respect to restrictions upon freedom of speech.

Your Committee, fully cognizant of the constitutional guarantee of the right to free speech but also aware of past federal court decisions delineating this right with respect to movable signholding, believes that this limited prohibition is necessary for the protection of the motoring public. Signholding frequently diverts the attention of motor vehicle drivers and sometimes causes accidents which, given the higher rates of speed common to freeways, are often of a serious nature.

Your Committee has made nonsubstantive, technical amendments to correct certain typographical errors and to conform the bill to the Ramseyer format.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 168, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 168, H.D.1, S.D.1, and be referred to the Committee on Judiciary.

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

SCRep. 687 Legislative Management

Informing the Senate that S.R.Nos. 170 to 172 and Stand. Com. Rep. Nos. 632 to 686 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 688 (Joint) Agriculture and Transportation on S.R. No. 42

The purpose of this resolution is to request the Governor's Agriculture Coordinating Committee (GACC) to coordinate and work with the Department of Agriculture (DoA) to

have the DoA perform an examination concerning current air and surface shipping schedules for agricultural products, and to submit a report of findings and recommendations prior to the convening of the Regular Session of 1982.

Your Committees find that the subject of air and surface shipping schedules for agricultural products both intra-state and inter-state is one requiring attention, and are in favor of having the administration agencies mentioned in the purpose to study the matter and report thereon.

Your Committees have found the necessity to amend the resolution so that the actual "line agency" work of the study and report writing is undertaken by the DoA, as overseen by the GACC, on the basis that the GACC's role is one of coordination and not one of being a line agency.

Your Committees on Agriculture and Transportation concurs with the intent and purpose of S.R. No. 42, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 42, S.D.1.

Signed by all members of the Committees.

SCRep. 689    Agriculture on S.R. No. 47

The purpose of this resolution is to request the Department of Land and Natural Resources to examine the concerns that state-owned agricultural lands may sometimes either not be utilized for bona fide agricultural purposes or not otherwise adhere to the terms and conditions stipulated in their lease agreements, and to take whatever actions are necessary to correct such abuses and problems as may exist with respect to the utilization of state lands which are leased for agricultural purposes.

Your Committee finds that a need does exist in this area, and that the resolution is necessary in light of our belief that it is in the public interest to prevent the non-compliance by holders of agricultural leases with the provisions of their leases.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 47 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 690    Agriculture on S.R. No. 49

The purpose of this resolution is to put on the record that the Senate agrees in principle with the positions relating to water resources adopted by the Hawaii Farm Bureau Federation via their Resolution #1 adopted at their Thirty-Third Annual State Convention during November 1980 and that the Senate give full and fair consideration to the concerns of Hawaii's farmers with respect to water resources.

Your Committee finds that a need exists to support the agricultural use of water resources, and that therefore the need exists for this resolution.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 49 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 691    Agriculture on S.R. No. 50

The purpose of this resolution is to request the Department of Taxation to submit a report to the Legislature in consonance with the subject of the I.R.S. code governing soil and water conservation expenditures and expenditures for fertilizer and land clearing.

Your Committee finds that a need exists for such a study, and for such a report to be submitted to the Legislature.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 50 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 692    (Majority) Agriculture on S.R. No. 52

The purpose of this resolution is to request that the Board of Land and Natural Resources

minimize the public auction method in favor of other methods in leasing public lands for agricultural purposes.

Your Committee finds that a need exists for such a request, as explained in the text of the resolution.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 52 and recommends its adoption.

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

SCRep. 693    Agriculture on S.R. No. 54

The purpose of this resolution is to request the Department of Agriculture, the County of Hawaii, other departments or agencies of the state, and the entities in the private sector directly affected by the proposed land reclamation system in the county of Hawaii, to initiate prompt follow-up actions to enhance activation of the proposed land reclamation system at the earliest possible time, and furthermore to request the Department of Agriculture to submit a report concerning the status of the proposed land reclamation system by the twentieth day preceding the convening of the Regular Session of 1982.

Your Committee finds that public funds have been spent on preparing this project, and that the need exists to follow-up on this work, and additionally to see what progress is being made.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 54 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 694    Agriculture on S.R. No. 55

The purpose of this resolution is to acknowledge the severity of the problems posed by the several varieties of the white fly known to exist in Hawaii, to endorse the white fly research programs, and to pledge to provide continuing legislative support towards the final eradication of the problem through appropriations and other appropriate statutory measures.

Your Committee finds that there exists a real need in this area and supports the intent of the resolution.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 55 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 695    Agriculture on S.R. No. 107

The purpose of this resolution is to request the Department of Agriculture, in coordination with the Department of Planning and Economic Development, to conduct a detailed study into the feasibility, desirability, and economic viability of establishing one or more anaerobic digester facilities on Oahu, and that the study should include, in particular, recommendations for the location of such bioconversion facilities if the study concludes that a facility or facilities should be established, and that the study should be completed and submitted twenty days prior to the convening of the 1982 Regular Session.

Your Committee has amended this purpose to include that the proposed study should include the examination of the possibility of using such waste material as sludge for feed and/or plant nutrients.

Your Committee finds that the subject of such a study is needed and worthwhile. Your Committee has amended the text of the resolution in keeping with the amended purpose.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 107, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 107, S.D.1.

Signed by all members of the Committee.

SCRep. 696 (Joint) Agriculture and Economic Development on H.B. No. 770

The purpose of this bill is to amend the Hawaii Revised Statutes so as to allow agricultural parks to be utilized for aquacultural farms.

Your Committees received testimony in support of including aquacultural farms within agricultural parks.

Your Committees find that the definition of "aquaculture" contained in the current form of the bill differs from the form used in other legislation proposed during this legislative session. Your Committees further find that the present form of the bill treats aquaculture as being distinct from agriculture, thus barring aquacultural farmers from the benefits of other state agricultural programs unless specified in further amendments to various parts of the Hawaii Revised Statutes.

Based on these findings, your Committees have amended this bill by redefining "aquaculture" and by substituting the language of the bill with a new format which simply defines "agriculture" to include "aquaculture".

Your Committees on Agriculture and Economic Development are in accord with the intent and purpose of H.B. No. 770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 770, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Yamasaki.

SCRep. 697 Consumer Protection and Commerce on Gov. Msg. No. 99

Recommending that the Senate advise and consent to the nomination of MARY GAYLE BITTERMAN, Ph.D., as Director of Regulatory Agencies, for a term ending December 6, 1982.

Signed by all members of the Committee.

SCRep. 698 Agriculture on S.C.R. No. 40

The purpose of this concurrent resolution is to request the President of the United States, U.S. Department of Agriculture, the U.S. Congress, the governor of the State of Hawaii, and the Hawaii departments of agriculture and planning and economic development to concertedly work to do away with the prohibition on interstate and international commerce concerning meat and poultry products which have been produced by processing facilities which are state-certified, provided that such facilities meet state inspection standards which are at least equal to federal requirements.

Your Committee finds that while state inspection standards must by law be at least equal to federal requirements, the presence of a state certification on processed meat (without an additional federal certification) will ban that meat from interstate and international commerce. Your Committee feels that this is a case of over-regulation, where the need clearly exists to amend federal regulations to allow for the substitution of state certification for federal certification, when the state certification can be monitored to ensure that it is at least equal to federal requirements. It should be noted that your Committee finds that presently a thorough Federal monitoring system exists on a continual basis to ensure that the state certification process is at least equal to federal requirements.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 40 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 699 Legislative Management

Informing the Senate that S.C.R. No. 61, S.R. Nos. 173 to 175 and Stand. Com. Rep. Nos. 688 to 698 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 700 Ecology, Environment and Recreation on S.C.R. No. 29

The purpose of this concurrent resolution is to request the governor to (1) sign an executive order making Hawaii a party to the Western Regional Low-Level Radioactive Waste Committee, (2) submit an annual report to the legislature describing the progress



of negotiations conducted under the auspices of the Committee, and (3) submit any proposed interstate compact for lowlevel radioactive waste disposal to the legislature for its approval.

Your Committee received testimony in support of this resolution from the department of health, the state advisory committee on radiological safety, the Citizens' Party, and the American Friends Service Committee. That testimony revealed that in December, 1980 Congress passed the LowLevel Radioactive Waste Policy Act, which encourages states to enter into regional compacts providing for low-level radioactive waste disposal, and grants states who enter into such compacts the right to prohibit other states from disposing of wastes within their borders. The testimony further revealed that the governors of twelve western states have formed a working group to negotiate such compacts, that the members of the working group have already begun meeting, and that some western states which are currently receiving wastes from Hawaii may be ready to sign compacts as early as this summer. The testimony also revealed that it is not feasible to build a lowlevel radioactive waste disposal facility in Hawaii.

Your committee has amended this concurrent resolution by requesting the governor to monitor the lowlevel radioactive waste negotiations being carried out among states in other regions of the country, as well as in the western region, and, if necessary, to enter into negotiations with those states to establish low-level waste disposal compacts with them. Your Committee has further amended the resolution to request the governor to discuss any such negotiations in an annual report to the legislature on the progress of negotiations in the Western Regional Low-Level Radioactive Waste Committee. The purpose of these amendments is to make clear that while the western states should be Hawaii's starting point for negotiating interstate compacts, the state should not limit itself to negotiating with the western states if more favorable terms can be obtained from other states with waste disposal sites, such as South Carolina.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 29, S.D.1.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 701     Agriculture on S.R. No. 106

The purpose of this resolution is to request the President of the United States, U.S. Department of Agriculture, the U.S. Congress, the governor of the State of Hawaii, and the Hawaii Departments of Agriculture and Planning and Economic Development to concertedly work to do away with the prohibition on interstate and international commerce concerning meat and poultry products which have been produced by processing facilities which are state-certified, provided that such facilities meet state inspection standards which are at least equal to federal requirements.

Your Committee finds that a need exists in this area, as the federal government presently provides a strong program of supervising state certification procedures, which by federal law must be at least equal in severity to federal certification requirements; and yet because a separate federal inspection is not undertaken, meat and poultry products only certified by the state cannot be used in interstate and international commerce.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 106 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 702     Judiciary on H.B. No. 150

The purpose of this bill is to amend Article I, Section 10 of the Constitution of the State of Hawaii to permit trial of a person for a felony after a preliminary hearing showing probable cause that said person committed the felony. Under existing law, a defendant can only be tried for a felony after indictment by a grand jury.

Your Committee heard testimony on S.B. No. 142, which contains the same provisions as H.B. No. 150. Testifying on S.B. No. 142 were representatives of the Judiciary, the Hawaii Crime Commission, and the Prosecuting Attorney, City and County of Honolulu. Gerald Miyoshi, Esquire, attorney for the Hawaii Crime Commission had studied the problem and had concluded that the finding of probable cause at a preliminary hearing is a viable alternative to the grand jury indictment. The representative of the Prosecuting Attorney stated that the National Center for State Courts, which had conducted an extensive study of the grand jury system in Hawaii, had recommended that the grand jury be convened

only in extraordinary cases upon order of the Court. The present bill does not eliminate the grand jury system, but simply allows an alternate method to grand jury indictment for trial of defendants charged with felonies. Your Committee is in favor of the proposed bill based on the above testimony.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 150 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 703 (Majority) Judiciary on H.B. No. 174

The purpose of this bill is to provide that final judgments or decrees pursuant to nolo contendere pleas in criminal antitrust actions not be admissible in any subsequent civil actions. Under the present law, a plea of nolo contendere in a criminal proceeding can be admitted in a related civil suit.

Testimony submitted by the Department of the Attorney General indicates that under the present law, antitrust prosecution has been severely hampered. This has resulted in considerable delay of the criminal proceedings.

Your Committee finds that this bill would be beneficial in terms of assuring that criminal antitrust actions are handled as expeditiously as possible. Your Committee is in agreement with the intent of the bill, particularly since it finds that Rule 410 of the Hawaii Evidence Code provides that a plea of nolo contendere is an inadmissible plea. This bill would conform Section 480-22 (b), Hawaii Revised Statutes, to Rule 410.

Your Committee has made some minor non-substantive changes for clarification and purposes of conforming to the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 174, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 174, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 704 (Majority) Judiciary on H.B. No. 201

The purpose of this bill is to prevent a defendant from obtaining a conditional discharge, if he has opted to go to trial in cases involving promoting dangerous drugs in the third degree, harmful drugs in the second and third degree, detrimental drugs in the second and third degree, or intoxicating compounds. A further purpose is to provide a hearing as opposed to a possible jury trial on the issue of the defendant's identity with a person previously convicted, when a defendant denies being previously convicted.

Testimony on S.B. No. 1009 which is substantively the same as H.B. No. 201, was received from the Prosecuting Attorney, City and County of Honolulu, stating that a person should not be allowed to obtain a conditional discharge if he denies guilt and wishes to go to trial. Your Committee finds that a defendant should not be allowed "two bites at the apple", and further finds that the bill would make the law comport with that regarding deferred acceptance of guilty pleas (Chapter 853, Hawaii Revised Statutes).

Your Committee has made a corrective nonsubstantive change.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 201, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 705 Judiciary on H.B. No. 205

The purpose of this bill is to revoke the exemption of persons who have not yet attained the age of twenty-two from being considered for extended terms, under the persistent offender and professional criminal sections.

Testimony on S.B. No. 1000 which is substantively the same as H.B. No. 205, was

received from the Prosecuting Attorney, City and County of Honolulu, who favored including those who had not yet attained the age of twenty-two within the above categories of persistent offender or professional criminal. The representative of that office testified that studies show that the age group most often arrested and sentenced for felonies are those falling within the eighteen to twenty-five year age group. Your Committee believes that the courts should be given the discretion to impose extended terms of imprisonment, if appropriate, irrespective of the defendant's age.

Your Committee has made corrective non-substantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 205, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 706 Judiciary on H.B. No. 238

The purpose of this bill is to amend the Hawaii Constitution to provide that the annual legislative salary be paid in installments and at such times as provided by law. Under the existing Article III, Section 9 of the Hawaii Constitution, a salary commission, appointed every eight years, submits a salary plan to the Legislature, which becomes law unless disapproved by the Legislature or the Governor before adjournment of the legislative session.

The last plan, which was not disapproved by the Legislature or the Governor and which became law, provided for the bulk of salary payments to be made payable during the few months of the legislative session each year, thereby resulting in the unfavorable result of heavy tax and state tax and other withholdings during those months. The bill would amend Article III, Section 9, so that, while the salary commission would continue to submit salary plans every eight years, it would not control the time and manner of payment, which would be left to the Legislature.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 238 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 707 Judiciary on H.B. No. 338

The purpose of the bill is to remove the prohibition against the immediate relatives of candidates from serving as deputy voter registrars.

The testimony submitted by the Office of the Lieutenant Governor on S.B. No. 983, which is identical to H.B. No. 338, H.D. 1, indicates that the present prohibition tends to discriminate against new candidates who do not have large political organizations. New candidates must often rely upon close relatives for support in their campaigns. Therefore, this prohibition should be removed.

Your Committee recognized that this will make the voting process go smoothly and efficiently.

Your Committee has made a minor nonsubstantive change.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 338, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 708 Judiciary on H.B. No. 339

The purpose of this bill is to provide that candidate names shall be printed on separate ballot cards, if they exceed the maximum number of voting positions on a single side of a ballot card.

Presently, when an electronic voting system is used, the names of all candidates seeking the same office must be printed on the same side of the ballot card. The intent of the provision was to avoid capricious placement of some candidate's names on the opposite side of the card from others seeking the same office, thereby eliminating a possible

disadvantage to those candidates whose names were printed on the opposite side of the card.

Your Committee considered testimony on S.B. No. 981, which had similar provisions as H.B. No. 339, H.D. 1. Testimony on S.B. No. 981 submitted by the Office of the Lieutenant Governor and the Association of Clerks and Election Officers indicated that under present law, if the number of candidates for a single office is greater than the maximum number of voting positions on a single side of a ballot card, election officials have no re-course other than reverting to the inefficient paper ballot system requiring hand-counting for that particular contest.

Your Committee agrees with the intent of this bill to assist election officials in the design of electronic voting system ballots. However, your Committee believes that even greater flexibility can be afforded election officials if they are allowed to list names that exceed one side of a ballot card on both sides of the ballot card, or on separate ballot cards, at their option. Your Committee has amended the bill accordingly.

Your Committee has made technical changes to conform with the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 339, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 709     Judiciary on H.B. No. 423

The purpose of this bill is to amend Section 572-4, Hawaii Revised Statutes, in order to comply with Article 1, Section 3 of the Hawaii State Constitution. This change is necessary because the provision conflicts with the constitutional provision on equal rights.

The bill would amend the section to provide that the right to claim domicile in a state shall not be abridged or denied due to the sex or marital status of an individual and to provide that the residence of one spouse does not establish the residence of the other spouse.

Your Committee finds that this change is necessary in order to comply with the Constitution.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 423, 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. 710     Judiciary on H.B. No. 428

The purpose of this bill is to repeal Sections 573-3 through 573-5, Hawaii Revised Statutes. These laws were originally enacted to provide married women with certain legal rights.

Your Committee finds that these provisions are no longer necessary because of the equal rights provision in the Hawaii State Constitution.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 428 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 711     Judiciary on H.B. No. 429

The purpose of this bill is to repeal Section 580-72, Hawaii Revised Statutes, which authorizes a married woman to sue in her own name for separate maintenance.

Your Committee finds that the provision is no longer necessary because of Article 1, Section 3 of the State Constitution which mandates equality of rights.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 429 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 712 (Majority) Judiciary on H.B. No. 456

The purpose of this bill is to provide that any term relating to a sex-specific gender in the statutes includes both sexes unless the subject or context clearly indicates otherwise.

Your Committee finds that the proposed changes are appropriate.

Your Committee has amended the bill by deleting "a sex-specific" and substituting the word "either"

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 456 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 456, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 713 Judiciary on H.B. No. 459

The purpose of this bill is to amend section 708-801, Hawaii Revised Statutes, by amending the definition of "value" to use the face value, par value or cost price, as well as the market value of an item, whichever is greater, for purposes of fixing the class or grade of an offense. The existing law provides that the value of an item of property or service is the market value at the time and place of the offense.

Testimony submitted by the Department of the Prosecuting Attorney of Honolulu indicates that this bill would solve some of the difficulty in terms of proving market value at the time of an offense in cases of perishable goods. This bill would ease the burden of proof and facilitate disposition of the large volume of routine theft cases.

Your Committee feels that this bill is desirable in that it establishes flexibility in terms of setting values on property and services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 459, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 714 Judiciary on H. B. No. 540

The purpose of this bill is to raise the rate of interest payable on judgments in civil suits from the current rate of eight per cent to ten per cent.

Testimony was received from Henry Kitamura, Esq., a lawyer in private practice, and Melvin Miyagi, Esq., a deputy with the Department of the Attorney General, who both supported raising the interest rate of judgments. Your Committee recognizes that eight per cent is too low an interest rate at the present time, and is hence in favor of raising the interest rate to ten per cent.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 540, 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. 715 (Majority) Judiciary on H.B. No. 549

The purpose of this bill is to allow a police officer or other officer of justice to make an arrest for any offense whether or not it is committed in the officer's presence, including petty misdemeanors and violations, when he has sufficient probable cause to believe that an offense has been committed. Under present law, a police officer can make an arrest for acts outside his presence only for felonies and misdemeanors.

Your Committee received testimony from the Honolulu Police Department supporting the bill, on the grounds that police are rendered powerless to act when offenses classified in the Hawaii Penal Code as petty misdemeanors or violations are committed outside their presence. The bill would give the police authority to take immediate action and thereby aid them in protecting law-abiding citizens.

Your Committee has made technical, non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 549, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 549, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators O'Connor and Uwaine did not concur.

SCRep. 716 Judiciary on H.B. No. 567

The purpose of this bill is to establish mandatory fines and imprisonment for persons convicted of the offense of prostitution.

Testimony in support of establishment of mandatory penalties was received from representatives of the Honolulu Police Department, the Office of the Prosecuting Attorney, City and County of Honolulu, the Waikiki Improvement Association, and the Chamber of Commerce of Hawaii. Lieutenant Stanley Atkins, Narcotic/Vice Division, Honolulu Police Department, testified that less than 6% of those charged with prostitution during the past year were imprisoned and fines for those convicted averaged only \$100. He pointed out that over 40% of those arrested in Hawaii in 1980 were first-time offenders. Testimony from all of the above groups supported mandatory fines and imprisonment as a deterrent to prostitutes operating in the state.

Your Committee supports this bill. However, it is believed that it would be desirable to provide for a jail term of fifteen days which a judge could impose in lieu of the \$500 fine, in the case of a first offense. The bill has been amended accordingly.

Your Committee has further made technical, non-substantive changes to the bill.

Your Committee on Judiciary is in favor of the intent and purpose of H.B. No. 567, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 567, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 717 Judiciary on H.B. No. 582

The purpose of this bill is to change the reporting requirements as to the status of a ward. Under present law, the court has the discretion to require periodic reports covering whatever periods it considers necessary. This bill removes such discretion from the court, and requires the filing of reports annually. Your Committee finds that in practice, reports are rarely required by the court, and that because of the serious restriction that guardianship places on a person's civil liberties and freedom, the change in reporting requirements is necessary.

Your Committee has made minor nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 718 Judiciary on H.B. No. 1125

The purpose of this bill is to provide for the delegation of responsibilities by the director of the Department of Social Services and Housing except as to those responsibilities that relate to the discharge of those committed to a youth facility and whose discharge is subject to his discretion. At present, the director is required to view files of all those committed to and released from the Hawaii Youth Correctional Facility even when the release occurs because the term has expired.

The testimony submitted by the Department of Social Services and Housing on S.B. No. 980 which is identical to H.B. No. 1125, H.D. 1, indicates that permitting the director to delegate the responsibility for discharge of those persons whose terms of commitment have expired would ease the burden on the director. Your Committee recognizes that the bill would be beneficial in terms of conserving valuable time and energy of the director.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1125, 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. 719 Judiciary on H.B. No. 1126

The purpose of this bill is to provide that the jurisdiction of the Director of Social Services and Housing under Chapter 352, Hawaii Revised Statutes, terminates when a person who has been waived by Family Court pursuant to Section 571-22, Hawaii Revised Statutes, is sentenced in adult court. Under the present law, a person who is waived to and sentenced in adult court is still subject to supervision by the Director of Social Services and Housing under both Chapter 352, Hawaii Youth Correctional Facilities, and Chapter 353, Corrections.

The testimony submitted by the Department of Social Services and Housing indicates that the proposed bill will help to eliminate this question of "double jurisdiction" where a person is waived by the Family Court and convicted and sentenced in adult court, by terminating the jurisdiction of the Director under Chapter 352, pertaining to the Hawaii Youth Correctional Facilities and leaving jurisdiction to the Director only under Chapter 353, pertaining to Corrections.

Your Committee recognizes that the amendment to the existing statute would be beneficial in terms of eliminating any confusion as to the Director's authority in this type of situation. However, your Committee has revised the bill to reflect that, in the case of sentencing of a minor waived to Circuit Court, notification of the Director's termination of supervision will be by the sentencing court. Your Committee has also rearranged the order of the revisions to try to reflect chronological order of the alternative events under subsections under Section 352-29(a), Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 720 Judiciary on H.B. No. 1523

The purpose of this bill is to amend the law relating to criminal trespass by providing that a person who enters and remains on the premises of any school after a warning to leave by school authorities or a police officer shall be guilty of criminal trespass in the first degree, which is a misdemeanor.

Testimony was received from the Office of the Prosecuting Attorney, City and County of Honolulu, in support of this bill. The representative of that office testified that much violence and vandalism on school campuses is caused by persons who remain unlawfully on the premises, and that this bill should help curb much of the problem.

Your Committee is in favor of this bill. However, the bill has been amended to reflect that the proscribed conduct is being deleted from Section 708-814, Hawaii Revised Statutes, where, under present law, it is only a petty misdemeanor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1523, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1523, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 721 (Majority) Judiciary on H.B. No. 1657

The purpose of this bill is to permit the state, any county, or city and county, to recover treble damages where violations of state antitrust laws are proven. Under present law, the state and counties are authorized to recover only its actual damages.

Testimony was received from the Department of the Attorney General that the state and county governments were some of the largest purchasing entities in the state, and therefore were greatly affected by any price-fixing or other monopolistic practices by their suppliers. The representative of the Attorney General's Office testified further that the state should

be put on an equal status with the private individual, who can now recover treble damages for violation of state antitrust laws.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1657 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 722 Judiciary on H.B. No. 1881

The purpose of this bill is as follows:

- (1) Clarify the language of the statute to specify that for a marriage to be valid, the ceremony must be performed by a person with a valid license to solemnize marriages.
- (2) Specify the time within which the person who solemnizes the marriage must file all the facts to be stated in a standard marriage certificate.
- (3) Expressly provides for revoking or suspending a license to solemnize marriages if the person holding the license fails to abide by the statutes or rules of the Department of Health.

Testimony was received from the director of health, who supported the bill. He stated that the present law is inadequate in not providing that a marriage solemnized by an unlicensed person is invalid. He further testified that the present requirement that a marriage be reported to the Department of Health "immediately" was an unrealistic requirement and supported the time interval of three business days noted in the statute. He also supported the new section providing for the revocation or suspension of licenses.

Your Committee has made non-substantive changes in Section 1 to correct errors in drafting the bill. We have also redrafted this section to comply with the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1881, H.D. 1, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1881, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 723 Consumer Protection and Commerce on H.B. No. 20

The purpose of this bill is to remove restrictions on the number of branches a bank may open in Honolulu.

Presently, section 403-53, Hawaii Revised Statutes, states that no bank shall open or maintain in the district of Honolulu, in addition to the main office of the bank, more than five branch banks within zones I, II, and III. This bill removes the limitation on the number of branch banks in phases by allowing in addition to the main office, six branch banks through 1983, seven branch banks through 1985, and no limits effective January 1, 1986.

Your Committee finds that recently enacted federal regulations now permit savings and loan associations to provide most banking services and that savings and loans are not restricted to the number of branches that they may open and maintain. Your Committee is in agreement that banks should enjoy the same privilege with respect to the number of branch banks they may open and maintain.

Your Committee has amended this bill deleting provisions which would have repealed: (1) that part of section 403-53 regarding electronic funds transfer devices; and (2) section 403-56 which authorizes a branch bank at the University of Hawaii Manoa campus in addition to the number of branches allowed under section 403-53.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 20, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 20, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida, Soares and Yee.



## SCRep. 724 Consumer Protection and Commerce on H.B. No. 185

The purpose of this bill is to eliminate present restrictions and regulations currently imposed on the operation of ball or marble machines.

This bill will repeal sections 445-41, 445-42, and 445-43, Hawaii Revised Statutes, to comply with a recent State Supreme Court decision. The court ruled that the law's prohibitions against the operation of pinball machines by minors has "the effect of singling out an activity which is not inherently different from those which are legally permissible." The court found that the playing of electronic and video games by minors (which is not prohibited by law) was not inherently different from the playing of ball or marble machines.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 185 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Soares.

## SCRep. 725 Consumer Protection and Commerce on H.B. No. 301

The purpose of this bill is to clarify that Act 189, Session Laws of Hawaii 1980, now Part VI, Chapter 514A, Hawaii Revised Statutes, applies only to condominium projects containing residential units.

Your Committee finds that this Part has been interpreted in such a manner that owner-occupancy notices have been required of "condo warehouse" projects. Non-residential units were not intended to be governed by the owner-occupancy requirements of Part VI, Chapter 514A.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 301 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 726 Consumer Protection and Commerce on H.B. No. 393

The purpose of this bill is to limit representation on condominium board of directors to one owner per unit.

Presently, a condominium board may have more than one director from the same apartment. This bill would prevent over-representation from any one unit and make it more difficult for a small group to control the operations of the association.

Your Committee has amended this bill by adding a provision to amend section 514A-82(24), Hawaii Revised Statutes. The section currently requires that minutes of the meetings of the board of directors and association of apartment owners be available for examination by apartment owners at convenient hours at a place designated by the board. The amendment adds the association's financial statements as additional documents to be available for examination and requires all the documents to be available on the condominium premises and on request, to be mailed to owners.

Your Committee has also amended this bill by changing the effective date from "upon approval" to September 1, 1981. This delay would allow ample time for condominium projects to conform their procedures to the requirements of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 393, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 393, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 727 Consumer Protection and Commerce on H.B. No. 495

The purpose of this bill is to allow industrial loan companies to make open-end loans which are secured by a mortgage on a borrower's principal residence.

Presently, section 408-15(1)(8), Hawaii Revised Statutes, prohibits industrial loan companies from making open-end loans secured by a mortgage on a borrower's principal residence. The provisions of this bill would delete this prohibition from the law.

Your Committee finds that the prudent use of open-end credit can be an advantage to consumers by making borrowing more convenient and by making it possible to avoid refinancing costs when additional loans are needed. Your Committee further finds that this bill will help to make open-end credit more readily available to consumers.

Your Committee has made a minor technical change to the bill which does not alter its substance.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 495, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 495, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 728 Consumer Protection and Commerce on H.B. No. 514

The purpose of this bill is to make it easier and less costly for a landlord to sell or otherwise dispose of personal property left abandoned in and around the premises by a former tenant.

Under present law, personalty abandoned by a former tenant and determined to be of value must be stored by the landlord for at least thirty days after which time it may be sold at public auction or in some other commercially reasonable manner, provided the landlord has made reasonable efforts during the time of storage to notify the tenant by mail of the identity and location of such personalty. Abandoned property determined by the landlord to be of no value may be disposed of at the landlord's discretion.

This bill amends the law by removing the thirty-day storage period and authorizing the landlord to sell the property or donate it to a charitable organization after giving the tenant ten days written notice to the tenant's forwarding or last known address. After the ten day notification, the landlord is required to advertise the property for sale in a daily paper for at least three consecutive days before sale.

Your Committee has amended the bill by enlarging the ten-day waiting period to fifteen days and requiring that the sale be made in a commercially reasonable manner. Also your Committee removed technically incorrect crossreferences in the bill relating to wrongful quitting of the premises by the tenant.

Your Committee is in agreement that this bill provides reasonable means of disposing of abandoned personal property and reduces the expenses of storage required under the present law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 514, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 514, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Soares.

SCRep. 729 Consumer Protection and Commerce on H.B. No. 774

The purpose of this bill is to allow the Board of Medical Examiners to provide an affirmative or negative reply to an inquiry by a hospital or health care facility as to whether a report of an adverse decision is on file with the Board.

Testimony received from the director of the state Department of Health supported the bill because it would allow hospitals and other health care facilities to review credentials more effectively and help insure quality of care.

The Department of Regulatory Agencies testimony concurred with that of the Department of Health.

Your Committee has amended the bill to make technical changes and to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 774, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 774, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 730 Consumer Protection and Commerce on H.B. No. 781

The purpose of this bill is to provide the director of regulatory agencies with a general subpoena power in the course of the department's investigations and also to provide investigators of the department with the power and authority of a police officer or deputy sheriff.

Under present law, only the hearings officer of the department may issue subpoenas and then only during the conduct of hearings. This bill would provide that authority to the director at the investigation stage of cases and complaints brought before the department.

This bill would also provide the Department of Regulatory Agencies' investigators with the powers of police officers and deputy sheriffs. This grant of power is intended to facilitate the department's investigations by eliminating its dependence on the state sheriff's office and the attorney general's office for service of documents.

Your Committee finds that while it is important to provide the department the necessary ability to enforce the regulatory programs within its jurisdiction, the granting of subpoena power is a serious action and one that requires continued study. Therefore your Committee amended the bill to limit the grant of power to a two-year trial period.

Your Committee makes it very clear at this time that granting regulatory investigators the same powers of police officers and sheriffs, is done strictly to facilitate the enforcement of regulatory programs. Your Committee takes this action on the condition that these regulatory personnel not be granted the same favorable retirement benefits enjoyed by police officers, most notably the "25 years and out" early retirement provision. Your Committee finds that the role and duties of regulatory investigators do not merit the preferential treatment afforded police officers because of the hazardous nature of their employment.

This bill also amends Act 92, Session Laws of Hawaii 1980, by postponing the requirement that the Department of Regulatory Agencies submit a bill prior to the 1981 legislative session conforming Title 25, Hawaii Revised Statutes, to the provisions of section 26-9(j), Hawaii Revised Statutes, relating to fees charged by the department. Since the 1980 legislative session, the director has not had occasion to increase or decrease the fees referred to in Act 92. Therefore, there was no practical need to submit a bill for consideration for this session. It is contemplated, however, that a number of fees will be adjusted between the end of this session and January 1982. A bill is expected to be ready for introduction prior to the next legislative session.

Your Committee amended the bill by changing the word "effecting" in line 11, page 4 of the bill to "affecting" and pluralizing the word "document" in line 16, page 4.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 781, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Soares.

SCRep. 731 Consumer Protection and Commerce on H.B. No. 930

The purpose of this bill is to delete dispensing opticians from the professional corporation law.

Under present law, dispensing opticians who incorporate are governed by the provisions of the professional corporation law. The professional corporation law imposes certain restrictions on stock ownership and corporate management which are not imposed pursuant to general corporation law.

Your Committee received testimony that the intent of the restrictions was to preserve the confidential relationship that exists between the professional and client. The relationship between dispensing optician and consumer is generally not of a confidential nature and, therefore, there is no strong reason to impose the restrictions of the professional corporation law on dispensing opticians.

Your Committee has amended the bill by changing the word "definition" in line 3, page 1 of the bill to "definitions" to conform to the wording of the statute.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 930, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 732 Consumer Protection and Commerce on H.B. No. 1466

The purpose of this bill is to allow refinancing of balloon payments of \$10,000 or more under retail installment contracts at rates higher than the terms of the original sale.

Currently, section 476-3.1, Hawaii Revised Statutes, provides that "balloon" payments under retail installment contracts must be refinanced by the seller at terms no less favorable to the buyer than the terms of the original sale. This bill would exempt from the provisions of section 476-3.1, transactions in which the principal balance of the original loan is more than \$10,000. This would allow sellers to refinance balloon payments for such purchases at prevailing interest rates at the time of the refinancing.

Your Committee finds that because of the present volatility in interest rates, requiring sellers to refinance large balloon payments at previously fixed interest rates will tend to restrict the supply of credit to consumers. The provisions of this bill will help to keep a credit supply available for higher priced consumer goods.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1466, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Soares.

SCRep. 733 Consumer Protection and Commerce on H.B. No. 1471

The purpose of this bill is to incrementally reduce cash-reserve requirements for state-chartered banks as federal reserve requirements increase.

Presently, membership in the Federal Reserve System is mandatory for nationally-chartered banks, and voluntary for state-chartered banks. The cash-reserve requirements of member banks are set by the Board of Governors of the Federal Reserve System. Hawaii's non-member banks' requirements are set by section 403-71, Hawaii Revised Statutes.

However, recently enacted federal law (P.L. 96-221, the Monetary Control Act of 1980) now requires that all banks, whether or not members, must comply with federal cash-reserve requirements. Beginning in 1986, Hawaii's six non-member banks will be phased into compliance with federal reserve requirements over an eight-year period. This bill provides that as the federal cash-reserve requirements for these state-chartered banks increase incrementally, state cash-reserve requirements be correspondingly decreased at the same rate and over the same period.

Your Committee received testimony from the Department of Regulatory Agencies which approved of the reductions of cash-reserve requirements allowed by this bill.

Your Committee has amended the bill by making technical amendments relating to drafting style which have no substantive effect.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1471, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 734 Consumer Protection and Commerce on H.B. No. 1484

The purpose of this bill is to increase the majority vote required to extend or renew the life of a limited term corporation and to provide dissenting shareholders with the right to demand fair market value for their shares if they choose to disassociate themselves from the revived corporation.

Presently, under section 416-22, Hawaii Revised Statutes, only a two-thirds vote is required to extend the duration of a corporation, however, in an analogous situation,

section 416-121, Hawaii Revised Statutes, requires a three-fourths vote in order to voluntarily dissolve an on-going corporation. This bill amends section 416-22 to make consistent the required vote for such extraordinary corporate actions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1481, 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. 735 Consumer Protection and Commerce on H.B. No. 1736

The purpose of this bill is to permit the Real Estate Commission to contract with a testing service to administer real estate examinations to applicants for licenses.

Under present law, the Real Estate Commission processes both the applications for real estate examinations and the subsequent applications for licenses from those applicants who successfully complete the examination. Your Committee finds that the rapid increase in activity in the real estate field has become a burden on the examination function of the commission. In 1980, the commission received 6,725 salesman applications and 965 broker applications.

This bill would permit the commission to contract for the administration of the examinations with an appropriate testing service. Procedures governing the application, examination, fees, and application for salesman's or broker's real estate license are to be designated by rules adopted pursuant to the Hawaii Administrative Procedure Act. Your Committee is in agreement that the bill will streamline the application and licensing procedure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1736, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Soares.

SCRep. 736 Consumer Protection and Commerce on H.B. No. 477

The purpose of this bill is to allow household contents to be insured on a replacement cost basis.

Presently, household insurance coverage is limited to the actual cash value of the household contents. This provision has caused claim problems in the past where the actual value of insured property had depreciated to a small fraction of its replacement cost.

Your Committee is in agreement that consumers should be allowed to insure household contents on a replacement cost basis as authorized by this bill.

Your Committee has amended the bill to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 477, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 477, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 737 Legislative Management

Informing the Senate that S.C.R. No. 62, S.R. Nos. 176 to 188 and Stand. Com. Rep. Nos. 700 to 736 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 738 (Majority) Ways and Means on H.B. No. 66

The purpose of this bill is to make an appropriation to the Office of Hawaiian Affairs to defray its administrative expenses.

This appropriation includes the funding of up to thirty-two staff positions and \$5,000 for protocol purposes and will be matched on a one-to-one basis by the office from amounts derived from the public land trust proceeds.

In testimony received from the Office of Hawaiian Affairs, it was noted that the appropriation amount in the bill as received did not reflect a corresponding increase of \$5,000 which should have been adjusted by the addition of \$5,000 for a protocol fund.

Your Committee has adopted the recommendation of the Office of Hawaiian Affairs to correct this oversight by increasing the appropriation sum by \$5,000 from \$410,466 to \$415,466 and made other technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 66, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 66, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 739 Ways and Means on H.B. No. 564

The purpose of this bill is to provide any vehicle owner, whose vehicle has been stolen, with a pro rata refund of the prepaid vehicular weight tax for the stolen vehicle.

Currently, state law only provides a vehicular weight tax refund only for vehicles that are stored or junked. Since the loss of a motor vehicle by theft is beyond the control of the vehicle owner, the unused portion of the weight tax that was prepaid during the annual license renewal period should be refunded to the owner of the stolen vehicle.

This bill would provide the owner of the stolen vehicle with a refund of 8-1/3 per cent of the total prepaid vehicular registration fee for each full month the vehicle remained stolen, for the remainder of the registration period.

Your Committee has heard testimony from the director of finance of the City and County of Honolulu in support of this bill.

Your Committee has made technical, nonsubstantive amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 564, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 564, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 740 Ways and Means on H.B. No. 706

The purpose of this bill is to authorize state departments, boards, commissions, and agencies charged with the responsibility for the collection of state funds and revenues to receive and dispose of disputed payments, if any, made to the state under protest and to include in their respective budget requests to the Department of Budget and Finance an amount necessary to pay any claims. This bill clarifies section 40-34, Hawaii Revised Statutes, by expressly providing for the delegation of this authority. It is also a housekeeping measure to simplify both the accounting and budgetary processes with respect to disputed payments, promote a more efficient management of state finances, and to confirm by statute what is now being done administratively.

Section 40-35, Hawaii Revised Statutes, presently provides that the director of finance shall make an administrative determination, as to the portion of any protested payment which is in dispute and the portion which is not, when requested to do so by any public accountant of the state authorized to receive or collect revenues or moneys for the state. Your Committee agrees that it is more appropriate for the fiscal administrators of the various departments, boards, commissions, and agencies of the state receiving a protested payment, to make the required determinations affecting such a payment. These administrators are more familiar with their operations and are well qualified to make those determinations.

Your Committee has made nonsubstantive, technical, grammatical, and drafting changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 706, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 706, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 741 Ways and Means on H.B. No. 722

The purpose of this bill is to increase the amount of money the Governor may expend from the Major Disaster Fund for the immediate relief of any single major disaster. The bill provides for an increase from \$500,000 to \$750,000.

Your Committee finds that demands on the Major Disaster Fund have increased over the years, necessitating more than the current \$500,000 limit for each disaster. Because of construction costs and inflation in general, the \$750,000 figure seems more reasonable.

Your Committee has corrected a typographical error in the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 722, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 722, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 742 Ways and Means on H.B. No. 726

The purpose of this bill is to amend sections 213, 214, and 215 of the Hawaiian Homes Commission Act, 1920, as amended, by increasing the ceiling on loans to Hawaiian homestead lessees for the construction of new homes from \$35,000 to \$50,000 and for the repair of existing homes from \$10,000 to \$15,000.

Your Committee is in agreement that the existing ceilings on loans to Hawaiian homestead lessees for the construction and repair of homes should be increased to meet increasing building costs and to reduce the constraints on the scope of repairs that can be accommodated under the existing ceiling.

The Senate has heard the companion bill to this bill S.B. No. 473, S.D. 1.

Your Committee has made nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 726, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 726, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 743 Ways and Means on H.B. No. 728

The purpose of this bill is to tighten the existing buy-back provisions in the Hawaiian Homes Commission Act, 1920, as amended, in order to curb speculation, lower the price of homes to new lessees of surrendered leases, and prevent a drain of the Department of Hawaiian Home Land's housing loan funds.

Currently, lessees who surrender their leases or have them canceled receive the difference between the appraised value of the improvements, as determined by independent appraisal, and debts owing the Department of Hawaiian Home Lands. Appraisals of improvements have been much higher than the original costs of the improvements. Thus, the department has had to pay much for the surrendered leases. This has allowed some lessees to make large cash gains after short residences on leased lands. The added costs have also been passed on to subsequent lessees.

The Department of Hawaiian Home Lands has proposed this bill. The buy-back provisions are based on those of the Hawaii Housing Authority. The department feels that this bill is equitable to itself and surrendering lessees. Your Committee agrees with the department in this regard.

Your Committee has made many technical, nonsubstantive amendments to this bill. The major amendment is the addition of section 215 of the Act in order to delete reference to section "209(1)", which will no longer exist under this bill. Instead, reference is simply made to "section 209" or the proposed new "section     ".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 728, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 744 Ways and Means on H.B. No. 729

The purpose of this bill is to amend section 213 of the Hawaiian Homes Commission Act, 1920, as amended, to allow the granting of loans from the Hawaiian Home replacement loan fund for homes located on agricultural and pastoral lands.

Under present law, the construction of replacement homes is restricted to Hawaiian homestead residential lots. The effect of this bill will be to allow the construction of replacement homes on Hawaiian homestead agricultural and pastoral lots.

Your Committee has amended this bill by correcting typographical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 729, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 729, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 745 Ways and Means on H.B. No. 795

The purpose of this bill is to provide that the deadline for the filing of returns under the use tax law shall be the twentieth day of the fourth month following the close of the taxable year.

This is a housekeeping measure proposed by the Department of Taxation. It conforms the date of the deadline for the filing of use tax returns with the date of the filing of general excise tax returns.

Your Committee has previously heard testimony on this bill's companion, S.B. No. 545 and agrees with its purpose.

Your Committee has made one technical, nonsubstantive amendment to the bill. The comma after the word "provided" on page 2, line 4 of the bill as received has been bracketed out.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 795, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 746 (Majority) Ways and Means on H.B. No. 798

The purpose of this bill is to increase the rate of interest applicable to underpayments, nonpayments, and overpayments of state taxes from the present 8 per cent a year to 12 per cent.

The bill also provides for the payment of interest on refunds pursuant to appeal to the Tax Review Board.

Your Committee finds that the recommended increase in the rate of interest is appropriate and is in conformance with the increase allowed under the federal income tax early last year. Your Committee heard the senate companion bill to this bill.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 798, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 747 Ways and Means on H.B. No. 804

The purpose of this bill is to permit the state to tax the beneficial interest in a land trust being transmitted as a consequence of the death of a beneficiary regardless of the



beneficiary's residence under the inheritance and estate tax laws. Your Committee heard the senate companion bill to this measure.

Chapter 558, Hawaii Revised Statutes, provides that a beneficial interest in a land trust may be personal property. Real property having a situs in the state is subject to the inheritance tax on both residents and nonresidents, however, the beneficial interest in a land trust if it is designated personal property is intangible personal property and is not taxable to nonresidents.

This bill would permit the state to tax the beneficial interest in land trust property having a situs in the state to nonresidents as well as residents for inheritance and estate tax purposes.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 804, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 748      Ways and Means on H.B. No. 923

The purpose of this bill is to amend the Hawaiian Homes Commission Act in order to enable the Department of Hawaiian Home Lands (DHHL) to effectively administer the native Hawaiian rehabilitation fund which was constitutionally established through a 1978 amendment to the State Constitution. The purpose of the fund is to finance programs for the rehabilitation of native Hawaiians, including but not limited to, programs to improve the educational, economic, political, social, and cultural processes which affect the lives of native Hawaiians.

This bill amends sections 213 and 225 of the Hawaiian Homes Commission Act to accomplish the following:

- (1) Authorize DHHL to adopt necessary rules to administer the native Hawaiian rehabilitation fund and programs financed by the fund;
- (2) Allow DHHL to administer the rehabilitation fund and the related rehabilitation programs separate and apart from the requirements and guidelines contained in other sections of the Act which apply to loans and loan funds, and which requirements would not be particularly appropriate for the kind of loans which might be made under the rehabilitation fund; and
- (3) Require the crediting and depositing of any interest and earnings derived from the rehabilitation fund back into the fund so that the intent or purpose of the fund can be furthered.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 923, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 923, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 749      Ways and Means on H.B. No. 926

The purpose of this bill is to apply the same guarantee of confidentiality given to net income tax returns to excise tax returns.

Your Committee has made nonsubstantive amendments to this bill for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 926, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 926, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 750 Ways and Means on H.B. No. 944

The purpose of this bill is to extend the general excise tax exclusion and reduced taxable rates which are available to blind, deaf, or totally disabled, individuals and corporations, all of whose outstanding shares are owned by individuals who are blind, deaf, or totally disabled, to a trust, the sole beneficiary of which is blind, deaf, or totally disabled.

This bill allows "trusts the sole beneficiary of which is blind, deaf, or totally disabled" to be taxed at a reduced rate of one-half of one per cent on the gross receipts. Similarly, the provisions excluding the first \$2,000 of gross income from general excise tax is extended to trusts the sole beneficiary of which is blind, deaf, or totally disabled.

Your Committee received testimony in support of this bill from the Tax Foundation of Hawaii, the Hawaiian Trust Company, and the Bishop Trust Company.

Your Committee has amended this bill to provide that the \$30,000 limit applies to individuals and corporations as well as trusts in order to be equitable to all concerned.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 944, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 751 Ways and Means on H.B. No. 1122

The purpose of this bill is to clarify that the provisions of section 40-81, Hawaii Revised Statutes, which require that all state agencies collecting or receiving any moneys not required to be deposited in the state treasury make quarterly accounting reports to the state comptroller, by specifically extending such requirement to the Office of Hawaiian Affairs and the Hawaii Housing Authority.

This bill amends the appropriations, accounts, reports section of the chapter on the Office of Hawaiian Affairs and the duty to make reports section of the chapter on Hawaii Housing Authority by providing that they shall report to the state comptroller in compliance with section 40-81, Hawaii Revised Statutes.

Your Committee received testimony from the Department of Social Services and Housing stating that the Hawaii Housing Authority has no objections to the bill and that the authority is currently complying with the reporting requirements. Testimony of the Department of Accounting and General Services also indicates approval of this bill and states that the purpose of section 40-81, Hawaii Revised Statutes, is to ensure that the comptroller has complete accounting records in order to issue financial reports on the state as a whole.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1122, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 752 Ways and Means on H.B. No. 1437

The purpose of this bill is to provide a public service company tax exemption to any contract carrier by water having a gross weight exceeding ten thousand gross tons which is engaged primarily in the business of transporting persons for tourism or sightseeing purposes within the state for a period of five years from the date of first engaging in this business and that the public service company tax of four per cent of gross income shall be imposed after this period.

Tourism is an important foundation of the state's economy and promotes economic growth and employment opportunities for many of its residents. The tourist industry is presently experiencing a slowdown and concern over this slowdown has prompted the search for new ways to revitalize the ailing industry. One suggested method is to encourage the transportation of tourists within the state by water which is currently done on a relatively small scale by large contract carriers.

Your Committee has heard testimony indicating that the business of transporting persons for tourism or sightseeing purposes within the state by large contract carriers by water

requires large capital expenditures during the initial years of operation. Presently, section 239-6, Hawaii Revised Statutes, requires these large contract carriers to pay a public service company tax equal to four per cent of their gross incomes derived from this business. The imposition of this tax merely adds to the high costs of engaging in this business and further exacerbates the profitability of this business, most notably during the initial years of operation.

This bill would provide a public service company tax exemption to these contract carriers during their initial years of operation which would serve to lower the costs of doing business during this period, provide an incentive to continue operations in this business, and stimulate other contract carriers by water to enter into this business. Providing such an exemption would attest to the state's commitment to promoting its tourist industry and related employment opportunities for its residents.

Your Committee notes that this bill's senate companion bill was heard.

Your Committee has amended the bill by deleting the provisions that the exemption shall apply for a period of five years and that a tax of four per cent shall be imposed after the five-year exemption period and substituting instead the provision that the tax exemption shall be applicable for the period July 1, 1981 to June 30, 1986. The purpose of this amendment is to provide that the exemption shall be applicable for a specific and limited time period and to further provide for legislative review of the exemption before its termination.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1437, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1437, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 753 Transportation on H.B. No. 160

The purpose of this bill is to clarify the assignment of responsibility for all county highways, bikeways, and sidewalks to the several counties.

The bill repeals Chapter 265, Hawaii Revised Statutes, which delineates the counties' authority and responsibility in these matters at great length and qualification and replaces it with a new Chapter 265 which succinctly grants the counties general authority and responsibility.

Your Committee heard testimony from the Department of Public Works, City and County of Honolulu, that the bill will simplify jurisdictional problems with respect to highways, bikeways, and sidewalks.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 160, 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. 754 Transportation on H.B. No. 687

The purpose of this bill is to prohibit the operator of a motor vehicle from holding on his or her lap or having within his or her immediate vicinity any person, animal, or object that might affect the operator's ability to control the vehicle.

Your Committee heard testimony from the Department of Transportation and the Police Department, City and County of Honolulu, that the bill will enhance highway safety.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 687, 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. 755 Transportation on H.B. No. 820

The purpose of this bill is to authorize the use of symbols as well as words in pedestrian traffic-control signals installed at street and highway crosswalks and intersections.

Your Committee is aware that the Federal Highway Administration's national standard for highways open to public travel provides for "walk" and "don't walk" symbols as well as words. Your Committee is also aware that the use of such symbols is particularly apt in Hawaii, given the large number of non-English reading people who reside in or visit the Islands.

Your Committee has made certain nonsubstantive, technical amendments to the bill in order to correct typographical errors.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 820, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 820, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 756     Transportation on H.B. No. 1748

The purpose of this bill is to extend the rights and duties pertaining to motor vehicle drivers to persons driving mopeds.

Your Committee heard testimony from the Department of Transportation and the Police Department, City and County of Honolulu, that drivers of mopeds are currently subject to the provisions of the Statewide Traffic Code (Section 291C-193, Hawaii Revised Statutes) but not to those of Chapter 291 concerning more serious traffic violations. Consequently, the driver of a moped cannot be charged with such offenses as driving while under the influence of alcohol, reckless or inattentive driving, and driving with defective equipment. This bill will correct this oversight by adding an appropriate new section to Chapter 291.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1748 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 757     Transportation on H.B. No. 1885

The purpose of this bill is to grant the director of transportation authority to expediently and expeditiously remove abandoned aircraft from state airports and to control trespassing on aircraft parked at state airports.

Your Committee is aware that abandoned and derelict aircraft are a problem as regards the safe and orderly management of airport ramp and parking areas. Such aircraft create serious property management problems, reduce the efficient use of parking areas, create a visual nuisance, and represent a potential safety hazard. The bill will remedy this problem by adding a new section to Chapter 261, Hawaii Revised Statutes, which will allow the removal of such aircraft in a fashion similar to that presently allowed with respect to the removal of abandoned vessels from state harbors.

Your Committee is further aware that the present statutes are vague with respect to controlling trespass to aircraft parked at state airfields. The bill will remedy this problem by granting police officers clear authority to arrest suspected aircraft trespassers and by establishing penalties for those convicted of aircraft trespassing.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1885 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 758     Ecology, Environment and Recreation on H.B. No. 732

The purpose of this bill is to amend HRS Chapter 340E to specify penalties for civil and criminal violations of underground wastewater injection control laws, and to further amend HRS Chapter 340E to specify a new prohibition that no person may violate primary drinking water regulations. Currently, only water suppliers are prohibited from violating the regulations.

Testimony in support of this bill by the Department of Health revealed that the bill would bring state safe drinking water laws into conformity with federal requirements

(40 C.F.R. Part 123) on underground injection control of wastewaters. The state must meet those requirements in order to receive primary enforcement responsibility under the Underground Injection Control Program (UIC) of the Safe Drinking Water Act, a joint federal-state effort using state permits to regulate wastewater disposal into groundwaters.

That testimony further revealed that HRS Chapter 340E provides for the establishment of Primary Drinking Water Regulations which set maximum contaminant levels. Currently, HRS 340E only requires suppliers of water to conform to those regulations. However, the testimony revealed that the department has encountered a case, and may encounter similar cases, where enforcement action needed to be taken against persons other than suppliers of water.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 732, 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. 759 Ecology, Environment and Recreation on H.B. No. 761

The purpose of this bill is to include additional forms of marine life in the conservation program, to authorize the revocation of permits where an adverse effect within a conservation district is taking place, and to provide for criminal as well as increased monetary penalties for violations of the marine life conservation program.

Your Committee received favorable testimony from the Department of Land and Natural Resources stating that this bill would make existing law consistent with current management needs and practices. It would also protect crustacean, mollusk, live coral and algae along with other marine life under the marine life conservation program. Further, the alteration of rock, coral, sand or other geological features would be prohibited, as would activities that may disturb, degrade, or alter the marine environment.

The bill also provides for the conduct of scientific, educational, or other public purpose activities under a permit system, and empowers the department to revoke any permit for any infraction of the terms and conditions therein. Permits revoked may not be reissued to the same person until one year after the date of revocation.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 761 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 760 Ecology, Environment and Recreation on H.B. No. 762

The purpose of this bill is to increase the maximum monetary penalty and decrease the maximum imprisonment penalty for violations occurring in the breeding, raising, and selling of game birds.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources which revealed that the bill would bring Section 192-10, Hawaii Revised Statutes, into conformance with the Hawaii Penal Code and would deter violations by making enforcement actions more meaningful.

Your Committee has amended the bill to clarify its intent.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 762, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 761 Ecology, Environment and Recreation on H.B. No. 764

The purpose of this bill is to provide for the protection of all wildlife species pursuant to HRS Section 195D-5, and to prohibit the taking of endangered wildlife or plants for educational purposes.

Testimony in support of this bill by the Department of Land and Natural Resources revealed that HRS Section 195D-5 currently provides for the protection of endangered

birds and mammals, but does not protect other potentially endangered forms of wildlife such as reptiles and amphibians.

That testimony further revealed that the state will not be eligible to receive federal grants-in-aid under the Endangered Species Act of 1973 until provisions of HRS Section 195D-5 allowing the state to issue permits to take (kill or capture) endangered species for educational purposes are deleted. If they are deleted, the state would be eligible to enter into a cooperative agreement for endangered species programs and would be eligible to receive federal matching funds of up to 66-2/3%.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 764 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 762 Economic Development on H.B. No. 432

The purpose of this bill is to amend current law by adding a requirement that the Board of Land and Natural Resources not allow state land to be disposed of or used in support of any policy which discriminates against anyone based upon his or her sex.

Your Committee has amended the bill by adding the requirement that Board of Land and Natural Resources not allow state land to be disposed of or used in support of any policy which discriminates against anyone based upon his or her religion.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 432, S.D.1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 763 Economic Development on H.B. No. 759

The purpose of this bill is to correct the line of descent applicable to certificates of occupation and homestead leases in §171-99(e), Hawaii Revised Statutes.

Section 171-99(e), Act 17, SLH 1980, was meant to correct what appears to be discrimination on the basis of sex in the wording of Section 171-99(e) (5) and (6), Hawaii Revised Statutes.

Prior to Act 17, the line of succession of certificates of occupation and homestead lease gave first priority to the father when there were no surviving grandchildren, then to the mother if there were no surviving father. The father's rights were preferred over those of the mother. Act 17 was meant to correct this inequity by establishing the priorities in accordance with the uniform probate code which gives equal preference to males (fathers) and females (mothers).

Section 171-99(e), Hawaii Revised Statutes, as amended by Act 17, however, vests and passes the interest of the occupier or lessee in accordance with the line of succession set forth in Sections 560: 2-102, 560: 2-103, and 560: 2-105. The line of succession set forth in Sections 560: 2-102 and 560: 2-103 disrupts the original line of succession that has been used for certificates of occupation and homestead leases since the issuance thereof in that under Section 560: 2-102 (probate code), the surviving spouse would get only one-half of the estate where there is a surviving issue or parent whereas under the prior line of succession listed for such certificates and leases, the surviving spouse would have received the entire estate and thereby avoid the family dispute with the issues of the deceased.

To eliminate the discrimination problem, the word "parent" is substituted for "father" or "mother", i.e. Section 177-99(e) (5) and (6).

This bill establishes the priorities as originally intended, yet correcting the discrimination on the basis of sex in the original wording of Section 171-99(e), Hawaii Revised Statutes.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 759 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 764 Economic Development on H.B. No. 771

The purpose of this bill is to amend current law to enable the governor to amend or repeal rules adopted to handle shortages of petroleum products, within the first one hundred twenty days of their adoption without prior notice or hearing.

Your Committee finds that the current statute is silent on amendment or repeal of rules within the first one hundred twenty days without prior hearing or notice. This bill will clarify the statute to allow such amendment or repeal within the first one hundred twenty days.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 771 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 765 Consumer Protection and Commerce on H.B. No. 14

The purpose of this bill is to provide that contracts for life, disability, credit life, credit disability, homeowners, and motor vehicle no-fault insurance be presented to the consuming public in substantially readable form.

In its hearing of this bill and related bills, your Committee received testimony from the Hawaii Independent Insurance Agents Association, the Hawaii Insurers Council, and the Department of Regulatory Agencies endorsing the clear language concept embodied in H.B. No. 14, H.D. 1. Representatives of the insurance industry said they are "very concerned about consumer understanding of the insurance policies we sell" and noted that the industry had a national campaign to simplify personal and business contracts.

Your Committee has amended the bill as follows:

- (1) Language in Section 1 of the bill referring to "motor vehicle no-fault" insurance has been refined by adding the phrase "covering personally owned private passenger motor vehicle" because commercially-owned vehicles are usually covered by commercial insurance policies which are not within the purpose of this bill.
- (2) Section 3 of the bill refers to Chapter 487A, Hawaii Revised Statutes, Language of Consumer Transactions (Act 36, Session Laws of Hawaii 1980), to exempt from the coverage of that chapter various kinds of insurance contracts which are covered by the provisions of this bill. Your Committee has amended the exempting language to refer to all insurance contracts rather than only the several categories originally listed. Your Committee finds that insurance contracts are a separate class of contracts which are regulated by the insurance commissioner and should not be included within the scope of Chapter 487A.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 14, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 14, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Saiki.

## SCRep. 766 Consumer Protection and Commerce on H.B. No. 496

The purpose of this bill is to clarify that provisions relating to retail installment sales do not apply to direct loans made by industrial loan companies for the purchase of consumer goods.

Chapter 476, Hawaii Revised Statutes, was enacted to regulate retail installment sales and was intended to apply to buyers, sellers, and holders (or assignees) involved in such transactions.

Section 408-15(1)(9), Hawaii Revised Statutes, states that if "open-end" loans by industrial loan companies (advances of money similar to credit card or revolving credit transactions) are retail installment contracts, they are subject to the requirements of chapter 476, Hawaii Revised Statutes.

Although these provisions were not intended to apply to direct loans by industrial loan companies, a contrary interpretation is possible because the definition of a retail installment contract in section 476-1, Hawaii Revised Statutes, includes "moneys advanced

in payment of the purchase price".

Your Committee makes it clear that this bill merely clarifies the original intent of the retail installment sales act, and does not carve out a new or special exemption for direct loans. Your Committee received testimony from the Department of Regulatory Agencies on two occasions, stating the effect of the bill and recommending its approval. Your Committee also received supporting testimony from the Hawaii Bankers Association.

Finally, your Committee notes that notwithstanding this bill, industrial loan companies that become the "holders" or "assignees" of retail installment contracts will still be subject to the provisions of chapter 476, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 496, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Saiki.

SCRep. 767 Consumer Protection and Commerce on H.B. No. 579

The purpose of this bill is to provide that the installation of any solar energy device, as defined in section 468B-1, Hawaii Revised Statutes, shall require approval only by the board of directors of the association of apartment owners and by any percentage, number or group of apartment owners as may be required by the declaration or bylaws.

Your Committee received supporting testimony from the Hawaii Association of Realtors, which noted that section 514A-89, Hawaii Revised Statutes, requires the unanimous consent of apartment owners to authorize the addition of any "material structure" to a condominium project by any apartment owner. This precludes the installation of a solar energy device without the approval of all owners.

Although the intent of section 514A-89 is to protect the integrity of a condominium project from individual alterations which could mar the property, your Committee finds that there is an overriding public interest in encouraging the use of alternate energy devices. Moreover, the decision to allow installation would still be subject to the board of directors of the condominium project and the approval of such percentage of apartment owners as may be required by the declaration of horizontal property regime for the project.

This bill, as received, would have added a new section to chapter 514A to exempt the installation of solar energy devices from the unanimous consent requirement of section 514A-89. Your Committee clarified the intent of the bill to add the exemption to section 514A-89, rather than create a new section.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 579, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 579, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Saiki.

SCRep. 768 Consumer Protection and Commerce on H.B. No. 772

The purpose of this bill is to exempt issuers of certain securities from regulation by the Department of Regulatory Agencies.

Under present law, the Department of Regulatory Agencies is required to register over 100 new mutual fund offerings per year and process over 350 renewals per year. Your Committee received testimony that mutual fund offerings are the most heavily regulated securities by the Securities and Exchange Commission and the National Association of Securities Dealers. Further, there have been no complaints filed with the department regarding fraudulent sales within the past five years and during the same period there have been only two requests for examination of a mutual fund.

This bill would eliminate unnecessary state regulation by exempting from registration requirements those securities registered under 15 U.S.C. §80a (Investment Company Act of 1940). This bill would also eliminate the present bond filing requirements of certain exempt securities since they duplicate federal regulations. Your Committee notes that all offerings would still be monitored by the antifraud provisions under section 485-25, Hawaii Revised Statutes.

Your Committee has amended the bill by making a technical change which has no substantive effect.



Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 772, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 772, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Saiki and Soares.

SCRep. 769 Consumer Protection and Commerce on H.B. No. 1555

The purpose of this bill is to amend the filing fee requirements for horizontal property regime filings with the Real Estate Commission.

Presently, the initial notice of intention fee is \$250; no fee is assessed for the issuance of the first public report; \$125 is charged for the issuance of a subsequent public report; and \$75 is charged for the issuance of a supplementary public report. Applicants that hire a private consultant to review the filings are reimbursed one-half of the relevant fee.

This bill would reduce the initial filing fee from \$250 to \$125, establish a \$125 fee for the issuance of the first public report, and delete the reimbursement provision to applicants who utilize a private consultant.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1555 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Saiki and Soares.

SCRep. 770 Consumer Protection and Commerce on H.B. No. 1770

The purpose of this bill is to make various amendments to chapter 468K, Hawaii Revised Statutes, relating to the travel agency recovery fund.

This bill amends chapter 468K, Hawaii Revised Statutes, by:

- (1) Clarifying that recovery from the travel agency recovery fund is limited to recovery for acts committed by registered travel agencies or sales representatives. Present law does not specifically limit liability to acts of only registered travel agencies or sales representatives.
- (2) Lowering individual recovery limits from the fund from \$10,000 to \$5,000.
- (3) Providing a definition of an "aggrieved person" who may make a claim on the fund.
- (4) Limiting payment into the fund by registrants only at the time of initial registration. Present law requires payment into the fund on a biennial basis.
- (5) Increasing the interest rate on repayments to the fund from six to twelve per cent a year.
- (6) Lowering the maximum amount recoverable from the fund for any travel agency or sales representative from \$10,000 to \$5,000.

Upon consideration of this measure your Committee has amended the bill by:

- (1) Retaining the present provisions of the law which sets individual recovery limits from the travel agency recovery fund at \$10,000 and the maximum amount recoverable for any travel agency or sales representative at \$10,000. Your Committee is in agreement with testimony of the Department of Regulatory Agencies that reducing such limits to \$5,000 would substantially reduce protection available to consumers.
- (2) Retaining the present provision in section 468K-5(e) which sets the interest rate for amounts repayable to the fund at six per cent a year.
- (3) Making other technical amendments throughout chapter 468K which have no substantive effect.

In its consideration of this bill, your Committee was aware that the present law was enacted in 1980 and has not been in existence long enough to assess the need for more substantial amendments. Your Committee will, however, continue to monitor the implementation

of chapter 468K and should circumstances warrant, consider enactment of further amendments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1770, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1770, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Saiki.

SCRep. 771 Ways and Means on H.B. No. 1

The purpose of this bill is to provide appropriations for the fiscal biennium, 1981 to 1983.

In arriving at decisions on this bill, which will be the General Appropriations Act of 1981, as well as other appropriation bills and bills having a financial impact on the state, your Committee has followed several principles.

First, while the state budget is normally looked upon as the instrument for the routine provision of government goods and services, it is also the proper place for the development of needed new policies and programs which address the state's most urgent problems. And no problem is more urgent than the problem of crime in Hawaii, and no policies and programs are more needed than those which are directed towards the prevention of crime.

Second, the Legislature has a distinct responsibility to safeguard the present favorable condition of state finances against the eventuality of changing economic and budgetary policies of the federal government. The likelihood is strong that the cutbacks proposed by the President and which are under consideration by Congress will in large measure be adopted, and this state must have the financial capacity to withstand those reductions which would seriously affect the public health, safety, and welfare.

Third, those constitutional provisions adopted by the people in 1978 which impose limitations on state expenditures from the general fund or through long-term borrowing are to be faithfully respected. Although loopholes exist, such as the creation of various new special funds which would allow state spending to be pushed to higher levels, there will be no circumvention of the restrictions directed by the Constitution.

Part I of this report further explains how the foregoing considerations have been translated into budgetary approaches and major appropriation decisions. Part II identifies other budgetary decisions in the various program areas.

### I. Major Policy Issues

#### The Problem of Crime and Crime Prevention

In recognizing that the budget can and should be used as an instrument to develop and execute policy to address the most urgent problems, your Committee has focused on what must certainly be the most urgent and critical problem in Hawaii: the problem of crime and delinquency.

In Hawaii, major offenses reported to the police in 1979 numbered 66,000, or almost twice as many as in 1969. The rate per 1,000 population increased from 48 in 1969 to 72 in 1979. Fifty per cent of persons arrested for major crimes and 35 per cent of those arrested for lesser offenses in 1979 were less than 18 years of age. In a newspaper poll in 1980, crime emerged as the number one problem in the minds of Hawaii's people, surpassing other problems such as inflation, jobs, and housing.

The social and economic costs of delinquency and crime are staggering. Governmental expenditures alone on the criminal justice system in 1977 amounted to \$89 million, more than half of this total going for police protection. The value of reported stolen property amounted to \$25 million in 1979, of which only 10.6 per cent was recovered. Much more was probably never reported. Beyond government expenditures and the known, reported value of property, one can only guess at the enormous social and economic costs borne by victims and their families.

To a large extent, the efforts of government have to date focused on the criminal justice system: strengthened prosecution, a more efficient judicial system, more adequate corrections facilities, and the like. While necessary, these are efforts to deal with growing criminality and do not have as their focus the prevention of crime.

The widespread concern over crime and the causes of crime have compelled your Committee to review the entire issue, and it believes that there must be emphasis on programs aimed at the prevention of delinquency and crime. The urgency of the problem suggests the need for action, but progress may have to come slowly. It is necessary to think of prevention in long-range terms. Program planning and execution must include enlarged commitment of time, funds, and other resources if the problem of crime prevention is to be pursued effectively. There are no easy solutions to the problem but, nonetheless, the state must make a commitment toward the goal of controlling and reducing the growth of crime and delinquency rates in Hawaii.

Your Committee recommends making that initial commitment through the programs which are provided for in this bill.

Crime prevention programs. Your Committee has included in the budget appropriations which amount to some \$10 million for a broad range of crime prevention programs. Much of the resources are directed at the public school system, with the aim of preventing youths from becoming juvenile delinquents and preventing those with signs of delinquency from becoming criminals.

A major pilot project, to be supported by a \$1,400,000 appropriation for the biennium, is to be installed at the Castle High School Complex, covering the students of the ten schools in the complex. The delinquency prevention program will be targeted towards those youths who have such problems as severe deficiencies in basic academic skills, academic failure, frequent absenteeism, frequent referrals for disciplinary action, and known or potential referrals to the juvenile justice system. Among the components of the program will be intensive remedial and basic skills instruction, rewarding enrichment activities, community-based career education, ethnic heritage studies, supervised homework services offered in neighborhood centers by volunteer tutors; structured support services for younger students, supplemental offerings in basic skills and/or core areas, special programs and services, and family intervention services to help students with family problems.

The effectiveness of the pilot project is to be objectively evaluated with community input, after which decisions can be made with respect to how best to install crime prevention programs elsewhere and whether they should be modified for other public school complexes in the state.

Other crime prevention appropriations for the biennium include the following:

- . \$777,700 for school security.
- . \$1,134,699 for additional school counselors.
- . \$184,718 for student activities.
- . \$892,360 for athletic directors to develop intramural sports programs for much broader student participation in sports than is allowed by the current emphasis on interscholastic, varsity athletics.
- . \$1,531,369 for alternative learning centers and school alienation programs.
- . \$544,532 for additional vice principals to assist those school populations with high incidence of delinquency.
- . \$2,802,400 for an expanded and strengthened child abuse program in the social services area.

Enforcement and criminal justice. While the emphasis in the budget is on crime prevention, there are aspects of enforcement and criminal justice which cannot be neglected and, indeed, need to be strengthened. Accordingly, \$1.2 million in additional funds has been provided to the counties, half of which is for law enforcement activities of the police departments and half of which is to strengthen prosecution activities. In addition, funds have been provided for the renovation of correction facilities, salary increases for correction officers as an incentive for recruitment and retention, expanding park and state lands law enforcement program, and the calling by the Governor of a statewide conference on crime, with the emphasis on crime prevention and with participation from a broad array of people involved with programs related to crime prevention.

#### General Fund Expenditure Limitation

With the enactment of Act 277 in the 1980 Regular Session, the Legislature implemented

the constitutional requirement for a limitation on general fund appropriations tied to the rate of growth of the state's economy. Until 1984, when the implementing legislation is scheduled for review, the measure of the rate of growth is the state's total personal income averaged over the three preceding calendar years. The practical effect of the limitation is that general fund appropriations for fiscal year 1981-82 cannot exceed 11.2 per cent over what the appropriations were for fiscal year 1980-81, and 11.2 per cent again for fiscal year 1982-83. These are limitations which barely allow for inflation. Compounding the problem of the limitations is that the Governor's financial plan proposed to absorb most of the expenditure margin, leaving only some \$4 million in the first year of the next biennium and \$18 million in the second year for the Legislature to meet all of those needs which have not been accommodated by the executive budget.

Nonetheless, your Committee has taken the position that the general fund appropriations limitation will be observed in providing for the basic services of government. Only if proposed expenditures are urgently needed and are nonrecurring, one-time expenditures will your Committee consider whether the public interest will be served by exceeding the limitation. However, up to this point in the session and with the decisions made on this bill and other spending measures, there has been a determined effort to hold appropriations to the level imposed by the limitation.

There are a number of uncertainties, of which the largest uncertainty is the outcome of collective bargaining negotiations and what the impact will be of cost items on general fund appropriations. If agreements are reached in time for submission to this session of the Legislature, your Committee is prepared to consider the agreements and determine how appropriation decisions might be made to fund the cost items within the overall financial plan.

#### Debt Policy

As with the general fund appropriations limitation, the Legislature faces for the first time a new constitutional requirement which affects capital investment appropriations and debt authorizations. Beginning with this legislative session, all acts which authorize the issuance of general obligation bonds must include a declaration of findings that the estimated principal and interest on the bonds which are authorized, plus the estimated principal and interest on bonds which were previously authorized and are still unissued, plus the debt service calculated on outstanding bonds will not cause the debt limit to be exceeded at the time of issuance.

This requirement means, in effect, that the Legislature cannot authorize more bonds than the state can legally issue. Thus, capital investment appropriations and their corresponding bond authorizations must be held to those levels which would enable the Legislature to make the required declaration of findings.

In reviewing the capital investment appropriation requests of the executive branch for both years of the next fiscal biennium, your Committee finds, as did the House of Representatives, that the Legislature would not be able to make the required declaration if the appropriation requests for both years were to be authorized. Therefore, your Committee has made capital investment appropriations only for fiscal year 1981-82 and has deferred action on the 1982-83 requests.

Even if the Legislature did not have the requirement of issuing a declaration of findings, prudence would dictate the adoption of a reasonably conservative stance in making capital investment appropriations. Because of inordinately high interest rates, the state has encountered difficulty in entering the municipal bond market and, in fact, has not done so in the current fiscal year. This means that even though hundreds of millions of dollars of appropriations were lapsed on June 30, 1980, as required by the Constitution, there still exists \$495 million in authorized but unissued bonds, related to June 30, 1980 encumbrances and appropriations made in the 1979 and 1980 sessions.

Because unencumbered appropriations from the 1979 and 1980 acts are not scheduled to lapse until June 30, 1982, the backlog of authorized but unissued bonds will continue to weigh heavily on the Legislature's power to authorize new appropriations and bonds, at least through the 1982 session and possibly beyond.

Thus, the combination of high interest rates and the backlog of old appropriations has compelled your Committee to review all capital investment appropriation requests and to hold appropriation levels to that amount which can reasonably be expended or encumbered within the three-year limitation period specified by the Constitution.

The supporting bond authorization for the capital investment appropriations in this bill and in other appropriation bills which require general obligation bond financing

is contained in a separate bill, together with the required legislative declaration of findings.

#### Tax Relief to Individuals and Businesses

From a broad policy perspective, government expenditures need to be viewed not only through decisions made in the budget but also in the context of other measures which affect the economics of individuals and businesses. Because of the present surfeit of tax revenues, your Committee has been able to recommend and the Senate has sent to the House of Representatives a broad range of tax relief measures through separate bills. The determination has been made by your Committee that needed tax relief is possible while at the same time, a margin of safety is to be conserved in the general fund to meet future contingencies.

With respect to tax relief to individuals, your Committee has approached the constitutional requirement for disposition of excess revenues by authorizing a one-time tax credit of \$50 for each exemption, a measure which will benefit all taxpayers and their dependents in the state in the aggregate amount of some \$47 million. In addition, the schedule for ongoing tax credits has been increased by 10 per cent.

Other measures which will benefit individuals include: the elimination of the general excise tax on prescription drugs, a measure which will lessen the tax burden on consumers by \$2.7 million; the increase in renters' income tax credit from \$20 to \$50 for each qualified exemption, which will result in an additional \$2.7 million at the disposal of low-income renters; an additional \$4,000 exemption for each disabled dependent to encourage home care rather than institutional care; the partial exclusion of dividend and interest income from the state income tax, which will benefit taxpayers by an estimated \$10 million; and assistance to those renting single rooms in places run by nonprofit organizations by exempting such rentals from the general excise tax. In addition to the foregoing tax relief measures affecting individuals, your Committee has also recommended a measure which would provide for education allowances for those parents who enroll exceptional children in private, non-sectarian schools or programs, the recommended allowance being 75 per cent of tuition and fees, up to a maximum of \$1,500.

As to tax relief measure for businesses, the expectation is that reductions in business taxes will reduce the cost of doing business and that consumers will ultimately benefit. These measures include: exemption of gross receipts, gross income, gross proceeds of sales, and value of products derived from transfers between members of an affiliated group of corporations from the general excise tax and allowing an affiliated group of corporations to file consolidated returns for general excise tax purposes; exemption from the use tax of water carriers and aircraft and related equipment required by law which are purchased and imported into the state and change in the tax rate structure imposed on electric and gas companies from the basis of gross receipts to one based on a fixed number of cents per engery unit sold.

The tax relief measures will benefit not only individual taxpayers and individual businesses but they are expected to have a healthy effect on the economy as a whole. Moreover, the actions taken are consistent with the changes which are expected to be forthcoming in national taxation policies.

## II. BUDGET OVERVIEW

The remainder of this report summarizes by major program areas some of the budgetary decisions made by your Committee, and where appropriate, expresses program concerns and direction.

### Economic Development

Tourism. The mainstay of the state's economy and a major provider of jobs and income for Hawaii's people, tourism stopped growing in 1980 for the first time in thirty years. With the formidable challenges of rising air fares, increased competition from other visitor destination areas, and negative publicity about violent crimes committed against visitors to Hawaii, there is legitimate concern over the prospect of further decline of the number of visitors to Hawaii and the impact such a decline would have on the overall economy of the state.

To address this concern, your Committee has provided \$1.225 million for a high-saturation advertising campaign with the expectation that it will attract those visitors who can afford to travel and who have higher disposable incomes. The sum of \$75,000 has also been included for the Aloha Week festivals, the enjoyment of which is shared by visitors as well as residents.

New industries. Your Committee recognizes the need to reduce the state's vulnerability to economic fluctuations, dependent as it currently is on a few major industries. Therefore, economic diversification needs to be pursued through new industry development, particularly those industries which have potential in terms of employment, revenues, reduction of imports, increased exports of Hawaii products, and compatibility with the lifestyle and environment of the Islands.

Funds have been provided, \$130,000 in fiscal year 1981-82 and \$130,000 in fiscal year 1982-83, for the implementation of the High-Technology Strategic Development program, which has as its emphasis the promotion of Hawaii as a center for the high-technology electronics industry. Many facets of this particular industry make it ideally suited for Hawaii. It is generally non-polluting; its high-value output can be airfreighted anywhere with little additional per unit cost; it can provide high wage, skilled employment opportunities; and because of labor shortages in existing industry centers, such as Silicon Valley, the impetus is present for expansion into new locations. Your Committee directs that the Department of Planning and Economic Development report on progress and prospects to the 1982 Regular Session.

Energy. To maintain initiatives which have been made in alternate energy development and energy conservation management, funds have been provided for a new division of energy in the Department of Planning and Economic Development. Funds have also been appropriated to the Natural Energy Laboratory of Hawaii to strengthen its efforts in developing energy which Hawaii's unique environment provides.

Agriculture. Diversified agriculture continues to be a promising program deserving of state support. Funds have been provided for the establishment of a statewide agricultural cooperative.

Commercial fishing and aquaculture. Funds have been provided for the Fishing Vessel Loan program and the Aquaculture Loan program.

As promising as it is, there are problems currently being encountered by the prawn aquaculture industry, where it has reported that the deficiencies in the number of free juvenile prawns provided by the Anuenue Fisheries Research Center affect many small aquaculture farmers and raise the issue whether these farmers will be able to survive if they cannot adequately stock their ponds. Your Committee has pursued this concern and has been reassured by the Department of Land and Natural Resources that efforts will be exerted to assist small farmers in their necessity to reach adequate levels in stocking their ponds.

Information system. The Department of Planning and Economic Development was previously authorized to develop a prototype model under the Hawaii Management Information System, and its development has focused upon that model known as the Economic Planning Information System (EPIS). Funding has been provided for the first year of the next biennium for the system. In the meanwhile, the department is to consult with the other agencies of government involved in economic planning and development to determine the potential usefulness of the system by all concerned agencies, and it is to submit a report to the 1982 session of the Legislature concerning the status of the system and all of its proposed applications.

### Transportation

General aviation. Your Committee has carefully reviewed all facets of the issue surrounding the need for and the site of a general aviation airport, and the state administration's proposal to construct the airport at Poamoho. The advantages and disadvantages of the Poamoho site have been thoroughly debated in the 1980 and 1981 sessions of the Legislature. More recent developments also bear heavily on the issue.

The financial plan for the development of Poamoho calls for anticipated federal revenues of \$3.5 million over the next three fiscal years to assist in the financing of the airport. However, emerging national policy makes the assumption of federal assistance extremely tenuous. The President's program for economic recovery calls for the elimination of subsidies for airport and airway users. The program states as its opening credo for air transportation savings: "To shift the costs of government to those who directly benefit, the Administration will propose an increase in aviation use taxes beginning in 1982. The taxes will affect both commercial and general aviation." With respect to Federal Aviation Administration services, it states: "The users -- commercial and general aviation -- receive most of the benefits and should pay for the costs. Not requiring the users to bear the full cost of their activities encourages higher use of the system than would otherwise be the case, resulting in continual pressure to expand the system's capacity."

Given such a national policy shift with respect to aviation, it is unlikely that subsidies are forthcoming for airport operations, let alone subsidies for construction of an entirely new airport.

On the other hand, with the emphasis of the new national administration on shifting control and responsibilities to state government, in order to effect savings, the prospects are more promising with the new administration to secure approval for the joint use of a military airfield. Your Committee believes that if a definite plan for construction of general aviation facilities is presented to the new national administration, with funding to be assumed entirely by the state, the chances of securing approval for the joint use of a military airfield would be favorable. Of the various military airfields, the most logical would be Wheeler Air Force Base, which has been underutilized, and could be shared for general aviation use if improvements are made, including the possibility of constructing another runway. Therefore, your Committee has provided funds for general aviation at Wheeler Air Force Base, and directs the state administration to develop a specific proposal for presentation to the national administration and to secure Congressional support for the proposed development.

State highway fund. Your Committee recognizes that there is a potential declining revenue problem in the State Highway Fund. Here as elsewhere in the United States, the soaring costs of gasoline, the high price of cars, and the growing shift by the motoring public to fuel efficient cars have all combined to alter conventional driving patterns. The result has been a decline in highway fuel consumption, which in turn has resulted in a reduction in revenues from the highway fuel tax. This situation will be closely monitored, and appropriate action will be taken as needed and when required.

The problem of traffic congestion caused by population growth and changing land use patterns of Oahu needs to be addressed. Towards the end of formulating effective transportation policies and programs for the 1980s and beyond, funds have been provided for an update of a transportation plan for Oahu.

#### Environmental Protection

While the budget provides for the sustaining of program levels for environmental protection, emphasis has been placed on the monitoring of the transportation and disposal of hazardous substances, including radioactive materials and pesticides. Additional funds to meet these environmental protection concerns have been provided.

#### Lower Education

Special needs funds. Your Committee is continuing the program, first initiated by the Legislature in 1977, of appropriating funds to meet the special needs of each individual school. This method of funding recognizes that each school is unique and that decisions as to how funds for special needs should be expended can best be made at the school level--by the principals in consultation with teachers and to the extent practicable, with parents and students.

Other regular instruction. Your Committee has included funds for the continuation and expansion of Other Regular Instruction programs. Funds have been provided for the expansion of the Intensive Basic Skill program with the expectation that the program will assist students in meeting the revised graduation requirements which were approved by the Board of Education in 1978. In addition, your Committee has provided for additional funds for the Asian and Pacific Language program, Hawaiian Studies program, and the Marine and Aquatic Education program.

Exceptional children. There are many students in the public school system who face special types of educational difficulties. Additional funds have been provided for the special education program as well as for students with limited English proficiency. At the same time, your Committee recognizes the needs of the gifted and talented, and additional funds have been provided to foster their advancement through the expansion of the gifted and talented educational program.

School violence. As previously highlighted in this report, a broad range of programs, with their emphasis on crime prevention, has been provided in the budget. Besides heading off delinquent and criminal behavior, the effect of the crime prevention programs should also be more secure campus settings and classroom environments for students and teachers alike.

Vocational education. Additional funds have been provided for vocational education to give students greater opportunities to develop work and occupational skills.

Higher Education

Management improvements. Your Committee recognizes the need for management improvements recommended by the Legislative Auditor in his management audit of the University of Hawaii. At the same time, your Committee believes that the pursuit of management improvements should not result in curtailment of support of instruction programs and other programs which directly affect the students.

Graduate assistant stipends. Your Committee recognizes that graduate assistant stipends have been significantly outpaced by inflation, and therefore, it has provided additional funds to enable stipends to keep up with the increases in the cost of living.

Women's athletic programs. Greater opportunities for athletic competition and scholarship need to be provided for women athletes. Funds have been provided toward the goal of bringing about greater parity between the women's and men's athletic programs.

Social Problems

Child abuse. As an integral and important part of your Committee's recommended crime prevention program, there has been a significant increase in resources, in terms of both funds and positions, for the child protective services program.

Medicaid. There is a likelihood of drastic alteration by the federal government of the Medical Assistance program. Funds will need to be conserved, and the State will need to step up its efforts to curb fraud and abuse. Toward that end, funds have been provided to the Department of the Attorney General for the specific purpose of investigating Medicaid fraud cases.

Senior companions. Funds have been appropriated to expand the Senior Companion program to the islands of Maui, Kauai, and Hawaii over the next two years. This program is designed as a more human and effective alternative to institutionalization by having senior citizens assisting the less able senior citizens in their own homes.

Housing. The Hula Mae program, which provides lower cost mortgages through government issuance of revenue bonds, will receive a new infusion of mortgage funds. Through a separate measure, your Committee has recommended the authorization of \$250,000,000 for the Hula Mae program.

Public Safety

In addition to appropriations which have been made for crime prevention, prosecution and law enforcement, your Committee has provided for the installation and maintenance of emergency (automatic dialer) telephones in 30 state parks located in outlying areas. These phones are to be connected directly to police and emergency rescue units, thus providing an alternative park security measure in those locations where permanent allocation of enforcement manpower would not be feasible.

Energy conservation. Electricity bills for state agencies are trending dramatically higher, and while additional funds have been provided in certain situations, your Committee believes that more concerted efforts should be applied to conserve energy.

Grants to Private Agencies

Many worthwhile programs are conducted by private agencies for a public purpose, and your Committee has reviewed all requests and has funded those which fulfill the greatest public need. With so many requests being made, the Legislature is presently considering the establishment of standards and procedures for grants, subsidies, and purchases of service as mandated by the 1978 Constitution. These standards will ensure the proper review and screening of those worthwhile private agencies in need of public funds.

Recommendation

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1, 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. 772 (Majority) Judiciary on H.B. No. 206

The purpose of this bill is to provide that a person convicted of attempted murder may be sentenced to life imprisonment without possibility of parole or life imprisonment with possibility of parole depending on the situation. Life imprisonment without possibility of parole exists when there has been an attempted murder of a peace officer in the performance of his duties, a witness in a murder prosecution, a person by a hired killer or a person while the defendant is imprisoned. In the latter case, the court shall order the director of Social Services and Housing and the Hawaii Paroling Authority to file for an application to commute the sentence to life with parole at the end of twenty years of imprisonment. Life imprisonment with possibility of parole exists in all other cases of attempted murder.

Testimony submitted by the Prosecutor's Office and the Honolulu Police Department indicates that the only difference between murder and attempted murder is that in the latter case, the victim has been saved by modern medicine or by a stroke of luck. In either case, it is observed that the intent to kill is the same.

Your Committee finds that the sentence for murder and attempted murder should be the same. Your Committee believes that this bill would serve to deter the rise in criminal activity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 206, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.  
Senators Cayetano and O'Connor did not concur.

SCRep. 773 Judiciary on H.B. No. 588

The purpose of this bill is to eliminate the notice requirements to grandparents in a proceeding for the appointment or removal of a guardian of the person of an incapacitated person, and to require mandatory notice to grandparents in guardianship proceedings involving minors.

Testimony submitted by the Task Force indicates that under the existing law, there is difficulty in serving grandparents or in obtaining copies of their death certificates. Testimony submitted on the companion S.B. 1810 from the Commission on the Handicapped, the State Planning Council on Developmental Disabilities, the Hawaii Association for Retarded Citizens, the Protection and Advocacy Agency of Hawaii, and the Task Force indicated these same difficulties. The Task Force agrees with the bill which includes the provision that grandparents must be notified in all cases where the ward is a minor.

Your Committee also recognizes that in proceedings involving minors, grandparents often are very close to the minor, and notice should be required in those cases.

Your Committee has eliminated references to gender.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 588, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 588, 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. 774 Judiciary on H.B. No. 597

The purpose of this bill is to make it a class C felony to use force upon or to threaten a witness or juror after he has attended court.

Testimony from the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Crime Commission, and the Honolulu Police Department on both this bill and the companion Senate Bill (SB No. 607) concur that provisions protecting witnesses or jurors after he/she has testified or served on a jury are necessary since the present law only penalizes threats or use of force prior to a witness testifying or a juror serving.

Your Committee recognizes that citizens may be hesitant to testify in any criminal proceeding because they fear reprisal by the defendant or his/her associates, and feels that witnesses and jurors should be protected before, during, and after a trial.

Your Committee has amended the bill by adding Section 707-764(2) in the definition of "threaten" as used in this new section in order to include the involvement of a third

party as a form of "threatening".

Your Committee also made minor, non-substantive changes by deleting the phrase, "a threat directed to", and inserting the word, "threatens", and by deleting "threat" and inserting "threaten".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 597, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 597, 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. 775    Judiciary on H.B. No. 739

The purpose of this bill is to amend the statutory procedures for filing information of deaths with the Department of Health as follows:

- (1) Extends the time requirement for the Department of Health to report all deaths to the county clerks from ten days to six weeks;
- (2) Requires certificates of death and fetal death to be filed with the Department of Health or its branch offices in the district where the fetal death occurred, or where the dead body was found;
- (3) Changes the procedure for filing a death certificate by the person in charge of the disposition of the body;
- (4) Extends the gestational age of dead fetuses, for which no burial permit is required, from sixteen weeks to twenty-four weeks;
- (5) Permits the transportation of a dead body from a registration district to the Honolulu registration district, for the preparation and filing of the death certificate and the issuance of written permits for further disposition, upon verbal authorization of the local agent of the Department of Health, in cases of a dead fetus less than twenty-four weeks gestation, and in cases where the death occurred as a result of an accident or other casualty occurrence.

Your Committee feels that extending the time limit within which the Department of Health must furnish the names of deceased persons to the county clerk will alleviate the increased workload volume and staffing constraints experienced by the Department in recent years.

Testimony from the Department of Health indicated that under the current law, burial transit permits and death certificates must be prepared, signed and filed in the registration district (county) in which the death occurred. The death certificate is then sent to the Honolulu office for permanent filing. This situation ordinarily works well but results in considerable confusion and inconvenience in cases of aircraft or other accident when the victims are airlifted to Honolulu.

Your Committee recognizes that a more efficient system is to allow the local agent of the Department of Health to verbally authorize the transportation of the deceased to Honolulu for the filing of death certificates and further disposition. The proposed bill would remove any possible doubt concerning the legality of the manner in which the above emergencies are handled.

Further testimony presented by the Department of Health indicates that the present requirement of disclosing the identity of the patient on the burial transit permits for the disposition of a dead fetus discourages the reporting of intentional terminations of pregnancies. Your Committee recognizes that extending the gestational age of a dead fetus for which a burial permit is required from sixteen weeks to twenty-four weeks will better preserve the anonymity of the patient and encourage the more complete reporting of intentional terminations of pregnancies performed in doctor's offices.

Your Committee has amended the bill by eliminating reference to gender and substituting neutral terminology, and by conforming the bill to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 739, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 739, 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. 776    Judiciary on H.B. No. 1931

The purpose of this bill is to provide that employers may pay wards on work release programs from youth correctional facilities less than the minimum wage, for work of five hours or less per work week performed by the ward. Present law requires payment of the minimum wage for these work hours.

A representative of the Department of Social Services and Housing testified in favor of the bill, stating that the bill would generate more job opportunities for wards on work release.

Your Committee has made non-substantive changes to the bill to conform to the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1931, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1931, 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. 777    Consumer Protection and Commerce on H.B. No. 934

The purpose of this bill is to extend the repeal date of chapter 457B, Hawaii Revised Statutes, the Nursing Home Administrators Act, from December 31, 1981 to December 31, 1987.

Chapter 26H, Hawaii Revised Statutes (the "sunset" law), requires that all regulatory boards, commissions, and programs within the Department of Regulatory Agencies be periodically reviewed by the legislature to determine whether or not they should be continued.

In January of this year, the Legislative Auditor issued Sunset Report 81-4 on the Board of Nursing Home Administrators and found that the board is not fulfilling its statutory duty to monitor the activities of nursing homes. The Auditor also found that the board has acted arbitrarily and inconsistently on the applications of similarly situated persons.

However, the Auditor noted that the present regulatory program was established to comply with funding requirements for state participation in the Medicare and Medicaid programs and that without a regulatory and licensing program, Hawaii would not be eligible for more than \$20 million a year in federal assistance.

Therefore, the Auditor recommended that the board, however ineffective and arbitrary, be continued to prevent the loss of federal funds.

Your Committee concurs with the basic findings of the Auditor, that the board is not adequately monitoring nursing homes and that the board has not acted fairly to all applicants. Your Committee also concurs that participation in the Medicare and Medicaid programs is extremely important for the state, not only because of its economic benefit, but because it provides necessary care to many who would otherwise be unable to receive proper attention.

However, your Committee disagrees with the recommendation of the Auditor that continuation of the Board of Nursing Home Administrators is the legislature's only possible course of action.

Federal regulations (42 C.F.R. §§431.700 to 431.715) do not specifically require a state to establish a separate board of nursing home administrators as a condition for federal assistance. The basic licensing requirements are:

- 1) A state must establish a program to license nursing home administrators;
- 2) The licensing body must be designated under the "healing arts act" of the state; and
- 3) A board must be comprised of persons representing professions and institutions concerned with the care and treatment of chronically ill or infirm elderly patients; provided that a majority of the board may not be representatives of a single profession or of a category of institutions. (Nursing home administrators are considered representatives of institutions.)

Your Committee finds that the Board of Nursing Home Administrators can, therefore, be allowed to "sunset" as long as the regulatory and licensing program can be placed under another licensing authority that meets the basic above-stated requirements.

Your Committee also finds that the Board of Medical Examiners, slightly modified, would be such an appropriate body, in terms of ability, resources, and time.

Accordingly, your Committee amended the bill to:

- 1) Allow the "sunset" of chapter 457B;
- 2) Create a new part III of chapter 453 which would assign the regulatory and licensing provisions relating to nursing home administrators to the Board of Medical Examiners; and
- 3) Reconstitute the Board of Medical Examiners (presently nine members, seven of whom are physicians and surgeons and two of whom are lay persons) to six physicians and surgeons, four lay persons, two nursing home administrators, and one occupational therapist.

In reducing the number of physicians on the Board of Medical Examiners to six, your Committee has reduced the number of physicians representing the City and County of Honolulu from four to three. Your Committee notes that the term of one Honolulu representative expires on December 31, 1981 and, therefore, this bill will not force a Honolulu representative to resign from the board on the effective date of this bill (January 1, 1982).

Your Committee believes this action will assure proper regulation and licensing of nursing home administrators and will not jeopardize Hawaii's participation in the Medicaid and Medicare programs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 934, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 778 Consumer Protection and Commerce on H.B. No. 1292

The purpose of this bill is to generally amend the Landlord-Tenant Code.

This bill makes numerous amendments to Chapter 521, Hawaii Revised Statutes, relating to the Landlord-Tenant Code. Your Committee has made several amendments to the bill. As amended, the bill will effect the following changes to the chapter:

(1) Amend Section 521-42 to provide that in the event a landlord fails to inventory the premises upon initial occupancy, the condition of the premises, appliances, and furnishings shall be rebuttably presumed to be in the same condition as at initial occupancy.

(2) Amend Section 521-63(c) to authorize recovery in the amount of two months rent or two months free occupancy by a tenant wrongfully removed by a landlord from the rented premises. The bill also provides for termination procedures and for injunctive relief. As received by your Committee, the bill would have allowed a tenant to recover the greater of three months rent or treble damages.

(3) Raise from \$200 to \$300 the amount allowed under Section 521-64(b) to be deducted from a tenant's rent for repairs made to the rented premises after due notice to the landlord. As received, the bill would have raised this amount to \$400.

(4) Amend Section 521-64(c) to require that affirmative good faith efforts to make repairs to major appliances or necessary facilities be commenced by the landlord within three days of notification, except if the repairs were necessitated by tenant misuse.

(5) Delete Section 521-74(b)(4) which allows a landlord to recover possession of the rented premises without timely notice when the reason is to discontinue the use of the rental unit for at least six months.

(6) Provide in Section 521-78(a) that only the amount of rent prior to a disputed rent increase need be deposited into a court escrow.

Your Committee feels that these amendments to the Landlord-Tenant Code are in accord with the original intent of the Code to provide an equitable procedural framework for both landlord and tenant.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1292, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 779 Human Resources on H.B. No. 357

The purpose of this bill is to increase the opportunities for competent, regular employees to be non-competitively promoted to a vacant position in a related class. The concept of related class denotes that one class requires substantially similar knowledge, skills, and abilities as another class.

Current law permits non-competitive movement from a position in a class to a position in another class which is in the same or related series as that of the first position. To simplify, a series is a group of classes such as Clerk I, II, III, and IV; whereas Clerk I is a class. As testified by the director of the Department of Personnel Services, the current law is too restrictive in providing promotional opportunities, that is, non-competitive promotions are limited only to positions in the same or related series. This bill would allow a person to be non-competitively promoted to a position which is in a related class although in a non-related series.

The proposed change would increase the opportunities for regular employees to be non-competitively promoted thus assuring them greater career development opportunities. Such an incentive helps create a job environment to attract, develop and retain a capable and competent workforce.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 357 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 780 Human Resources on H.B. No. 358

The purpose of this bill is to amend sections 76-28, 76-45, and 76-46 of the Civil Service Law, Hawaii Revised Statutes, relating to notices of suspensions, dismissals, and demotions so as to clarify that for such disciplinary actions to take effect, a copy of such notice need not have first been filed with the director of personnel services.

The bill does not amend the current statutory requirements that written notice of a suspension, dismissal, or demotion, and the specific reasons for such action, must be given by the appointing authority to the affected employee in order to be effective. Additionally, appointing authorities will continue to be required to notify the director of personnel services of all such adverse or disciplinary personnel actions and the reasons therefor.

The failure or omission of an appointing authority to give prompt notice to the director of personnel services of all appointments, terminations, transfers, resignations, suspensions, demotions, and dismissals does not prejudice the employee. However, failure to comply with this "housekeeping" type of filing requirement has been construed as grounds to nullify a disciplinary action against an employee. This bill merely removes filing as a condition precedent to disciplinary action, and will not dilute substantive or procedural safeguards for employees.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 358 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 781 Human Resources on H.B. No. 431

The purpose of this bill is to replace sex specific terms in section 87-27, Hawaii Revised Statutes (Supplemental plan to federal medicare) with gender neutral terms.

The proposed change will conform the statutes to Article I, Section 3, of the Hawaii State Constitution and will not affect the substantive rights of either spouse. As presently written, the law permits health fund medicare reimbursements to only a female spouse of a retired male employee. In current practice, applications of both male and female spouses of employee members are accepted. The proposed change will clarify the law to conform to present practices.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 431 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 782 Human Resources on H.B. No. 605

The purpose of this bill is to specify discrimination as an unlawful employment practice and to specifically allow the Department of Labor and Industrial Relations to order reinstatement to the prior position of an employee discharged in violation of section 378-32, Hawaii Revised Statutes.

Current law prohibits suspension or discharge of an employee who has suffered from a work injury or has filed for bankruptcy or because the employer was summoned as a garnishee. However, an employee can be downgraded, reassigned to other duties at a lower rate of pay, or otherwise be discriminated against in conditions or terms of employment under the above circumstances without violating the law. This bill provides further protection to the employee in such cases by making such discrimination unlawful.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 605, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 783 Human Resources on H.B. No. 743

The purpose of this bill is to make technical changes to statutory language to clarify provisions relating to benefit adjustment.

This bill also specifies that all permanently and totally disabled employees whose weekly income benefit is less than that which was in effect on June 18, 1980 shall be entitled to the supplemental allowance regardless of when the determination of permanent total disability is made. As presently worded, section 386-35 could be construed to authorize the supplemental allowance only in cases where the award is made prior to June 18, 1980. This would mean that employees with the same date of injury would be treated differently depending on the date of decision in their case.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 743, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 784 Human Resources on H.B. No. 744

The purpose of this bill is to expedite the payment of temporary disability insurance benefits by requiring the filing of claims within 90-days of the commencement of the disability or as soon thereafter as is possible.

Presently, there is no statutory time limit for the filing of temporary disability claims. The department of labor and industrial relations has, however by rule, established such a 30-day filing requirement. As introduced, H.B. No. 744, an administration measure, would have placed this 30-day filing requirement within section 392-44, Hawaii Revised Statutes, which relates to the payment of disability benefits. The Committee on Employment Opportunities and Labor Relations of the House of Representatives amended this bill to extend the filing period to 90-days, finding 30 days to be an inadequate period of time (Standing Report No. 547).

Your Committee concurs with the need for a statutory filing requirement and with the establishment of a 90-day, rather than 30-day, period for disabled employees, however your Committee finds that such a possible disqualification requirement should be more

clearly set out for potential claimants. Therefore your Committee amended the bill to add the 90-day filing requirement to section 392-27, Hawaii Revised Statutes, which is entitled "ineligibility in certain cases".

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 744, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 744, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 785 Human Resources on H.B. No. 746

The purpose of this bill is to protect employees who testify against an employer in proceedings under Part III of chapter 378, Hawaii Revised Statutes.

Presently, there is no protection for employees who testify in proceedings relating to alleged violations of section 378-32, Hawaii Revised Statutes, including incidences in which the employer is summoned as a garnishee, the employee files bankruptcy, or another employee who has suffered a work injury alleges being suspended or discharged by the employer as a result of the work injury. Potential witnesses have either refused to testify or have expressed strong reluctance in testifying in a complaint filed under section 378-32, Hawaii Revised Statutes, because of fear of losing their job or other retaliatory action by their employer.

This bill provides the protection necessary to allow an employee to freely testify at a hearing without fear of disciplinary action by their employer.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 746 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 786 Human Resources on H.B. No. 747

The purpose of this bill is to provide appeal rights for an insurer, self-insured employer, or the special fund for disability benefits to recover disability benefits overpaid an employee by amending section 393-78 of the Hawaii Revised Statutes.

Under the present temporary disability insurance law, there is no provision for an insurer, self-insured employer or the special fund to recover benefits overpaid an employee, such as in the case where overpayment resulted because the employee failed to disclose all pertinent information on his claim. This measure would give an insurer the right to recover overpaid benefits through established appeals procedure.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 747 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 787 Human Resources on H.B. No. 748

The purpose of this bill is to allow the Department of Labor and Industrial Relations (DLIR) to escheat or refund disability benefits due from an insurer or self-insured employer to a claimant who can be located.

Presently, there is no provision for the disposition of benefit payments when the insurer is unable to locate a temporary disability insurance claimant. This bill would require the insurer to deposit such benefit payments into the TDI Special Disability Fund. The department, upon locating the claimant, would make payment from the fund. If the claimant cannot be located for a period of two years from the date of deposit, such moneys will become a permanent part of the fund.

Your Committee amended the bill to clarify that the benefits paid the claimant does not exceed the amount deposited by the insurer. Also, your Committee made a number of technical amendments to clarify the intent of the bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 748, as amended herein, and recommends that it pass Second Reading in

the form attached hereto as H.B. No. 748, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 788 Human Resources on H.B. No. 749

The purpose of this bill is to subject a successor employer not previously subject to contributions under chapter 383, Hawaii Revised Statutes, to the maximum rate of 4.5% if such an employer acquires the business of two or more predecessor employers who had different contribution rates.

This bill will apply only to employers not previously subject to chapter 383 and who therefore, had no contribution rate at the time they acquired the businesses of two or more predecessor employers having different contribution rates.

This bill will not affect an employer who already has a contribution rate at the time he acquires the businesses of two or more predecessor employers having the same or different contribution rates. Under the present law, if the predecessor employers have the same rates, the successor employer will acquire their rate, provided he meets the conditions in section 383-66. If the predecessor employers have different rates, the successor employer retains his own rate until the next rate computation is made. At that time, the rates of the successor employer and predecessor employers will be combined and computed into a new rate for the successor employer.

Your Committee has made some nonsubstantive, editorial amendments to this bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 749, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 749, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 789 Human Resources on H.B. No. 956

The purpose of this bill is to provide for the reporting of elderly abuse or neglect and to provide immunity to the reporting person from any civil or criminal liability incurred or imposed as a result of the making of such report. Furthermore, any reporting individual shall be provided with the same immunity with respect to participation in any judicial proceeding resulting from such report.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 956, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 790 Human Resources on H.B. No. 1101

The purpose of this bill is to expressly authorize the Board of Trustees of the Public Employees Health Fund to adopt rules to administer the Health Fund Law.

Recently, the State Attorney General reviewed the Health Fund Law, chapter 87, Hawaii Revised Statutes, and found that there is no express legal authority for the Board of Trustees to make and publish rules. This bill provides the Board with the express statutory authorization to promulgate rules necessary to administer the provisions of the Health Fund Law.

Your Committee reworded the proposed amendment to clarify its intent.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 791 (Joint) Judiciary and Human Resources on H.B. No. 71

The purpose of this bill is to amend Section 571-2, Hawaii Revised Statutes, by adding



three new definitions relating to "harm", "threatened harm", and "mental injury" in order to clearly define acts which constitute harm to a child, and to amend Section 571-11, Hawaii Revised Statutes, by conforming the section to the new definitions.

Your Committees heard testimony from the Department of Social Services and Housing and the Family Court in favor of the bill which is intended to afford greater protection to children and families. Your Committees recognize that by providing greater consistency and clarity to the present laws, the timely intervention by appropriate agencies when there are substantial risks of harm to a child will be encouraged.

The bill has been amended to conform to Ramseyer format, and to reflect non-substantive, technical changes.

Your Committees on Human Resources and Judiciary are in accord with the intent and purpose of H.B. No. 71, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Kobayashi and Soares.

SCRep. 792     Judiciary on H.B. No. 1310

The purpose of this bill is to create a new crime of custodial interference in the first degree which makes it a class C felony for a relative of a child to knowingly take the child away from a person who has the right to the child's custody based on a court order, and to leave the state with the child. Presently, custodial interference is a misdemeanor under Section 707-723. Further, the bill retains the present language in Section 707-723, but reclassifies the offense as custodial interference in the second degree.

Your Committee recognizes that along with the increasing divorce rate trend both nationally and statewide, disputes involving custody of the children are also on the rise. Unfortunately, a new dimension to the problem of child custody disputes focuses on child snatching.

An estimated 25,000 to 100,000 children nationwide are snatched away each year from the parent who has custody of the child by the other non-custodial parent. The children are usually between the ages of three and twelve years old. Often, the kidnapping parent leaves no way for the custodial parent to ever find the children. In extreme cases, a parent may keep moving from state to state with the child and assume new identities. In these childnapping situations, the psychological effect to the child can be particularly traumatic.

Testimony submitted by the Legal Aid Society of Hawaii, the Honolulu Police Department, and other attorneys and individuals directly affected by such child snatching situations indicates that under the present law, the police are unable to assist the deprived parent in seeking the return of the child. Congress recently passed a Parental Kidnapping Prevention Act of 1980 (P.L. 96-611, to take effect July 1981) which requires that all state courts abide by child custody orders issued by another state in order to deter parents from kidnapping their children and going to another state in hopes of modifying a custody decree in their favor. This new legislation also enables parents in search of their missing children to utilize the Federal Parent Locator Service which can trace people through their social security numbers and other methods.

However, since child snatching is presently not a felony crime in Hawaii, a state fugitive felony warrant cannot be issued, and the federal criminal provisions under this Act would not be applicable. The change in classification of custodial interference in the first degree to a class C felony will enable the issuance of a state fugitive felony warrant, whereupon the FBI could be called on to track down the child snatching parent.

This felony provision is intended to cover a specific, limited situation in which the following three elements must be present:

- (1) The snatcher must be a relative;
- (2) The child must be taken in violation of a court order; and
- (3) The person and the child must leave the state.

This statute would not, for example, cover the situation where a child is sent to the mainland to visit with the non-custodial parent who lives there, and the parent decides not to return the child to the parent in Hawaii. The bill is aimed at deterring, overcoming, and prosecuting the most overt and blatant type of child snatching situation.

The misdemeanor provision (custodial interference in the second degree) is intended to cover situations where a relative or non-relative of a child takes and conceals a child in violation of a court order, oftentimes not leaving the state.

Your Committee's intent is to deter against child stealing, enable parents who have legal custody of the snatched child to receive law enforcement assistance and to provide the children in custody dispute cases a degree of protection from a traumatic child snatching experience.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1310, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi and Soares.

SCRep. 793     Judiciary on H.B. No. 1341

The purpose of this bill is to simplify present filing deadline requirements for campaign organizational reports by specifying one single deadline for filing of the organizational report.

The current law mandates four separate dates on which a candidate must file his organizational report. To avoid the confusion of having to deal with four separate dates, the bill provides that a candidate, committee, or party shall file an organizational report no later than 4:30 P.M. on or before the day of filing for nomination or election. In the event a committee is organized after that deadline, the committee must file within ten days from the date the committee receives any contribution aggregating over \$100.

Your Committee received testimony in support of this bill from the Campaign Spending Commission stating that it would benefit candidates as well as committees.

Your Committee has made nonsubstantive, technical changes to reflect existing statutory language and punctuation and to conform to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1341, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1341, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi and Soares.

SCRep. 794     Judiciary on H.B. No. 1522

The purpose of this bill is to provide that upon the filing of a complaint and affidavit stating that the property has been in the defendant's possession after termination of the lease or rental contract, the court may issue an order directing the defendant to return the property or to appear and show cause for possession.

Testimony submitted by Case, Kay and Lynch, Attorneys at Law, indicated that Act 171 (1980) provided persons who rent or lease personal property with an expeditious judicial means to obtain the return of their property, and intended to streamline and simplify the court procedure for recovering such property. Unfortunately, the First Circuit Court held that the law was not applicable to any type of personal property which was too large to be brought into the courtroom. This limits the law, therefore, to rental items such as vacuum cleaners, power saws, hand tools, etc.

Your Committee recognizes that businesses which rent or lease larger pieces of equipment have similar problems of recovery, in addition to higher potential losses since large equipment often depreciates at a faster rate than smaller items of personal property. It is the intent of your Committee to extend the protection provided by Act 171 to all members of the leasing industry, and to decrease the time between the filing of the complaint and the ultimate return of the property.

Your Committee also finds that the additional provisions of the bill clarify and strengthen the present law.

Your Committee has amended the bill to correct a typographical error, and to conform the bill to Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1522, H.D. 1, as amended herein, and recommends that it pass Second Reading in the

form attached hereto as H.B. No. 1522, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi and Soares.

SCRep. 795 Agriculture on H.B. No. 1530

The purpose of this Act is to eliminate such duplication as now exists and to otherwise increase the efficiency and effectiveness of resource allocation as it relates to agricultural product promotion and market development.

Your Committee finds that this bill is substantially identical to S.B. No. 1400 introduced during this legislative session. Standing Committee Report Nos. 178 and 376, written by this Committee, concern in detail the subject matter of this bill, as well as the revisions which were made and set forth in S.D.1 and S.D.2 of S.B. No. 1400.

After receiving further testimony on this topic, which supported the testimony received earlier in conjunction with S.B. No. 1400, your Committee has amended H.B. No. 1530, H.D.1, so that it parallels S.B. No. 1400, S.D.2, and the intent of your Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1530, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1530, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 796 Legislative Management

Informing the Senate that S.R. Nos. 189 and 190 and Stand. Com. Rep. Nos. 738 to 795 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 797 Economic Development on H.B. No. 1469

The purpose of this bill is to authorize the Department of Land and Natural Resources to establish rules relating to the continued development and use, and enforcement thereof, of fish aggregating devices.

Your Committee heard testimony from the Department of Land and Natural Resources that several concerns have arisen including vandalism of the devices and fishing boats tying up to the devices, thus straining the anchoring system and obstructing access to the area, all of which tend to defeat the utility of the program. Your Committee is therefore in agreement with the bill to establish rules and regulations to monitor and enforce the use of the devices.

Your Committee has made several technical nonsubstantive changes to the bill.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1469, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 798 Judiciary on H.B. No. 212

The purpose of this bill is to provide a more specific definition of community standard by stating that a statewide standard shall be used in pornography prosecutions.

Testimony submitted on S.B. No. 997, S.D. 1 and H.B. No. 212, H.D. 1, indicates that this bill is favored. Testimony submitted by Waikiki Residents Association, the Honolulu Police Department and the Prosecuting Attorney's Office regarding H.B. No. 212, H.D. 1, indicates that this bill is necessary in order to comply with the United States Supreme Court holding in Miller v. California, 713 U.S. 15 (1973) and the Hawaii Supreme Court holding in State v. Manzo, 58 Hawaii 440 (1978).

Your Committee finds that the application of a statewide standard will insure uniform application of the law throughout the state thereby avoiding confusion of finding a work to be pornographic in one county and not pornographic in another county.

Your Committee has amended the bill to make a minor nonsubstantive change.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 212, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 212, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 799 Judiciary on H.B. No. 461

The purpose of this bill is to prohibit (1) operators of motor vehicles from consuming alcoholic beverages or possessing opened containers of alcoholic beverages while operating a motor vehicle, (2) passengers from consuming alcoholic beverages or possessing opened containers of alcoholic beverages while a passenger in a motor vehicle, and (3) storage of opened containers of alcoholic beverages in a motor vehicle if not in a trunk or other area not normally occupied by the driver or passengers.

Testimony was submitted on H.B. No. 461, H.D. 1 and S.B. No. 375, the provisions of which are similar to H.B. No. 461, H.D. 1, from the Director of Transportation; The Honolulu Police Department; the Department of the Public Prosecutor, County of Maui; and the Department of the Prosecuting Attorney, City and County of Honolulu. These agencies were all strongly in favor of the bill. The Director of Transportation pointed out that over forty per cent of all fatal crashes in Hawaii have alcohol involvement.

Your Committee is in agreement with the intent of this bill to prohibit the consumption and possession of intoxicating liquor while driving or riding as a passenger in a motor vehicle. However, your Committee has revised the bill to exempt recreational vehicles without trunk compartments from the requirement that open containers be stored in such trunk compartments or areas not normally occupied by the driver of passengers. Your Committee recognizes that many recreational vehicles do not have trunks and further do not have interior space which is not normally occupied by the driver and passengers where such containers could be stored.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 461, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 461, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 800 Judiciary on H.B. No. 1745

The purpose of this bill is to clarify the provisions of the offense of resisting an order to stop a motor vehicle. The bill separates the offense into two separate classes:

(1) Class C felony - A person refuses to stop, after a visual or audible signal is given by a police officer, and either causes or creates a substantial risk of bodily injury or property damage.

(2) Misdemeanor - No bodily injury or property damage, or risk thereof, is involved.

Testimony submitted by the Honolulu Police Department indicates that in a large number of cases, actions of individuals in disregarding an officer's order to stop a motor vehicle have resulted in serious bodily injury and considerable property damage or the substantial risk thereof to the officer and/or the public. Under the present law, a fleeing felon need not hesitate to evade pursuing officers since all misdemeanor acts that are part of a continuous course of events of a felony are not prosecuted if the violator is charged with the felony act. This bill would permit the prosecution of a separate felony count in these situations and is intended to deter misdemeanants and traffic violators who otherwise have little to lose in attempting to elude the police.

Your Committee has amended the bill to provide that a person commits the offense if the individual refuses to bring the vehicle to a stop as soon as practicable in a reasonably safe area. The bill has also been amended to make clear that even an off-duty peace officer may require a person to stop a vehicle after identifying himself. Your Committee has further amended the bill by deleting any reference to gender and substituting neutral terms.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1745, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form

attached hereto as H.B. No. 1745, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 801 Ways and Means on H.B. No. 241

The purpose of this bill is to provide a new excise tax credit schedule which increases the tax credits presently available to resident taxpayers.

Your Committee has amended the bill by deleting the proposed excise tax credit schedule and substituting instead a new schedule which increases the present tax credit for each adjusted gross income bracket by ten per cent. The new adjusted gross income brackets of \$20,000 under \$30,000 and \$30,000 and over have also been deleted.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 241, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 241, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 802 Ways and Means on H.B. No. 538

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for refinancing outstanding financial obligations of the Pohai Nani Good Samaritan Kauhale health care facility.

Currently, the Evangelical Good Samaritan Society, a nonprofit corporation and owner of the facility, is facing high interest rates for long-term refinancing of the retirement facility. This has forced the Society to raise current rents of the facility's residents by twenty per cent. To avoid the imposition of this severe economic burden on the facility's elderly residents, it would be in the public interest if the state assisted the Society in securing long-term refinancing at acceptable interest rates by issuing special purpose revenue bonds for the Society pursuant to chapter 39A, part II, Hawaii Revised Statutes.

Your Committee is in agreement that the authorization to issue special purpose revenue bonds is necessary to provide long-term refinancing at acceptable interest rates and therefore would serve the public interest. It appears that no investigation has been made into the financial condition of the Society to determine its ability to comply with the repayment obligations should the special purpose revenue bonds be authorized. This bill, therefore, requires the Department of Budget and Finance to review the financial condition of the Society before it issues the bonds to ensure prompt repayment of all moneys generated by the special purpose revenue bonds.

Your Committee finds that this bill's senate companion was previously heard by the Senate.

Your Committee has made technical, nonsubstantive amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 538, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 538, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 803 Ways and Means on H.B. No. 694

The purpose of this bill is to increase the statutory limitation on the amount of petty cash funds that can be kept by a state agency from \$5,000 to \$50,000.

Your Committee heard the senate companion measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 694 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 Yee.

SCRep. 804 Ways and Means on H.B. No. 721

The purpose of this bill is to transfer the duties of the Pacific War Memorial Commission from the Department of Defense to the Department of Land and Natural Resources. Your Committee received favorable testimony on this bill from the adjutant general. The Disabled American Veterans organization also submitted testimony favorable to this bill but requested that the bill provide that the transfer of lands to the Department of Land and Natural Resources be subject to a 1961 agreement between the Pacific War Memorial Commission of Hawaii and the organization. This would permit the Keehi Lagoon Memorial Management Committee of the organization to continue their work in the Keehi Lagoon complex.

Your Committee has amended this bill in accordance with the testimony submitted by the DAV and for the purpose of making nonsubstantive changes for clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 721, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 721, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 805 Ways and Means on H.B. No. 800

The purpose of this bill is to increase the ceiling of tax liability for the filing of quarterly returns from \$500 to \$1,000. The bill further provides that the taxes be payable on or before the last day of the calendar month immediately following the month in which the taxes accrue.

Your Committee heard the senate companion measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 800 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 Yee.

SCRep. 806 Ways and Means on H.B. No. 805

The purpose of this bill is to provide that all real property appeals made to the various boards of taxation review made prior to July 1, 1981 shall continue to be heard and decided by the Board of Taxation Review for the taxation district in which the appeals have been made. It also provides that the jurisdiction of all the boards to hear and decide the appeal shall extend and continue over such matters until decision is filed with the assessor. It further states that any decision made by the board may be appealed to the tax appeal court.

Your Committee recognizes that this measure clarifies the law relating to the real property appeals prior to the transfer of the real property taxing powers to the counties on July 1, 1981, and is thus needed.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 805, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.

SCRep. 807 Ways and Means on H.B. No. 1060

The purpose of this bill is to remove the present ceiling rate of six per cent a year on redevelopment bonds and to give the counties the opportunity to set a ceiling for the interest rate.

Your Committee finds that passage of this bill would allow the counties to execute their federal-aided urban renewal programs more efficiently and allow the counties to respond to the bond market fluctuations to compete for funds so that needed projects can be implemented.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1060 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 Yee.

SCRep. 808 (Majority) Ways and Means on H.B. No. 1100

The purpose of this bill is to increase the amount of the fees for the application for a civil identification certificate, application for a duplicate certificate, and correction or alteration of a certificate from the present statutorily established \$2 to \$6.

The attorney general testified on the senate companion bill, S.B. No. 657, that the increase in fees is necessary because of the rising cost of the civil identification card program. The fees have not been raised since 1964, when the statutory \$2 amount was raised to \$3 under administrative authority granted by section 92-38, Hawaii Revised Statutes. The attorney general estimates that the revenue received from the proposed \$6 fees will be greater than the cost of administering the civil identification card program during the fiscal biennium 1981-1983. Your Committee finds that self-support of the program, although de facto because revenues are deposited into and expenditures are made from the general fund, is desirable. Thus, your Committee is in agreement with this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1100, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.  
Senator Abercrombie did not concur.

SCRep. 809 (Majority) Ways and Means on H.B. No. 1103

The purpose of this bill is to add and delete certain compounds to the controlled substances listed as included in Schedule II, and to amend the prescription writing and filling procedures for Schedule II controlled substances.

Your Committee has amended the bill by adding an amendment to the section on prescriptions by requiring the use of official prescription forms issued by the Department of Health that are serially numbered. Your Committee has also amended the bill by amending the section on forfeitures by adding that violations of chapter 712, part IV, Offenses Related to Drugs and Intoxicating Compounds, are also subject to forfeiture. Your Committee further amended the bill by adding a new section to chapter 329, the Uniform Controlled Substances Act, creating a drug control and enforcement special fund to finance enforcement of the Uniform Controlled Substances Act, and Offenses Related to Drugs and Intoxicating Compounds part. Other nonsubstantive, technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1103, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1103, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.  
Senator Abercrombie did not concur.

SCRep. 810 (Majority) Ways and Means on H.B. No. 1124

The purpose of this bill is to provide for the transfer of officers and employees and records and equipment of the Hawaii Criminal Justice Data Center from the Judiciary to the Department of the Attorney General in accordance with Act 269, Session Laws of Hawaii 1980, which provided for such a transfer of the data center itself on July 1, 1981.

Your Committee heard the senate companion bill to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1124, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.  
Senator Abercrombie did not concur.

SCRep. 811 Ways and Means on H.B. No. 1604

The purpose of this bill is to simplify the state income tax reporting provisions for contributors to political campaigns by allowing them to use canceled checks as evidence of suitable contributions for political campaigns.

Your Committee has inserted the underscoring of new wording in section 11-226(h) redesignated (f), Hawaii Revised Statutes, inadvertently left out.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1604, 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. 1604, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Yee.

SCRep. 812 (Majority) Ways and Means on H.B. No. 1680

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist eight not-for-profit health care facilities providing health care to the general public to be used for financing new construction and renovation or by refinancing existing obligations.

Your Committee finds that authorizing the issuance of special purpose revenue bonds for the eight health care facilities is in the public interest and would promote the public health, safety, and general welfare.

Your Committee finds that this bill's senate companion bill was previously heard.

Your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1680, 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. 1680, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Yee.  
Senators Abercrombie and Kawasaki did not concur.

SCRep. 813 Ways and Means on H.B. No. 1724

The purpose of this bill is to increase from 4-1/2 per cent to 7 per cent the amount of interest paid on the post retirement fund of the Employee's Retirement System and to reduce the employer's contribution to the pension accumulation fund by any excess of earnings over such percentage for three successive fiscal years beginning July 1, 1982. This bill also amends the method of determination of employer normal cost and accrued liability contributions by requiring that actuarial valuations be based on a 7 per cent investment yield and tables and factors established by the board of trustees of the system for the years ending on June 30, 1980, 1981, and 1982, and thereafter at a rate which is to be established by the board.

Your Committee has made nonsubstantive changes to this bill for the purposes of clarity and style and to correct typographical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1724, 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. 1724, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Yee.

SCRep. 814 Ways and Means on H.B. No. 1867

The purpose of this bill is to clarify and authorize the survey division of the Department of Accounting and General Services to sell copies of maps and plans of land that are under the custody and control of the bureau of conveyances.

Your Committee finds that there is no statutory authority for the survey division to print and sell copies of land court and file plan maps that are under the custody of the registrar of conveyances. The survey division has been providing this service for over forty years. Your Committee is in agreement that the termination of this service would cause great inconvenience not only to the public but also to the bureau of conveyances' staff due to the resulting workload increase.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1867, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.



## SCRep. 815 Legislative Management

Informing the Senate that S.R. Nos. 191 to 193 and Stand. Com. Rep. Nos. 797 to 814 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 816 Government Operations and Intergovernmental Relations on H.B. No. 526

The purpose of this bill is to provide that fees and other moneys collected by the county liquor commissions and all expenses of the commission be paid in a manner provided by ordinance.

Act 304, Session Laws of Hawaii 1980, amended Chapter 281, Hawaii Revised Statutes, by requiring that all fees charged by the liquor commissions of the various counties must bear a relationship to the costs and expenses of the respective commissions. This bill supplements Act 304 by authorizing each county to establish a special fund into which all fees collected by the respective commissions would be deposited and from which all expenses of the commission would be paid.

Your Committee has amended the bill to clarify its intent.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 526, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 526, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 817 Human Resources on H.B. No. 748

The purpose of this bill is to allow the Department of Labor and Industrial Relations (DLIR) to escheat or refund disability benefits due from an insurer or self-insured employer to a claimant who can be located.

Presently, there is no provision for the disposition of benefit payments when the insurer is unable to locate a temporary disability insurance claimant. This bill would require the insurer to deposit such benefit payments into the TDI Special Disability Fund. The department, upon locating the claimant, would make payment from the fund. If the claimant cannot be located for a period of two years from the date of deposit, such moneys will become a permanent part of the fund.

Your Committee made a typographical correction to this bill.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 748, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 748, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 818 Ecology, Environment and Recreation on H.B. No. 467

The purpose of this bill is to amend section 187-1.3, Hawaii Revised Statutes, relating to the Fish and Wildlife Advisory Committees, by deleting the provision which set members' terms of service at two years, and which provided for the initial "staggering" of the members' terms.

Testimony in support of this bill from the Department of Land and Natural Resources and the Environmental Center of the University of Hawaii revealed that section 26-34, Hawaii Revised Statutes, establishes four-year terms for members of state boards and commissions, unless otherwise provided by law. Thus, by deleting section 187-1.3's reference to two-year terms for members of the Fish and Wildlife Advisory Committees, the terms of the members of the committee would be extended to four years, as provided by section 26-34. The testimony of the department further revealed that deleting section 187-1.3's provision for the initial staggering of members' terms would have no effect, since the staggered terms have been established.

Your Committee finds that having advisory committee members serve longer terms will enable them to acquire more expertise and will thereby increase the effectiveness of the committees.

Your Committee has, at the recommendation of the department, amended the bill to provide that the advisory committees may provide advice, not only to the department's division of fish and game, but to its other divisions as well. This amendment reflects the fact that there are other divisions in the department, such as the division of conservation and resources enforcement and the division of forestry, which perform functions which are relevant to the areas of concern of the advisory committees.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of H.B. No. 467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 467, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 819 Ecology, Environment and Recreation on H.B. No. 763

The purpose of this bill is to increase the maximum penalty for violations of the laws and rules applicable to natural area reserves.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources. That testimony revealed that current penalties are too low to deter violations, and that the increased penalties would be consistent with penalties imposed for violations of other natural environment preservation measures, such as those pertaining to bird sanctuaries and endangered species.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 763 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 820 Ecology, Environment and Recreation on H.B. No. 1232

The purpose of this bill is to repeal the prohibition on sales of beverages in plastic beverage containers.

Your Committee received favorable testimony from the Department of Health stating that unless major technological or consumer changes occur, plastic beverage container litter will be an insignificant problem.

Information submitted by the Society of Plastics Industry, Inc. revealed that plastic beverage containers, when burned, do not create an air pollution problem, constitute less than one per cent of the litter stream, are safer than other beverage containers, require less energy to be made, have recoverable energy value, are recyclable, and, if prohibited, would cause a loss of employment.

Your Committee notes that the Circuit Court of the First Circuit, State of Hawaii, held Section 339-7(b), Hawaii Revised Statutes, unconstitutional.

Your Committee on Ecology, Environment, and Recreation is in accord with the intent and purpose of H.B. No. 1232 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 821 Education on H.B. No. 32

The purpose of this bill is to extend the three-year job-sharing pilot project of the Department of Education, which is scheduled to end at the close of the 1980-81 academic year, for an additional two academic years.

Although the Department of Education is in favor of extension of the job-sharing project, the department indicated concern with respect to collective bargaining and the collective bargaining agreement between the Board of Education and the Hawaii State Teachers Association. This concern centers around the status of job-sharers who work less than twenty hours per week in light of the provisions of section 89-6(c) which excludes part-time employees who work less than twenty hours per week from bargaining units.

Your Committee agreed that the job-sharing pilot project should be extended for a period of two years during which time the concerns expressed by the department and teachers could be addressed by appropriate statutory change.

Your Committee has amended the bill to provide for additional reports by the Legislative Auditor. Your Committee has also made technical changes which have no substantive effect.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 32, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 822 Education on H.B. No. 33

The purpose of this bill is to transfer responsibility for operating the public libraries and the planning, programming, and budgeting of all community/school and public libraries from the Department of Education to the Board of Education through the state librarian.

Under present law, the administration of programs related to library services are within the responsibilities of the superintendent of education and the state librarian is under the direction of the superintendent.

This bill leaves the responsibility for administering school library programs with the superintendent of education but transfers the responsibility for administration of programs relating to public library services and transcribing services for the blind to the state librarian under policies established by the Board of Education. Further, the state librarian is placed directly under the direction of the Board of Education, rather than the superintendent of education, and the state librarian is given the responsibility for planning, programming and budgeting of all community/school and public libraries within the state.

The Board of Education approved the Department of Education's proposal for reorganizing the public library system on February 19, 1981, and this bill provides the statutory authority for the reorganization.

Your Committee has amended the bill by:

(1) Changing the name of the Department of Education to Department of Education and Public Libraries.

(2) Adding a provision to add a new section to Chapter 296, Hawaii Revised Statutes, which specifically states that the Board of Education, through the state librarian, shall have control over the public library system except for school libraries.

(3) Adding provisions which change references to the Department of Education to the Board of Education in Sections 93-5, 312-1, 312-2, 312-3, 312-3.5, and 312-5, Hawaii Revised Statutes, to conform those sections with the intent of the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 33, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 33, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 823 Education on H.B. No. 1648

The purpose of this bill is to implement the provisions of Article X, Section 3 of the Hawaii State Constitution by conforming the statutes relating to the power of the Board of Education to the language of the Constitution.

By bringing the statutory provisions governing the powers of the Board of Education into greater conformance with the Hawaii Constitution, your Committee believes the respective roles, responsibilities, and authority of the Board of Education and the Superintendent of Education will thereby be significantly clarified. As a result, your Committee further believes that this bill will strengthen the board's authority to organize and manage Hawaii's system of public schools and thus facilitate the efforts of the board to effectively formulate policy and exercise control over the public schools.

Your Committee has amended the bill by making clarifying language changes which have no substantive effect.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1648, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 824 Education on H.B. No. 1765

The purpose of this bill is to require that the King Kamehameha Day Celebration Commission adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, relating to the King Kamehameha I Day parade, the use of the statute of King Kamehameha I, and all other functions, duties, and operations of the Commission.

Your Committee has amended the bill by adding the rule making requirement to Section 8-5, which creates the Commission, rather than adding a new section to Chapter 8. The bill has been further amended to state the rulemaking requirement in general terms rather than for the specific purposes as specified in the bill as received by your Committee.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1765, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 825 Health on H.B. No. 506

The purpose of this bill is to amend Chapter 326 of the Hawaii Revised Statutes to change the term "leprosy" to "Hansen's disease" and the term "leper" to "Hansen's disease sufferer" whenever they appear.

Continued use of the terms "leprosy" and "leper" creates undeserved and unnecessary negative connotations to those afflicted with Hansen's disease. Statutory changes for those terms are appropriate and long overdue.

Your Committee has amended this bill to correct drafting errors.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 506, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 506, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 826 Health on H.B. No. 738

The purpose of this bill is to amend the Department of Health's reporting requirements for the Crippled Children's Program to conform to new federal department designations. This bill also clarifies the ability of the department to adopt rules to implement the program.

This amendment is necessary due to the transfer of administrative responsibility for the Crippled Children's Program at the federal level from the Secretary of Labor to the Secretary of Health and Human Services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 738 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 827 Health on H.B. No. 1108

The purpose of this bill is to clarify the responsibilities of the University of Hawaii and the Department of Health for providing child psychiatric services at Leahi Hospital.

Your Committee received testimony which indicated that the administration of Leahi Hospital was transferred from the University of Hawaii to the Department of Health in 1976. At the time, only the University had the child psychiatric personnel to maintain the necessary clinical supervision and training program at the hospital. Since 1976, the Department of Health has acquired the necessary professional staff and can assume responsibility for providing child psychiatric services.

Your Committee has made minor technical amendments to the bill which have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1108, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 828    Health on H.B. No. 1514

The purpose of this bill is to allow trained technicians to perform the post mortem removal of eyes from donors without the supervision of a doctor.

Your Committee finds that eyes must be enucleated within four hours of death if they are to be transplanted. Allowing trained technicians to perform enucleations will help to ensure that the procedure can be performed within the time limitation for transplantation.

Your Committee has amended the bill to correct a technical drafting error.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1514, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1514, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 829    Health on H.B. No. 1679

The purpose of this bill is to permit school health aides to assist students by administering oral and topical medication under certain conditions.

Your Committee received testimony that this is an essential service to students who must have oral or topical medication administered during school hours for chronic conditions in order that they remain in school. Your Committee has also heard testimony that alternatives to this approach tried during the fall of 1980 resulted in considerable disruption and hardships for students, parents and teachers.

Your Committee has amended this bill by deleting provisions which would continue the School Health Services Advisory Committee. The original purpose of the Advisory Committee was to advise the Department of Health on implementation of the program. Now that the program is fully implemented, there is little justification for continuance of the Advisory Committee.

In recent years despite sunset efforts, there has been a proliferation of boards, commissions, and advisory committees. These bodies entail costs for travel, per diem and other expenses, and often result in limited public input because government agencies tend to regard their advisory committees as the sole source of public input required. Your Committee believes that a better method of obtaining public input would be to hold public hearings on the various islands. This method would not only result in greater public participation but would probably be more cost-effective.

Your Committee has also amended the bill by making technical changes which have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1679, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 830    Transportation on H.B. No. 823

The purpose of this bill is to correct current statutory reference to the composition of the commission on transportation.

According to the current statutes, the commission on transportation is to be composed of one person from each senatorial district (currently eight in number) and three at-large representatives for a total of "nine" members. The bill corrects this mistake and allows for future changes, such as might occur in the wake of reapportionment, by deleting all reference to the total number of commission members.

Your Committee has made a technical, nonsubstantive amendment to the bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 823, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 823, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 831 Transportation on H.B. No. 1022

The purpose of this bill is to clarify the procedures towing companies must follow in disposing of unclaimed vehicles towed from private property and to accord them with the procedures set forth in Chapter 290, Hawaii Revised Statutes.

Your Committee is in complete accord with the purpose of this bill but is of the conviction that the procedures to be followed must be set forth in full detail. Cross-reference to procedures set forth in other portions of the law, the technique embraced in this bill, is not sufficiently precise.

Accordingly, your Committee has amended the bill to delete the cross-references and substitute a detailed set of procedures designed to serve this specific problem.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1022, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1022, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 832 Transportation on H.B. No. 1176

The purpose of this bill is to permit easier access to motor vehicle registration record files for purposes of research relative to such subjects as vehicle ownership, traffic safety, and vehicle sales, and at the same time provide safeguards against the undue invasion of vehicle owners' privacy.

The bill opens the files to government officials pursuant to rules and regulations adopted by the director of transportation. It also opens them to other parties provided they meet the following requirements:

1. Possess a legitimate need for access as determined by the director of transportation under terms of adopted rules and regulations.
2. Notify the owners of the vehicles in question of the anticipated project.
3. File an affidavit with the director of transportation stating the need for the information, making assurances that it will be used only for the stated purposes, and promising that it will not be used to compile a commercial mailing list or to assist in the collection of debts.
4. Sign a written agreement providing for payment of a fee for the information and provide a \$25,000 surety bond if access to the complete record file is requested.

Your Committee is aware that the needs of all parties must be balanced and believes this bill does so. It provides reasonable access to the files while protecting the privacy of those whose names are in these files.

Your Committee has amended the bill to make certain technical, nonsubstantive changes.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1176, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1176, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 833 (Majority) Judiciary on H.B. No. 200

The purpose of this bill is to provide that the Police Department be permitted to destroy any marijuana in excess of ten pounds after it has been photographed and its weight

recorded, and after thirty days have gone by. This thirty day period begins to run after the date of the arraignment of the person charged. The bill also provides that the defendant and/or his counsel shall have the right to view and to conduct an independent analysis of the evidence within the thirty day period.

Testimony submitted by the Police Department of the City and County of Honolulu indicates that storage of large amounts of marijuana is an increasing problem. Because of the limited amount of storage space available, destruction of marijuana in excess of ten pounds should be permissible.

Your Committee recognizes the inconvenience caused for the Police Department in terms of storage space and believes that this bill would adequately address that problem.

Your Committee has amended the bill by deleting that part of the provision which provides for the viewing and conducting of an independent analysis of the evidence seized within 30 days after arraignment since the Hawaii Rules of Penal Procedure, Rule 16 permits discovery of the evidence at any time, upon request.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 834    Judiciary on H.B. No. 328

The purpose of this bill is to ensure that Chapter 480, relating to state antitrust laws, be construed in conformance with judicial interpretations of comparable federal statute.

Hawaii's antitrust laws were enacted in 1961 and the intent of the legislature at that time was clearly to utilize the precedents developed in the federal law in applying Chapter 480. Conference Committee Report No. 19, H.B. No. 27, H.D. 2, S.D. 2, C.D. 1 (May 27, 1961) states:

In conclusion it is the intent of your committee on conference that wherever there are comparable provisions of the federal antitrust laws and tests similar in language to those provided in this bill, it is intended that those decided federal cases applicable and relating to those provisions and tests will guide the interpretation and application of such terms and provisions of this bill in the light of the economic and business conditions of this state. Id. at page 19.

Your Committee received testimony from the Antitrust Division of the Department of the Attorney General that in a recent case involving the state's first criminal antitrust action, the First Circuit Court ruled that in order to indict a defendant under Section 480-4, Hawaii Revised Statutes, Hawaii's counterpart to Section 1 of the Sherman Act, the state must allege and prove specific intent on the part of the defendant. The circuit court's ruling was in direct conflict with the U.S. Supreme Court's ruling in United States v. United States Gypsum Co., 438 U.S. 422 (1978), in which the court held that violations of Section 1 of the Sherman Act were general intent crimes. The state court's interpretation of Section 480-4, Hawaii Revised Statutes, would make state enforcement of state antitrust laws much more difficult and burdensome than federal enforcement of federal antitrust laws.

The Antitrust Division representative also testified that to allow the state court ruling to stand, antitrust violations would be severely hampered, as the state would be required to prove the more stringent standard of whether the defendant specifically intended to restrain trade, rather than merely that the defendant knowingly entered into a price-fixing arrangement. This bill would compel the state court to follow interpretations of comparable federal statutes in requiring proof of only general intent.

Your Committee has revised the bill by substituting the word "accordance" for the word "conformance" and the term "similar" for the word "comparable", to be in accord with similar statutes in other states. Further, a nonsubstantive technical change has been made to conform to the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 328, H.D. 1, S.D. 1, as amended herein, and recommends it pass Third Reading in the form attached hereto as H.B. No. 328, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 835 Judiciary on H.B. No. 541

The purpose of this bill is to require the Family Court to waive jurisdiction if a minor, who is at least sixteen years of age, is charged with a class A felony, and he has been previously adjudicated to be a law violator by committing any of the following:

- (1) Any act involving force or violence or the threat of force or violence and which is prohibited by law as being a class A felony;
- (2) Two or more acts within the last three years, each of which is prohibited by law as being a felony; or
- (3) One or more acts which are prohibited by law as being a felony and two or more acts which are prohibited by law as being a misdemeanor, all within the last three years.

Under the present law, the judge is given discretion as to whether or not jurisdiction should be waived.

Testimony submitted by the Police Department of the City and County of Honolulu and the Prosecuting Attorney's Office indicates that a requirement of mandatory waiver of jurisdiction in certain cases would have the effect of reducing crime here in Hawaii. Testimony submitted by the Police Department points to the fact that statistics have shown that many juveniles at ages thirteen and fourteen are heavily involved in serious crimes.

Your Committee recognizes that in order to deter the increasing occurrence of crime by minors it is necessary to hold them responsible for their actions.

Your Committee has amended subsection (c)(1) in Section 1 of H.B. No. 541, H.D. 1, to clarify that incident to a hearing at which a person's prior court record under Section 571-11(1) is established, if the court finds that the minor has been charged with a class A felony and has previously been determined to be a law violator as delineated in the bill, and is not committable to an institution for the mentally defective or retarded or the mentally ill, the court shall waive jurisdiction.

Also, your Committee has amended subsection (c)(2) of the bill by providing that jurisdiction must be waived where the minor is presently charged with a class A felony and has previously been determined to be a law violator by committing two or more acts, each constituting a felony, within the last two years prior to the date of the offense for which the person is presently charged. In addition, your Committee has deleted subsection (c)(3) of the bill.

Your Committee finds these amendments would further serve to deter the rise in criminal activities by minors and also preserve their constitutional rights.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 541, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 541, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 836 Judiciary on H.B. No. 585

The purpose of this bill is to amend Section 406-4, Hawaii Revised Statutes, so that corporations are not precluded from acting as guardians of the person. Under the present wording of Section 406-4, no corporation or joint-stock company, aside from trust companies or banks authorized to be in the trust business, can act as any type of guardian. This reference to "guardian" would presumably prohibit corporations from acting as guardians of the person, as well as guardian of the property.

Your Committee received a report on S.B. No. 844, which contains the same language as H.B. No. 585, on Guardianship and Protective Services in Hawaii, dated December 1980, from the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment and Protective Services in Hawaii. The report recommended enactment of legislation that would permit private, non-profit corporations to act as guardian of the person of mentally incapacitated people. It pointed out that parent groups, such as associations for retarded citizens, have formed corporations for this purpose so that the parents are assured of continuing guardians for their incapacitated children when the family can



no longer provide this service.

Your Committee is in agreement that it is desirable to amend existing legislation so as to permit corporations to act as guardians of the person. Your Committee further agrees that Section 560: 5-311, Hawaii Revised Statutes, be amended to permit private, non-profit corporations and trust companies to be guardian of the person, and has revised the bill by adding this amendment in Section 2 thereof.

The amendment would allow the Family Court to appoint any public or private non-profit agency as a guardian of the person. The provision against appointment of a corporation or agency directly providing services to the ward, has been added to avoid the potential conflict of interest for an agency such as the Department of Social Services and Housing in a role as guardian and as a public service agency.

Your Committee has also made other technical nonsubstantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 585, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 837     Judiciary on H.B. No. 1255

The purposes of this bill are to: (1) provide that the registration affidavit of an Office of Hawaiian Affairs (OHA) voter also apply to all elections, primary, special primary, general, special general, special, or county, held in the state; and (2) require the election clerk to purge the OHA-registered voter list of any voter who fails to vote in the OHA election if that individual also failed to vote in the general election held in conjunction with the OHA election and the preceding primary election.

Testimony submitted by the Association of Clerks and Election Officers of Hawaii and the Office of Hawaiian Affairs indicates that under the present law, the registration of voters for the OHA election is a separate registration process from regular elections. Consequently, confusion resulted among the voters registered for only the OHA election during the last general election because these voters mistakenly thought that they were also registered to vote in the general election.

Your Committee finds that allowing the OHA voter to subscribe to one affidavit as that individual's application for all elections permitted under Title II of the election laws will greatly reduce the burden of extra recordkeeping by election officials, in addition to eliminating the present confusion regarding voter registration requirements.

Further testimony indicated that the purging requirement is consistent with the present practice of purging the regular list of voters every two years in order to maintain a current and updated list of active voters.

Your Committee has amended the bill by neutralizing any reference to gender.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1255, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1255, S.D. 2.

Signed by all members of the Committee.

SCRep. 838     (Majority) Judiciary on H.B. No. 1337

The purpose of this bill is to amend Section 11-191(6)(A) to remove the words "appears or is reasonably certain to" to provide that any individual or committee organized for the purpose of accepting contributions or making expenditures for or against a candidate, issue or question that may appear on the ballot would be subject to the reporting requirements of Chapter 11 of the Hawaii Revised Statutes.

Your Committee finds that the provisions of this bill do not cover all organizations and committees that make expenditures to candidates in an election, under the campaign spending law. Therefore, we have amended this bill to include these provisions. In addition, we have amended present statutes relating to campaign contributions and expenditures; reports; and reporting procedures.

The bill does the following: (1) redefines "committee" under the law, so that exemption to registration and reporting requirements are given only to committees and individuals

who spend less than a set aggregate amount; (2) deletes the present provision that requires pledges to be counted as contributions; (3) changes from forty-five to sixty days before the primary or general election as the time committees must file organizational reports; (4) eliminates the present limitation of the number of fund raisers a candidate may have; (6) limits contributions of individuals to a candidate to fifty per cent of the campaign expenditures' limit for the office sought by the candidate; (7) deletes the limitation on a candidate or his immediate family to the candidate's campaign and the requirement that a minor shall be counted against the parent; (8) amends the requirement for the candidate to return contributions in excess of the limits on contributions; (9) ends the limitation of contributions of political parties to candidates; (10) proposes changes in the voluntary expenditure limits for each respective state and county office set forth; (11) simplifies campaign reporting procedures; (12) changes the filing dates for the deficit and surplus reports presently required; (13) eliminates the present requirement of filing reports in years in which a person is not a candidate; (14) increases the maximum amount of available public funds in any election year from \$100 to \$500 for qualifying candidates for the offices of representative, state senator, county council, prosecuting attorney, board of education, and all other offices besides governor, lieutenant governor, and mayor; (15) eliminates the present requirement that a qualifying candidate receive no more than fifty per cent of the amount to which entitled for an election; and (16) eliminates the necessity of a contributor making contributions to five different candidates to obtain the maximum deduction of \$500.

Your Committee believes that H.B. 1337, H.D. 1 should be revised to reflect the above provisions to clarify existing law on campaign contributions and spending.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1337, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1337, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators O'Connor and Yee did not concur.

SCRep. 839 (Majority) Judiciary on H.B. No. 204

The purpose of this bill is to provide that property recovered in theft and other related offenses may be photographed, and the photographs may be admitted as competent evidence in any hearing or trial. At present, property recovered by the police is kept until the trial and appeal process has been concluded. This provision would permit the police to return the property of the person after the item has been photographed and authenticated.

Testimony in favor of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu. The Hawaii Prosecuting Attorneys' Association was also cited in the testimony as being in favor of this bill. The testimony stated that the bill would allow the victim of crime to get his property back with a minimum of discomfort and inconvenience, and in an orderly procedure. They also noted that photographing and returning of items is presently allowed in shoplifting offenses.

Your Committee finds that this bill would be beneficial in terms of giving the victim of a burglary or theft use of the property as soon as possible while also insuring that competent evidence is available at the time of trial.

Your Committee has amended the bill to provide that either party who opposes the return of the property may seek an injunction upon a showing of good cause. Your Committee feels that there may be situations where the return of the evidence is detrimental to one of the parties involved.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 204, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 204, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 840 Judiciary on H.B. No. 567

The purpose of this bill is to establish mandatory fines and imprisonment for persons convicted of the offense of prostitution.

Testimony in support of establishment of mandatory penalties was received from representatives of the Honolulu Police Department, the Office of the Prosecuting Attorney, City

and County of Honolulu, the Waikiki Improvement Association, and the Chamber of Commerce of Hawaii. Lieutenant Stanley Atkins, Narcotic/Vice Division, Honolulu Police Department, testified that less than six per cent of those charged with prostitution during the past year were imprisoned and fines for those convicted averaged only \$100. He pointed out that over forty per cent of those arrested in Hawaii in 1980 were first-time offenders. Testimony from all of the above groups supported mandatory fines and imprisonment as a deterrent to prostitutes operating in the state.

Your Committee supports this bill. However, it is believed that it would be desirable to provide for a jail term of fifteen days which a judge could impose in lieu of the \$500 fine, in the case of a first offense. The bill has been amended accordingly. Furthermore, your Committee finds that although "subsequent offense" is not specifically defined, for purposes of subsection (4) (b) of Section 712-1200, Hawaii Revised Statutes, it is conceivable that this term could include prior offenses that have occurred in other states.

Your Committee has further made nonsubstantive technical changes to the bill.

Your Committee on Judiciary is in favor of the intent and purpose of H.B. No. 567, 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. 567, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 841 Health on H.B. No. 924

The purpose of this bill is to establish a permanent program in the Department of Health for the early identification of school children with impaired hearing and vision.

Your Committee finds that school children with impaired hearing and vision are often unaware of their handicaps and early detection is beneficial when these deficiencies are still treatable. The establishment of this permanent program is approved by your Committee.

Your Committee has amended the bill to recommend to parents further evaluation of children who are found to have vision or hearing deficiencies. As received the bill would have required the department to recommend appropriate referrals by an optometrist or physician.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 924, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 924, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Toyofuku.

SCRep. 842 Judiciary on H.B. No. 338

The purpose of this bill is to remove the prohibition against the immediate relatives of candidates from serving as deputy voter registrars.

The testimony submitted by the Office of the Lieutenant Governor on S.B. No. 983, which is identical to H.B. No. 338, H.D. 1, indicates that the present prohibition tends to discriminate against new candidates who do not have large political organizations. New candidates must often rely upon close relatives for support in their campaigns. Therefore, this prohibition should be removed.

Your Committee recognized that this will make the voting process go smoothly and efficiently.

Your Committee has made a minor nonsubstantive change by amending the word "his" to a neuter term of "the clerk's".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 338, 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. 338, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 843 (Majority) Judiciary on H.B. No. 84

The purpose of this bill is to place the provision for insanity as an affirmative defense in a new section of Chapter 704.

Under the Hawaii Penal Code, as presently worded, when a defendant raises the defense provided by sections 704-400 and 704-402, Hawaii Revised Statutes, the burden is on the prosecution to prove "beyond a reasonable doubt" that the defendant had "substantial capacity to appreciate the wrongfulness of his conduct and to conform his conduct to the requirements of the law."

Due to the uncertainty inherent in requiring a psychiatrist or other expert to assess a defendant's state of mind at a prior time (which the expert did not observe), this burden of proof is extremely difficult and sometimes impossible to meet.

Your Committee believes that due to the nature of the evidence available to the prosecution, the law must recognize that when there is no black and white it must content itself with different shades of gray. (See model penal code, tentative draft No. 4, comments at 156 (1955)). However, your Committee does not believe that the proper remedy is to shift the burden of proof entirely to the defendant.

Instead, a better approach to dealing with the problem of insanity is to reduce the prosecution's burden of proof "beyond a reasonable doubt" and instead, to require that the prosecution need only prove by "clear and convincing evidence" that the defendant is legally sane. This standard has been adopted and approved by the United States Supreme Court in Addington v. Texas, 441 U.S. 418 (1979) as the appropriate standard of proof in the area of involuntary civil commitments.

Moreover, while this approach reduces the prosecution's burden of proof with respect to the insanity defense, and addresses the concerns raised by the community, it does not conflict with the defendant's right to due process of law. Pursuant to the United States Supreme Court's holdings in Leland v. Oregon, 343 U.S. 790 (1952); Rivera v. Delaware, 429 U.S. 877 (1976) and Patterson v. New York, 432 U.S. 197 (1977), the bill is constitutionally sound. Leland v. Oregon and its progeny clearly permit the state to alter the standard of proof relating to the insanity defense, and in no way dilutes the prosecution's burden of proving each and every element of the offense charged beyond a reasonable doubt. In Patterson v. New York, the court stated that it is normally "within the power of the state to regulate procedures under which its laws are carried out, including the burden of producing evidence and the burden of persuasion", and its decision in this regard is not subject to proscription under the Constitution unless it offends the people's notion of justice as rooted in the traditions of the people. Your Committee finds that this bill is in accordance with these court decisions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 84, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 84, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Cayetano and O'Connor did not concur.

SCRep. 844 (Majority) Judiciary on H.B. No. 1550

The purpose of this bill is to amend Section 702-205, Hawaii Revised Statutes, to provide that an affirmative defense is not an element of an offense.

The provision relating to an affirmative defense will simply conform Section 702-205, Hawaii Revised Statutes, to the Hawaii Supreme Court's holding in State v. Anderson, 58 Hawaii 479 (1977). In construing Section 702-205, Hawaii Revised Statutes, the Court in Anderson held that an affirmative defense is not an element of the offense charged. The statutory change would simply codify this holding of the Supreme Court.

Your Committee has amended the bill to also provide an amendment relating to the insanity defense, Section 704-400, Hawaii Revised Statutes, which amendment is in conformity with the decision and cases cited by the Supreme Court in Patterson v. New York, 432 U.S. 197, 53 L. Ed. 2d 281, 97 S. Ct. 2319 (1977). This amendment is believed necessary to permit the change in the burden of proof proposed in H.B. No. 84, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PENAL RESPONSIBILITY AND FITNESS TO PROCEED."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1550, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Cayetano and O'Connor did not concur.

SCRep. 845 (Majority) Judiciary on H.B. No. 300

The purpose of this bill is to define all firearms as dangerous instruments whether they are loaded, unloaded, operable, or inoperable.

Your Committee held a hearing on this bill and a proposed senate draft amending the rape laws. Numerous testimony was received in support of the suggested changes, citing additional revisions to our present rape laws. The testimony also stated that there is a compelling need for justice to be served in the punishment of such heinous crimes as rape and sodomy, where a person's body is physically violated against the person's will.

Your Committee finds that the present laws on rape and sodomy place too heavy a burden of proof on the prosecutor and underestimates the seriousness of the crime. Therefore, your Committee has amended the bill by deleting the original amendments; revising the laws on rape and sodomy and increasing the penalties in correlation with the seriousness of the crime, as follows:

(1) Revised the definition of "Forcible compulsion" by eliminating the present requirement of physical force that overcomes resistance to a showing of physical force that causes a person to submit; a threat that places a person in fear of death, bodily injury or kidnapping to a showing of a threat that causes a person to submit; and now requires that physical or verbal resistance by the person is not an element of this definition.

This amendment provides a more workable definition of "Forcible compulsion" and clarifies existing rape and sodomy statutes.

(2) Amended the provisions relating to rape and sodomy in the first degree by deleting the provision regarding prior sexual intercourse with a voluntary social companion; and added provisions which include a showing that a person is aided or abetted by one or more persons, or uses or threatens the use of a dangerous instrument. The penalty has been increased by establishing an indeterminate term of imprisonment for a class A felony, with the courts having the discretion to impose a sentence of life imprisonment or twenty years. In all cases the minimum length of imprisonment shall be set by the Hawaii Paroling Authority. Additionally, a new section to chapter 706 has been established for the purposes of the new sentencing. These revisions were made because of the serious nature of the crimes of rape and sodomy in the first degree. It is felt that the imposition of more severe sentencing would deter the rising incidents of these crimes.

(3) Revised the provisions relating to rape and sodomy in the second degree by changing the requirement that a person intentionally engages in sexual or deviate sexual intercourse with a person less than fourteen years old to a requirement that a person intentionally engages in these acts with a person less than fourteen years old and recklessly inflicts bodily injury on that person. The offense has been changed to a class A felony from a class B felony.

(4) Amended the provisions relating to rape and sodomy in the third degree by including that a person intentionally engages in sexual and deviate sexual intercourse with a person less than fourteen years old. The offense has been changed to a class B felony from a class C felony.

(5) Revised the provision relating to "Prompt complaint" by increasing the time for making of a complaint to six months from three months. This amendment was made because your Committee finds that six months is a more reasonable time for a person to file a complaint.

The statutory amendments now read as follows:

#### SECTION 1:

The definition in Section 707-700 of "Forcible compulsion" means:

- a) The use of physical force or physical violence which causes the person to submit;  
or
- b) The use of a threat, express or implied against the person or any other which causes the person to submit.

Physical or verbal resistance by the person is not an element of forcible compulsion.

#### SECTION 2:

Section 707-730, "Rape in the first degree.", a person intentionally engages in sexual intercourse, by forcible compulsion, with another person, and recklessly inflicts serious bodily injury upon the person or any other person present; or is aided or abetted by

one or more persons; or uses or threatens to use a dangerous instrument. The offense is a class A felony with a sentence of an indeterminate term of imprisonment, where in such cases, the court may impose life imprisonment with possibility of parole or twenty years, and in all other cases the minimum length of imprisonment shall be determined by the Hawaii Paroling Authority.

#### SECTION 3:

Section 707-731, "Rape in the third degree.", a person intentionally engages in sexual intercourse with another person and uses forcible compulsion; or, if the other person is less than fourteen years old and recklessly inflicts bodily injury upon this person. The offense is a class A felony.

#### SECTION 4:

Section 707-732, "Rape in the second third degree.", a person intentionally engages in sexual intercourse and the other person is mentally defective, mentally incapacitated, or physically helpless; or the other person is less than fourteen years old. The offense is a class B felony.

#### SECTION 5:

Section 707-733, "Sodomy in the first degree.", a person uses forcible compulsion to engage in deviate sexual intercourse with another person or causes another person to engage in deviate sexual intercourse, and recklessly inflicts serious bodily injury upon the other person; or is aided or abetted by one or more other persons; or uses or threatens use of a dangerous instrument. The penalty is the same for rape in the first degree.

#### SECTION 6:

Section 707-734, "Sodomy in the second degree.", a person intentionally engages in deviate sexual intercourse with another person or causes another person to engage in deviate sexual intercourse and uses forcible compulsion; or, if the person is less than fourteen years old, recklessly inflicts bodily injury upon this person. The offense is a class A felony.

#### SECTION 7:

Section 707-735, "Sodomy in the third degree.", a person intentionally engages in deviate sexual intercourse with another person, or causes another person to engage in deviate sexual intercourse and the other person is mentally defective, mentally incapacitated, or physically helpless; or the other person is less than fourteen years old. The offense is a class B felony.

#### SECTION 8:

Section 707-740, "Prompt complaint.", changes the requirement that no prosecution may be instituted or maintained unless the alleged offense was brought to the notice of public authority within six months of its occurrence. Present law requires the alleged offense to be reported within three months of its occurrence.

#### SECTION 9:

Establishes a new section to Chapter 706, to set the sentences for first degree rape and sodomy. This section requires the sentence to be an indeterminate term of imprisonment, where the court may set a sentence of life imprisonment with parole or twenty years. In all cases the minimum length of imprisonment shall be set by the Hawaii Paroling Authority.

Your Committee notes that although the original amendments of this bill were deleted, the original purpose of this bill is of merit. However, at the present time the issue of rape would have more severe consequences if the laws relating to rape were not changed now. Since this issue has such importance to the whole community, your Committee found that this subject necessitated separation from any other issue which may have clouded the concerns of the rape laws. It is the intent of your Committee to act upon the original purpose of this bill in the future.

Your Committee further notes that the proposed revision of the rape laws was drafted through the efforts and contributions of representatives, in the legal field and other areas, who showed concern for this issue. We extend our appreciation to all of those involved.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 846 Ecology, Environment and Recreation on H.B. No. 760

The purpose of this bill is to amend Chapter 171 of the Hawaii Revised Statutes to eliminate conflicts with other sections of the statutes, to make clearer the intent of the sections and to reflect current responsibilities of the Department of Land and Natural Resources.

Your Committee received testimony from the Department of Land and Natural Resources in support of this bill.

Your Committee recently received a letter from Mr. Susumu Ono, chairman of the Board of Land and Natural Resources, which revealed the existence of other provisions of Chapter 171 which are internally inconsistent, unclear in intent, or which do not reflect the current responsibilities of the department. Your Committee has amended two other sections to the bill. Your Committee finds that the definition of "public lands" found in section 171-2 and the provisions of section 171-11, as currently written, are inconsistent and ambiguous. Your Committee has amended the definition of "public lands" in section 171-2 to delete, from the enumerated exceptions to the definition, lands set aside by the governor or lands set aside prior to the enactment of the chapter, and has added language to section 171-11 clarifying that land set aside by the governor prior to enactment of Chapter 171 are governed by section 171-11.

Your Committee on Ecology, Environment and Recreation is in accord with the intent and purpose of H.B. No. 760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 760, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Cobb and Mizuguchi.

SCRep. 847 (Majority) Judiciary on H.B. No. 293

The purpose of this bill is to restrict and control the acquisition and possession of firearms. More specifically, this would require detailed information on each firearm to be submitted by individuals bringing firearms into the state. The bill would also require permits to acquire any firearm including rifles and shotguns, which are currently exempt from the permit requirements. The bill also would prohibit the ownership and possession of any firearm by a fugitive from justice or any person indicted or convicted of any crime of violence. This prohibition pertains to the following persons, unless such persons have been medically documented to have been cured: (1) persons under treatment for addiction to drugs and intoxicating liquor; (2) persons who have been confined to a psychiatric facility; or (3) persons acquitted of a crime by reasons of mental disease, disorder or defect.

The major provisions of the bill are as follows:

- (1) Permits shall be required to acquire any type of firearm including rifles and shotguns. Permits for rifles and shotguns shall be valid for one year from the date of issuance. Permits to acquire pistols and revolvers require a separate application for each acquisition.
- (2) No permit shall be issued until ten calendar days have elapsed and each application shall include pertinent information including fingerprints, photographs, address, sex, height, weight, birthdate and social security number.
- (3) All pistols and revolvers must be registered with the Police within five days of acquisition.
- (4) Loans of any firearms to adults shall not exceed a period of seventy-five days.
- (5) No firearm may be loaned to a fugitive from justice, or person under indictment for or convicted of a felony or crime of violence.
- (6) The definition of "pistol" or "revolver" shall include all firearms with a barrel of sixteen inches or less.
- (7) Before a permit to purchase may be issued, it is required that a period of ten days elapse after application.

- (8) Permits to minors for the purpose of hunting or for target shooting.
- (9) A method for disposal of any firearm by persons disqualified from ownership and possession, and setting forth the penalty for violations has been provided for.

Your Committee heard extensive testimony from various law enforcement agencies, community organizations and individuals, and is in support of the purpose of this bill. Such purpose is to help the police stem the rising rate of violent crimes involving the use of firearms, by having more stringent procedures for the acquisition, possession and regulation of firearms. Your Committee carefully studied the bill and the testimony presented, and, after due consideration, has made several revisions thereto, which are outlined as follows:

1. Permits will not be required for rifles with barrel lengths of sixteen inches or over, and shotguns with barrel lengths of eighteen inches or over.
2. Amended the provision requiring registration of a firearm brought into the state to only apply to citizens of the United States and prohibits any alien from bringing any firearm into the state.
3. Deleted the provisions of permitting a person to loan a firearm to a minor for hunting or target shooting. This change was made because of conflicts with this bill's provision for a minor to obtain a permit for such use and existing statutory language, in section 134-3, requiring that no person shall possess a firearm without obtaining a permit.
4. Deleted provisions permitting an adult to loan a rifle or shotgun without first obtaining a permit for a period not to exceed seventy-five days. This amendment was made because of present statutory language, as stated above, prohibiting possession by any person without obtaining a permit.
5. Deleted the provision stating that no firearm shall be loaned to a fugitive from justice, a person under indictment for or convicted of a felony or crime of violence. This change was made because of present statutory language, in section 134-3, prohibiting such loan.
6. Amended the provision of issuing permits to minors with respect to the carrying and use of any firearm to the carrying and use of any rifle or shotgun set forth in section 134-5. This change was made to conform with section 134-5, which allows only the carrying and use of rifles and shotguns by minors.
7. A minimum time limit of ten calendar days or the clearing of the fingerprint check, whichever is earlier, and a maximum time limit of thirty calendar days for issuance or denial of the permit to acquire, after the date of the application.
8. Fingerprint impressions and photographs must be taken with each permit application, provided, that if application for a subsequent permit is made within the twelve-month period after issuance of a prior permit, no fingerprint check shall be required.
9. The bill is revised to reflect that prohibition against possession by a person with a mental history, is only for that type of disease, disorder or defect which renders him dangerous to himself or others or their property.
10. Deleted the provision for disqualified persons to dispose of firearms and ammunition in their possession. This change was made because, in all probable cases, no fugitive from justice, convicted person, or any other person prohibited from ownership or possession, would attempt to obtain a permit to acquire a firearm, and thereby risk being disqualified. In all other cases for disqualification, such a disqualified person would not yet be in possession of the firearm for which the person is applying for a permit; therefore there would be no firearm to dispose. Concurrently, there is no provision in this bill to inform the police of any firearm already in the disqualified person's possession, making it difficult for the police to enforce this provision for disposal.

Finally, your Committee has made non-substantive changes to conform to the Ramseyer format and for purposes of clarification to conform with the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 293, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 293, 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 and Yee.  
Senators Kobayashi and Soares did not concur.

SCRep. 848 Consumer Protection and Commerce on H.B. No. 1511

The purpose of this bill is to define and permit wraparound loan mortgages for the financing of home purchases.

Basically, under the wraparound concept, a purchaser of real property (through a lender) "assumes" an existing mortgage which was negotiated at interest rates below present prevailing rates. Most loans subject to "wrapping" were made through the FHA, VA, or other loan programs which "import" money into the state to finance home ownership.

By "wrapping" rather than "cashing out" the existing mortgage, loan funds from out-of-state remain in Hawaii at lower than prevailing interest rates. This reduces monthly payments and enables more buyers to qualify for home mortgages. Because assuming loans requires a substantially smaller commitment of funds, lenders can stretch available loan funds and further enhance the availability of mortgage dollars in the state.

Typically, the rate of interest on a "wrapped" loan is below ten per cent. Normally, a homeowner is charged between ten per cent to twelve per cent by the lender who has assumed the first mortgage. However, because the lender is required to commit much less "up-front" cash to wrap the existing loan, the actual, indirect return will exceed twelve per cent.

Many states, having recognized the advantages of wraparound financing, allow this type of real property mortgage. However, because a wraparound mortgage can be construed as a loan secured by property subject to a prior lien, lenders in Hawaii are, in effect, prohibited from making this kind of loan because under section 478-8, Hawaii Revised Statutes, only loans secured by a first lien is exempted from the twelve per cent limit on interest.

Your Committee finds that the advantages of wraparound loans to the state justify allowing this type of real property financing. This bill defines wraparound mortgages, using federal regulations as a model, and adds it to the present section which exempts first mortgages from certain interest limitations.

Your Committee amended the bill to classify wraparound liens as first liens for the purpose of exemption from the usury statutes, rather than exempting it in addition to first liens. Also, the term "wraparound junior lien" was amended by removing the word "junior." These changes are intended to clarify the intent of the bill and to conform to relevant federal regulations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1511, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1511, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 849 Consumer Protection and Commerce on H.B. No. 1769

The purpose of this bill is to extend the existence of chapter 441, Hawaii Revised Statutes, relating to cemeteries and mortuaries, to December 31, 1987 (the chapter is scheduled to be repealed effective December 31, 1981, under the "sunset" law), and to make various amendments to the chapter conforming to the recommendations of the Legislative Auditor in his Sunset Evaluation Report on chapter 441.

As received by your Committee, this bill amended chapter 441, Hawaii Revised Statutes, by abolishing the Cemetery and Mortuary Board and placing the responsibility for regulation of mortuary, cemetery, and pre-need funeral authorities with the Director of the Department of Regulatory Agencies. The bill also exempted cemeteries from present bonding requirements and deleted licensing and bonding requirements for cemetery and pre-need funeral salesmen. Further, the bill made changes in the present law dealing with pre-need trusts and perpetual care funds and added a new section to the chapter requiring sales contracts to explain trust provisions, refund provisions, and what related purchases, if any, may be necessary, in addition to the items or services purchased under the contract.

Upon consideration of this measure, your Committee has amended the bill to:

(1) Retain the present law requiring the licensing and bonding of mortuaries. Your Committee finds that the requirements afford consumers an extra measure of protection and is not overly burdensome on mortuaries.

(2) Retain the present laws relating to pre-need trusts and perpetual care funds. The changes in the law proposed in the House draft of this bill were intended to meet certain criticisms of the law made by the Legislative Auditor. However, your Committee finds, on the basis of testimony presented and its review of the bill, that the proposed changes would have imposed overly onerous and impractical burdens on the administrators of pre-need trusts and perpetual care funds and would probably have resulted in increased costs to consumers. Your Committee further finds that certain of the Auditor's criticisms, particularly with regard to section 441-22.2, dealing with funds required to be deposited in pre-need trusts, can be dealt with by rules and it is your Committee's intent that the Director of Regulatory Agencies adopt appropriate rules to ensure proper protection is afforded to consumers.

(3) Change the proposed new section relating to information required in sales contracts to allow an oral explanation of related purchases which may be necessary in connection with a sales contract.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1769, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1769, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Machida and Yee.

SCRep. 850 (Joint/Majority) Human Resources and Ways and Means on H.B. No. 1870

The purpose of this bill is to increase the actual or maximum salaries of certain elected and appointed public officers of the state government. Basically, the bill increases the salary figures by twenty per cent.

Your Committees have substantially amended the bill in the following manner:

(1) The increase of actual or maximum salaries has been reduced to seven per cent for the governor, the lieutenant governor, the superintendent of education, department heads, the adjutant general, the executive director of the public broadcasting authority, the deputy commissioner of credit unions, first and second assistants to department heads, and the administrative director.

(2) No increase has been granted to the president of the University of Hawaii, director of the executive office on aging, chairman and members of the Hawaii paroling authority, assistant insurance commissioner, consumer protector, and public defender. The statutes establishing the salaries of these public officers, however, have been consolidated under section 26-52, Hawaii Revised Statutes, as amended by this bill.

(3) No increase has been granted to the federal programs coordinator and marine affairs coordinator and their salary figures have been deleted from section 26-52, Hawaii Revised Statutes, as amended by this bill.

(4) The statutes which provide that the salaries of certain public officers are the same as the salary of circuit court judges have been amended. The tie-in language has been replaced by the sum of \$42,500 a year, which is the current salary of circuit court judges. Statutes amended in this manner relate to the legislative auditor, director of the legislative reference bureau, ombudsman, chairman of the public utilities commission, chairman of the labor and industrial relations appeals board, and chairman of the Hawaii public employment relations board. In addition, statutory language which relates the maximum or actual salaries of the first assistants or deputies of legislative service agencies and members of the boards to ninety-five per cent of the salaries of their superiors have been replaced by the sum of \$40,375 a year.

(5) The maximum salaries of certain other public officers which are not currently established by law are set statutorily and consolidated under section 26-52, Hawaii Revised Statutes, as amended by this bill. These public officers are the chief negotiator, director of the state immigrant services center, director of the progressive neighborhoods program, director of the office of children and youth, director of the Hawaii office of economic opportunity, executive director of the Hawaii housing authority, executive director of the campaign spending commission, executive secretary of the public employees' retirement system, administrator of the Hawaii public employees' health fund, stadium manager, deputy

stadium manager, administrator of the state health planning and development agency, and special assistant to the governor for agriculture. The maximum salaries, however, are left blank.

In addition, amendments conforming the Hawaii Revised Statutes to the substantive amendments of the bill have been made. Technical, nonsubstantive amendments have also been made.

This bill, as amended, serves two purposes. It increases the salaries of some public officers. It also consolidates and places under greater legislative control the salaries of public officers who have important responsibilities in state government.

Your Committees on Human Resources and Ways and Means are in accord with the intent and purpose of H.B. No. 1870, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1870, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Yee.  
Senator Kawasaki did not concur.

SCRep. 851 (Joint) Ecology, Environment and Recreation and Economic Development on H.B. No. 511

The purpose of this bill is to enable the Maunalaha Valley (Makiki) residents who have lived on the land for many years to obtain leases directly.

Your Committees find that the Maunalaha Valley residents have lived there lawfully for many years (before 1920) and have built homes, (also lawfully) prior to 1940.

Your Committees also find that the various governments of Hawaii (since monarchical days) have expressed an intent to grant long term tenure to them. In spite of the documented evidence of such intent, the people of Maunalaha Valley have had only leases with a 30-day relocation restriction.

Your Committees further find that the situation works an economic hardship because improvement financing cannot be found with only a 30-day tenure on the property. In addition, there is a moral obligation to enable the Valley residents to occupy the land with assurances which cover more than a month.

Your Committees have amended the bill to a General Law Bill to accomplish the purpose of the original bill which was drafted to address the unique situation of the Maunalaha Valley residents.

Your Committees on Ecology, Environment and Recreation, and Economic Development are in accord with the intent and purpose of H.B. No. 511, H.D.1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 511, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 852 Economic Development on H.B. No. 754

The purpose of this bill is to amend section 189-3, Hawaii Revised Statutes, to protect trade secrets and other confidential information of individual licensed commercial fishers who are required to submit information to the Department of Land and Natural Resources through the "monthly fish catch reports."

Pursuant to section 189-3 of the Hawaii Revised Statutes, the Department of Land and Natural Resources receives monthly catch reports from licensed commercial fishers which contain information including location and amount of fish caught, the type of fishing gear used, and primary producers values for catches sold. Understandably, commercial fishers regard certain of these information that reveal their fishing operation as trade secrets which should not be disclosed to others. Hence, a problem has surfaced in that the present language of section 189-3 does not clearly provide exceptions to public divulgence of the monthly catch reports.

Your Committee finds that the proposed bill will establish that all information contained in the monthly catch report are confidential, except that such information in summary or aggregate form that maintain the anonymity of individuals may be released or made public by the Department of Land and Natural Resources. Your Committee further finds

by assuring the privacy of such information, the Department of Land and Natural Resources will gain the confidence of commercial fishers, thereby enabling the department to obtain more exacting information needed to properly manage the fishery resources.

Your Committee has amended the bill to exclude precious coral from being confidential and exempt from disclosure except with a court order.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 754, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 853     Economic Development on H.B. No. 822

The purpose of this bill is to amend HRS section 171-20 to reduce the time period for the state to take action because of failure by any lessee of state lands to make timely payments on their lease agreements. A further purpose of the bill is to recognize the special benefit that is conferred upon a recipient of a lease for state land by inserting the word "privilege" into appropriate portions of section 171-21, Hawaii Revised Statutes.

Under the existing laws, the state must give sixty days written notice to a party upon the default of any term, covenant, restriction, or condition of any lease, patent, license, agreement, or other instrument. The slowness under present procedure in identifying delinquent accounts has allowed delinquencies to continue for nearly four months before termination proceedings are initiated. The effect of this bill is to allow the state to take action because of the failure of a lessee of state lands to make timely payments on a lease agreement in less than sixty days after receipt of a written notice of such a failure by the lessee.

Your Committee has amended the bill to allow the state to require that any default in the payment of rent be cured within the period set forth in the notice to the tenant which period may be less than sixty days, but not less than five business days, after receipt of the notice. This notice provision conforms with the Residential Landlord-Tenant Code of the Hawaii Revised Statutes.

Your Committee has also made technical, nonsubstantive changes to the bill.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 822 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 822, S.D.1, and be placed on the Calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 854     Economic Development on H.B. No. 1590

The purpose of this bill is to clarify provisions in the current statutes regarding the leasing and development of state-owned, submerged lands and lands beneath tidal waters.

Your Committee finds that there are two statutory avenues under which the Board of Land and Natural Resources can lease submerged lands and lands beneath tidal waters. H.R.S. section 171-60(a) provides that the board may, with the prior approval of the governor and authorization of the legislature, either (1) "lease public lands, including submerged lands . . . to a private developer or developers," and (2) "enter into a development agreement with a private developer or developers, for development and subdivision of such public lands . . ." H.R.S. section 171-53(c) provides that "the board may, with the prior approval of the governor, lease submerged lands, and lands beneath tidal waters which it deems are suitable for reclamation . . ."

Thus, both sections 171-60 and 171-53 allow the board to lease submerged lands to private developers with the approval of the governor; however, while section 171-60 also requires the authorization of the legislature, section 171-53 does not require such authorization. Also, section 171-60 pertains only to private developers, while leases could be issued under section 171-53 to persons other than private developers.

Your Committee further finds that some proposals for reclaiming submerged lands and land beneath tidal waters would not involve projects of a magnitude sufficient to necessitate legislative review and approval. One such case, as an example, might be a private homeowner

who wishes to construct a small boat dock on state-owned submerged lands near his home.

Your Committee has amended the bill by deleting section 1 of the bill. As the bill has been amended by the previous committee, the original purpose of the bill, as stated in section 1, has become otiose.

Your Committee on Economic Development is in accord with the intent and purpose of H.B. No. 1590, 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. 1590, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 855 Consumer Protection and Commerce on H.B. No. 781

The purpose of this bill is to provide the director of regulatory agencies with a general subpoena power in the course of the department's investigations and also to provide investigators of the department with the power and authority of a police officer or deputy sheriff.

Under present law, only the hearings officer of the department may issue subpoenas and then only during the conduct of hearings. This bill would provide that authority to the director at the investigation state of cases and complaints brought before the department.

This bill would also provide the Department of Regulatory Agencies' investigators with the powers of police officers and deputy sheriffs. This grant of power is intended to facilitate the department's investigations by eliminating its dependence on the state sheriff's office and the attorney general's office for service of documents.

Your Committee finds that while it is important to provide the department the necessary ability to enforce the regulatory programs within its jurisdiction, the granting of subpoena power is a serious action and one that requires continued study. Therefore your Committee amended the bill to limit the grant of power to a two-year trial period.

Your Committee also amended the bill by deleting references to the granting of the authority of police officers to regulatory investigators and substituting therefor language which only authorizes investigators to serve subpoenas. Further, language was added to specifically state that the granting of this additional authority to regulatory investigators is not to be construed as a basis for according to such investigators the retirement benefits of police officers under Chapter 88, Hawaii Revised Statutes. These amendments make clear your Committee's intent that the granting of power to serve subpoenas should not be a basis for future requests for including regulatory investigators in the same class as police officers with regard to retirement benefits, most notably the "25 years and out" provision.

This bill also amends Act 92, Session Laws of Hawaii 1980, by postponing the requirement that the Department of Regulatory Agencies submit a bill prior to the 1981 legislative session conforming Title 25, Hawaii Revised Statutes, to the provisions of section 26-9(j), Hawaii Revised Statutes, relating to fees charged by the department. Since the 1980 legislative session, the director has not had occasion to increase or decrease the fees referred to in Act 92. Therefore, there was no practical need to submit a bill for consideration for this session. It is contemplated, however, that a number of fees will be adjusted between the end of this session and January 1982. A bill is expected to be ready for introduction prior to the next legislative session.

Your Committee amended the bill by changing the word "effecting" in line 11, page 4 of the bill to "affecting" and pluralizing the word "document" in line 16, page 4.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 781, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 781, S.D. 2.

Signed by all members of the Committee.

SCRep. 856 Ways and Means on H.B. No. 2

The purpose of this bill is to provide funding for the operations and capital improvement projects of the Judiciary for fiscal years 1981-1983. The budget request seeks to maintain present service levels, with expansion in selected areas, and comply with recent legislative mandates. The bill provides \$50,700,275 in operating funds over the 1981-83 fiscal biennium.

Funds for capital improvement projects during this biennium total \$15,340,000, with the greatest portion of the funds for the State Judiciary Complex, the Honolulu District Court, and the Wailuku Judiciary Complex. Funds have been also provided for the Task Force for the Study of Laws Relating to Guardianship, Civil Commitment, and Protective Services amounting to \$33,000 in 1981-82.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 857 (Majority) Ways and Means on H.B. No. 125

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for manufacturing enterprises, in accordance with Article VII, section 12, of the State Constitution.

Issuance of special purpose revenue bonds provides an acceptable form of investment on major money markets without any liability resulting to the state. At the same time, the state encourages the establishment or expansion of business enterprises.

Your Committee received testimony favorable to this bill from the director of finance who also suggested that the following amendments be made:

(1) Specific language be added to require that a condition precedent to negotiating and entering into a project agreement be that the legislature shall have first authorized the issuance of special purpose revenue bonds to finance such project;

(2) A definition of "project" be provided and the definition of "project party" be further defined;

(3) That in issuing special purpose revenue bonds, the Department of Budget and Finance may use an estimated, rather than definite, period of construction to determine interest on bonds and expenses in calculating project costs, since the actual period would be unknown at the time of issuance of the bonds;

(4) That language relating to the priority of present and future liens of any mortgage of a project party securing the project party's bonds be deleted because it is relevant only in the case of utilities and not manufacturing enterprises;

(5) That the estimate of benefits of the bonds be measured by its creation of new jobs and potential effect on tax receipts, rather than on a comparison between the use of the proceeds of the bonds instead of other means of financing projected in terms of consumer dollars saved; and

(6) That various other technical amendments be made for clarity, style, or grammatical correctness.

Your Committee has amended this bill in accordance with the director of finance's testimony and has also made other nonsubstantive amendments for purposes of style and to correct typographical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 125, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 125, H.D. 2, S.D. 1.

Signed by all members of the Committee.

Senator Kawasaki did not concur.

SCRep. 858 (Majority) Ways and Means on H.B. No. 126

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by processing enterprises. Article VII, section 12, of the State Constitution permits this type of bond but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default,

since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the state is that it encourages the expansion or establishment of businesses.

Your Committee has amended the bill as referred to your Committee as follows:

(1) Added under the section of the bill relating to "Conditions precedent to negotiating and entering into a project agreement" the requirement for legislative authorization for the issuance of the special purpose revenue bonds to finance a project prior to the department entering into a project agreement.

(2) Added a new definition of "project" and amended the definition of "project party" to read:

"A person, firm, or corporation qualified to do business in this state and conducting or proposing to conduct a processing enterprise in this state."

(3) Deleted lines 19 to 23 of page 19 and lines 1 and 2 of page 20 because of its irrelevancy to the financing of processing enterprise projects.

(4) Replaced the word "legislature" with "department" on line 11, page 23 and the words "law authorizing" with "instruments providing for" on line 16 of the same page. These technical changes were deemed necessary to charge the proper agency and to cite the proper documents in the administration of the refunding of special purpose revenue bonds.

(5) Changed the means of estimating benefits derived through the use of special purpose revenue bonds. Because processing enterprises are unregulated profit-making businesses, benefits cannot be measured in terms of lower prices. Instead, measurements in terms of more new jobs and an increase in tax receipts resulting from wages and sales appear to be more appropriate. Consequently, this provision was added in lieu of the lower price measurement provision. Other conforming amendments were made.

(6) Made other nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 126, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 126, H.D. 2, S.D. 1.

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

SCRep. 859 (Majority) Ways and Means on H.B. No. 127

The purpose of this bill is to establish enabling legislation for the issuance of special purpose revenue bonds the proceeds of which are to be used for private industrial enterprises. Article VII, section 12 of the State Constitution authorizes the issuance of such bonds, and this bill provides for the implementation of the authorization.

This bill is necessary because it will serve to promote the economy of the state and employment of its residents and potentially lessen the cost of some goods and services to consumers. Basically, special purpose revenue bonds are issued in the state's name and thus, proceeds cost less than those obtained through conventional instruments used to finance private projects. The lesser cost of the proceeds of the bonds should make developers of industries, of which capital investment bears the largest cost, attractive in Hawaii. These industries, in return, should expand Hawaii's economy and provide more jobs. The lesser cost of the proceeds should also lessen the cost of production and thus, reduce costs of goods and services to Hawaii's consumers.

The state is protected from adverse impacts which may result from defaults. First, prospective protection is provided by the methods of issuing special purpose revenue bonds. The legislature is required to authorize the bonds for a specific project by separate act which must pass by a two-third majority in each house. Then, the Department of Budget and Finance must be satisfied that the project sought to be financed is worthy and the project party is sufficiently able to repay the bonds. Second, security for the bonds must be provided by the project party which will use the proceeds. The state will not provide any backing in any way.

Moreover, amounts of special purpose revenue bonds are not subject to the state's indebtedness ceiling. Thus, there will be no negative impact on the funding of public improvements.

Your Committee has made amendments to the bill which are proposed by the state's bond counsel. The substantive amendments proposed to the bill as received are:

- (1) Adding a definition of "project" under the "definitions" section on page 2. The bond counsel feels that such a definition is necessary.
- (2) Amending the definition of "project party" on page 2. The new definition is more inclusive than the old, and encompasses enterprises not currently in business.
- (3) Amending the first paragraph on page 6. The amendment makes it clear that the legislature must first authorize the issuance of the special purpose revenue bonds for a specific project prior to the Department of Budget and Finance's entering into an agreement with the project party.
- (4) Adding the word "estimated" prior to "period" on page 8, line 22. This is necessary since the "period of construction" cannot be actually known prior to completion.
- (5) Deleting the paragraph on page 19 beginning with the word "Notwithstanding". This paragraph pertains to special purpose revenue bonds for public utilities and is not relevant to this bill.
- (6) Replacing the word "legislature" with "department" on page 23, line 12. This cites the proper body.
- (7) Replacing the phrase "law authorizing" with "instruments providing for" on page 23, line 17. This cites the correct document.
- (8) Providing that the estimated benefits of issuing the special purpose revenue bonds shall be based on the creation of new jobs and potential effect on tax receipts. This replaces the previous language which based the estimated benefits on a comparison between conventional financing and financing through special purpose revenue bonds. The previous language is pertinent to nonprofit activities and public utilities. The new language establishes economic and employment impacts as the means to measure benefits. This is more appropriate for profit-making industrial enterprises.
- (9) Replacing the phrase "less costly services by a project party" with the word "benefits" on page 26, lines 10 and 11. This conforms to the amendment discussed under (8).

In addition, your Committee has made technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 127, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 127, H.D. 2, S.D. 1.

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

SCRep. 860 (Majority) Ways and Means on H.B. No. 128

The purpose of this bill is to provide enabling legislation for the issuance of special purpose revenue bonds on behalf of utilities as authorized by Article VII, section 12, of the State Constitution.

This bill would add a new chapter to the Hawaii Revised Statutes, detailing the procedures governing the issuance of special purpose revenue bonds, including provisos that the state incur no costs in connection with issuance.

Under the procedure set out by this bill, the Department of Budget and Finance would be authorized by the legislature by a two-thirds vote to issue tax exempt revenue bonds, the proceeds of which will be loaned to gas and electric companies. The bonds, however, will not be secured in any way by the general credit or the revenues of the state, but instead will be secured solely by the utility assisted by such issuance.

The bill also provides that specific authorization is required for each project or multi-project program under this chapter in the form of a separate law by two-thirds vote of the legislature. Continuing review is thereby provided for on a project-by-project basis.



Additionally, the bill provides for further review by requiring that the chapter expire automatically on June 30, 1984.

Your Committee notes that in 1980 the legislature enacted a law assisting not-for-profit corporations that provide health care facilities to the general public through the issuance of special purpose revenue bonds. This law is codified in chapter 39A, part II, Hawaii Revised Statutes. Your Committee has, therefore, amended this bill to make it a new part of chapter 39A, Hawaii Revised Statutes, so that all provisions regarding such bonds may be collected in one place. This is particularly important since twelve more bills containing similar provisions may yet pass the legislature.

Your Committee has further amended this bill by making technical amendments and by conforming the provisions of this bill where appropriate to the provisions of chapter 39A, part II, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 128, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 3, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 861 (Majority) Ways and Means on H.B. No. 247

The purpose of this bill is to exempt rum manufactured in the state from the liquor tax for five years and to delete the prohibition on labeling or selling rum as "Hawaii Rum" or "Hawaiian Rum" unless it had been aged for at least two years. The bill also provides that liquor may be labeled or sold using the word "Hawaii", "Hawaiian", or "Aloha State" as long as it is at least partially manufactured in the state.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 247, S.D. 2.

Signed by all members of the Committee.  
Senators Abercrombie and Kawasaki did not concur.

SCRep. 862 (Majority) Ways and Means on H.B. No. 329

The purpose of this bill is to grant the legislative service agencies the authority to make adjustments to the compensation, conditions, and benefits of excluded officers and employees in their agencies.

Presently, the chief executives of the state and counties, as well as the chief justice, are authorized to make such adjustments for the excluded employees under their supervision. The directors of legislative service agencies, who also supervise excluded employees, are not similarly authorized.

Your Committee has amended the bill as follows:

(1) By deleting the requirement that the salary adjustments for the officers and employees in the legislative service agencies be not less than those provided under collective bargaining agreements for officers and employees hired on a comparable basis.

(2) By adding instead the requirement that the auditor, the director of the legislative reference bureau, and the ombudsman shall decide by majority vote, after consultation with the state director of personnel services, on any salary adjustments; and that such adjustments and their effective dates shall be uniform for employees of the legislative service agencies including the state ethics commission which is administratively within the office of the auditor.

(3) By adding a new section 2 which provides that the substance of the amendments of this bill shall control regardless of the enactment of any other act during this regular session.

(4) By renumbering sections 2 and 3 of the referred bill to sections 3 and 4, respectively.

(5) By making other nonsubstantive, technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 329, 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. 329, H.D. 1, S.D. 2.

Signed by all members of the Committee.  
Senators Abercrombie and Kawasaki did not concur.

SCRep. 863 (Majority) Ways and Means on H.B. No. 344

The purpose of this bill is to appropriate from the general revenues of the state amounts to cover tax refunds owed by the state and in payment of judgments and settlements of claims against the state. Amounts are also authorized for numerous other miscellaneous claims against the state. A total of fifty-six claims in the amount of \$684,448.34 are included in this bill.

Your Committee has made nonsubstantive amendments to this bill for the purposes of style and to correct typographical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 344, 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. 344, H.D. 1, S.D. 2.

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

SCRep. 864 Ways and Means on H.B. No. 368

The purpose of this bill is to eliminate all state regulation of airlines as public utilities. This would be done by excluding aerial transportation enterprises from the definition of a public utility, by deleting the requirement that airlines operate under a certificate of public convenience, and by relieving airlines from payment of the public utility fee.

Under present law and practice, regulation of local airlines by the public utilities commission (PUC) is very limited. Only major financial transactions are reviewed. According to the PUC, federal courts have determined that the Civil Aeronautics Board, and not the state regulatory agency, has jurisdiction over airline regulation. In addition, the Federal Air Deregulation Act of 1978 precludes state regulation of airlines. This bill would bring state law into conformity with federal law and exclude airlines from PUC-related fees.

Your Committee has amended the bill to include an amendment to the definition of use in section 238-1, Hawaii Revised Statutes, which presently refers to the use of "aircraft as a public utility as defined in chapter 269" to correspond to the redefinition of the term "public utility" accomplished by the bill. This amendment is intended to continue present law under that definition and, therefore, should have no revenue impact.

Your Committee has made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 368, 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. 368, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 865 (Majority) Ways and Means on H.B. No. 482

The purpose of this bill is to provide that the sale of fertilizers and plant nutrients to a licensed producer of agricultural products and commodities to produce commercial agricultural products and commodities shall be considered wholesale sales and shall be taxed at the rate of one-half of one per cent instead of four per cent under the general excise tax.

This bill accomplishes the above stated purpose and also limits the application of the wholesale tax rate to licensed producers of agricultural products and commodities whose gross income or gross proceeds do not exceed \$100,000 during a calendar year.

Your Committee has amended the bill to add that the proposed paragraph dealing with sales to licensed producers of agricultural products and commodities is applicable

only to producers who are members of a statewide agricultural cooperative association. Other nonsubstantive, technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 482, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 482, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 866 (Majority) Ways and Means on H.B. No. 629

The purposes of this bill are to (1) increase the salaries of supreme court justices, intermediate appellate court judges, circuit court judges, district court judges, district family judges, and the administrative director of the courts; (2) provide that the sheriff and first and second deputy sheriffs shall be compensated in accordance with the public employees' compensation law; and (3) provide for the automatic adjustment of judicial salaries.

Your Committee feels that the salaries of justices, judges, and the administrative director should be raised, but not in the amounts in the bill, as received, and not automatically without positive legislative action. Accordingly, your Committee has amended the bill by providing an across-the-board increase of seven per cent in the annual salaries of the justices, judges, and administrative director. It is felt that the amounts of increase are sufficient and equitable at this time. Your Committee has also deleted the provision for the automatic adjustment of salaries. Your Committee would rather have the salaries be totally subject to legislative control.

The provisions of the bill relating to the sheriff and deputy sheriffs have also been amended. The phrase "exempt by statute from merit system examinations and tenure" on page 6 of the bill, as received, has been replaced with "exempt from chapter 76". This amendment is intended for clarification purposes and is not meant to be substantive.

Your Committee has also made other technical, nonsubstantive changes to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 629, 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. 629, H.D. 1, S.D. 2.

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

SCRep. 867 Ways and Means on H.B. No. 635

The purpose of this bill is to delete the requirement that nonprofit corporations or public agencies operating sheltered workshops for the handicapped must be certified by the Department of Labor and Industrial Relations in order to qualify for the five per cent preference in governmental contracts. The department does not have the authority to certify such organizations and, therefore, the preference has not been utilized. This bill instead requires the department to establish criteria for nonprofit corporations and public agencies operating sheltered workshops for the handicapped to qualify them for the five per cent preference.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 635, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 868 (Majority) Ways and Means on H.B. No. 641

The purpose of this bill is to amend the Housing Loan and Mortgage Program under chapter 356, Hawaii Revised Statutes, and implement a rental assistance program.

This bill adds a new part to chapter 356, Hawaii Revised Statutes, establishing a rental assistance program which would be funded by government subsidies or grants, private grants, or by appropriation. These funds are to be deposited in the rental assistance fund, created by this bill, with the accumulated earnings from this fund used to make rental assistance payments to owners of eligible projects. The principal amount in the rental assistance fund is intended to be preserved; the rate of return on this fund's investment is to be maximized; and the Hawaii Housing Authority is prohibited

from making rental assistance payments in excess of the amount of earnings accumulated in the rental assistance fund.

The rental units are to be maintained for low- and moderate-income families and individuals with the authority given prescribed duties and powers to create procedures, standards, and requirements including the following: the "eligible project" must be financed by the authority by the issuance of revenue bonds pursuant to provisions of part II of chapter 356, Hawaii Revised Statutes, have not less than 20 per cent of the dwelling units maintained for low- and moderate-income families and individuals; be subject to a regulatory agreement which includes provision relating to rents, charges, profits, return on owner's equity, development costs, and methods of operation. Also provided for are rental assistance contracts between the owner and the authority, for terms of a minimum of 10 years, which contracts set forth the maximum annual rental assistance payment amount which is determined after the authority evaluates rental schedules submitted by the owners and other criteria. These rental schedules will also be annually reviewed for approval each year in determining the amount of rental assistance payments payable to the owner for the forthcoming year. In the event the owner prepays or refinances an eligible project loan, the authority will share in any appreciation in value of the eligible project realized.

This bill also amends various sections of part II of chapter 356, Hawaii Revised Statutes, to bring them within the scope of eligible project loans; and provides that in the event the owner prepays or refinances an eligible project loan, the authority will recover sums deferred on land leased at nominal rates by the authority; and in the event the eligible project loan is prepaid for the purpose of converting rental units to ownership units, tenants shall have first option to purchase such units.

Your Committee has deleted the section appropriating funds to be paid into the rental assistance fund and corrected the numbering in the new part to conform to the numbering system in the Hawaii Revised Statutes. Other nonsubstantive, technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 641, 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. 641, H.D. 2, S.D. 2.

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

SCRep. 869 Ways and Means on H.B. No. 693

The purpose of this bill is to clarify the statutory requirement relating to the deposit of state funds in the state treasury.

The present section is amended by adding the definition of the term "state funds" and by adding the phrase "except as otherwise provided by law" to the provision that all state funds shall be deposited in the state treasury, in order to recognize that other statutes may allow deposit of state funds outside of the state treasury.

Your Committee has amended the bill to specifically except from the requirement of depositing all state funds in the treasury, funds that belong to patients and wards to whom the state is responsible for the funds. Your Committee finds and the director of finance agrees that such funds should be kept separate from those in the state treasury. The present practice is to deposit such funds separately in individual savings accounts to draw interest for the individuals to which they belong. This practice should be continued. Your Committee directs the Department of Health to provide necessary amendments next year to appropriate statutes governing the department which will accomplish the purpose for which this amendment is made. It is not the intention of your Committee that this amendment relating to patients and wards the department is responsible for to remain in section 37-54, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 693, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 693, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 870 (Majority) Ways and Means on H.B. No. 695

The purpose of this bill is to make payments for sick leave by the state and its political

subdivisions eligible for an exclusion from social security contributions.

The Hawaii Revised Statutes authorize the accumulation of sick leave benefits, but do not authorize the payment of such benefits. Without such express authority, if and when the state or any of its political subdivisions makes sick leave payments, they will not be excluded from social security obligations as provided under section 209(b) of the Social Security Act.

Your Committee has amended this bill to clarify that payments for sick leave will be paid in a manner prescribed by either law or duly adopted rule. Other nonsubstantive amendments have also been made for the purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 695, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 695, H.D. 1, S.D. 1.

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

SCRep. 871 (Majority) Ways and Means on H.B. No. 709

The purpose of this bill is to appropriate and authorize funds for the fiscal biennium 1981-1983 for program planning, analysis, budgeting, and administrative director services for collective bargaining unit 1, in accordance with the terms of their most recently negotiated bargaining agreement.

Nonsubstantive amendments have been made to this bill for the purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 709, 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. 709, H.D. 1, S.D. 2.

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

SCRep. 872 Ways and Means on H.B. No. 733

The purpose of this bill is to amend Section 321 of the Hawaii Revised Statutes to improve the Emergency Medical Services System by specifying that the system's responsibility is for pre-hospital emergency service and for emergency transportation; changing the physician composition of the State Emergency Medical Services (SEMS) Advisory Committee; giving the Department of Health responsibility for providing basic life support training in all counties; and by giving the Department of Health the flexibility to contract with individuals for Emergency Medical Services (EMS) training.

Your Committee has amended the bill to eliminate the restriction that all physicians must be nominated by the Hawaii Medical Association (HMA). While the unusual practice of restricting nominations from only one group was justified in the past when the HMA was apparently the only interested professional medical organization, and indeed was the driving force behind the creation of the EMS system, such is not now the case. Your Committee notes that only 60% of all practicing physicians are HMA members. More importantly, only about 12% of practicing emergency room physicians are HMA members with most of the remainder belonging to the American College of Emergency Physicians (ACEP).

Unsurprisingly, the lack of representation afforded to the much larger group of emergency physicians in ACEP has led to feelings of frustration and irritation on their part. While lack of representation does not necessarily result in a decline of program effectiveness, your Committee cannot help but note that restricting the participation and input of the vast majority of emergency room physicians is not conducive to broad participation by the medical field and the development of an effective emergency medical system. On the other hand, your Committee is aware and appreciative of the important role played by the HMA in the creation and nurturing of the EMS system. Moreover, it is essential that physicians other than emergency physicians also be represented on the advisory committee. Therefore, the bill has been amended to add an additional physician member.

Your Committee is well aware that the ACEP desires the right to nominate two physician members with the HMA nominating the remainder. The result would be inconsistent with the general practice in state government which is to allow anyone to nominate persons to serve on boards or commissions. Your Committee appreciates the understandable concern of ACEP that a completely open nominating process may result in no representation by ACEP. However, the principle of equal access combined with a belief that

the governor, who is the ultimate appointing authority, will see the need to appoint at least two members from the organization which represents the vast majority of emergency physicians is ample reason for opening the nominating process.

Your Committee concurs with the Department of Health that the SEMS Advisory Committee should include two full-time emergency physicians. However, your Committee has specified that the emergency physicians possess the requisite training, as well as experience.

Your Committee has also amended the bill to make the three ex-officio voting members (the director of transportation, the adjutant general, and the administrator of the state health planning and development agency) non-voting in the belief that all three currently possess, because of their offices, more than adequate access to the director of health.

The bill has been amended to give the Department of Health the flexibility in contracting for training of basic life support and advance life support personnel. Currently, the law requires the department to negotiate and enter into contracts for both types of training without apparent regard to the fact that as the numbers of trained personnel grow, such training may not be needed. Therefore, your Committee has amended the bill to allow rather than mandate the department to contract for training services. In addition, the bill has been amended to allow the department to contract, for such services, with any appropriate party. Your Committee notes that the attorney general stated on January 13, 1981 "...we recommend scrutiny of the requirements for emergency medical services training to permit competitive bidding in this area...Even though competitive bidding may not reduce the cost of training, developing a pool of expertise for conducting such training, assures a necessary reserve for such a vital area of health care." The attorney general also warned that, "Our concern is that justification for sole source procurement in the future may not survive legal scrutiny." Thus, limitations on the department's ability to contract with any appropriate party have been eliminated.

The bill has also been amended to remove a further restriction that such training be done in the state. While in-state training may be beneficial, your Committee believes that the determinative factors should be efficiency and effectiveness in providing training and that out-of-state training should be available as an option.

The bill has been similarly amended to remove the requirement that the Department of Health contract for technical assistance, data collection, and evaluation. The inflexibility of the current statutes does not allow the Department of Health to carry out such activities even though the department has the capability to do so. Your Committee has also amended the bill to allow the department to contract with any appropriate party for such services rather than with only professional medical organizations. The amended bill would, for example, allow the department to contract with a computer service firm for data collection or with a management evaluation firm for evaluation.

The bill has been further amended to remove redundant references regarding consultation by the Department of Health with the advisory committee.

Your Committee amended the bill to require the Department of Health to deposit the fees, which it should collect for services rendered to the public, into an emergency medical services special fund within the Department of Budget and Finance.

The history of the emergency medical services program indicates that the program was designed to generate significant revenues. In fact, it was noted that because 95 per cent of the people are covered by some form of health insurance they would "not have to look to or use additional resources not already available to them to meet the needs of the advanced emergency medical services..." Thus, the emergency medical service was envisioned as the classic "public enterprise" in which those who benefit should pay for the program. In this situation, a special fund is entirely appropriate as it is used to account for revenues (and expenditures therefrom) for particular purposes.

Unfortunately, the system has been in operation for nearly two years but a fee schedule has yet to be adopted. However, your Committee is hopeful that creation of the special fund will prod the department to levy and collect the fees necessary to support the EMS system.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 733, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

The purpose of this bill is to establish and provide an appropriation for a committee to be known as "The 1984 Hawaii Statehood Silver Jubilee Committee" which shall have charge of all arrangements for the state's official celebration of the 25th birthday of the State of Hawaii which will occur on Tuesday, August 21, 1984.

Your Committee has amended the bill by designating that the appropriation shall be applicable for the fiscal year 1981-82, deleting the unnecessary lapsing provision language, and making other technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 769, 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. 769, H.D. 2, S.D. 2.

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

SCRep. 874 Ways and Means on H.B. No. 785

The purpose of this bill is to explicitly state that the income and resources of both parents, whether natural or adoptive, in family groups with children are considered available for the support of the entire family under the general assistance program.

This is an administration bill which proposes housekeeping amendments to the general assistance law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 785, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 875 Ways and Means on H.B. No. 788

The purpose of this bill is to allow the Department of Social Services and Housing to more adequately meet the needs of veterans in Hawaii and to remove portions of existing statutes which have been declared unconstitutional.

This bill will allow the Department of Social Services and Housing to serve veterans who have served in the armed services during peacetime as well as during wartime, and to serve veterans with less than honorable discharges. This policy is in keeping with the Special Discharge Review Program primarily targeted for the less than honorable discharges emanating from the Vietnam Era.

In addition, this bill deletes the durational residency requirement for grants for specially designed housing for wheelchair living which was determined to be unconstitutional by the attorney general. While eliminating the durational residency requirement, the bill ensures that applicants for the state grant were bona fide residents of the state before entering the armed forces. The state grant remains contingent upon the disabled veteran qualifying for the federal grant.

Your Committee has made language and technical, nonsubstantive amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 788, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 788, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 876 Ways and Means on H.B. No. 807

The purpose of this bill is to provide a one-time excise tax credit of \$100 multiplied by the number of qualified exemptions to which the taxpayer is entitled to each resident taxpayer.

After due consideration your Committee has amended the bill to provide a one-time general income tax credit of \$50 multiplied by the number of qualified exemptions to each resident taxpayer regardless of adjusted gross income to be claimed in 1982 on taxes paid during the 1981 taxable year. In addition your Committee has amended the existing excise tax credit schedule by increasing the tax credit for each adjusted gross income bracket by ten per cent. Your Committee believes that this formula is an equitable way of reducing the state's general fund surplus to Hawaii residents as required by the State Constitution.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 807, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 807, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 877 (Majority) Ways and Means on H.B. No. 808

The purpose of this bill is to transfer amounts collected under the general excise tax law which are derived from the sale of liquid fuel sold or used for operating motor vehicles upon the public highways from the general fund to the state highway fund.

This bill is an administration bill and, as originally introduced, also proposed to change the liquid fuel tax from a flat amount to an amount determined on a percentage basis. The combination of the change on the liquid fuel tax and transfer of general excise tax revenues was intended to be a long-term solution to the problems of the state highway fund. The House of Representatives amended the bill by deleting the proposal to change the liquid fuel tax. The Senate Committee on Transportation took the same action on S.B. No. 1767, which is the companion to this bill. Your Committee on Ways and Means is in agreement with the House of Representatives and Senate Committee on Transportation in this regard. Although, the deleted proposal is not considered in this bill, as amended, your Committee on Ways and Means wishes to emphasize its agreement with the amendment made by the House since the amendment departs from the purpose of providing a long-term solution.

The Department of Transportation has presented testimony which shows that some action is required to maintain the fiscal health of the state highway fund. The department projects that, without this bill, as amended, the state highway fund will have balance deficits of \$2.9 million on June 30, 1982, \$22.4 million on June 30, 1983, \$47.9 million on June 30, 1984, and \$77.2 million on June 30, 1985. Clearly, this cannot be allowed.

The department has also provided projections on the health of the state highway fund if this bill is enacted. Amounts transferred to the state highway fund from the general excise tax are projected to be \$17.2 million in fiscal year 1981-1982, \$18.0 million in fiscal year 1982-1983, \$18.8 million in fiscal year 1983-1984, and \$19.6 million in fiscal year 1984-1985. Yet, even with the transfer, expenditures are projected to exceed revenues after the fiscal year 1981-1982. This deficit spending is expected to result in a deficit balance of \$8.1 million as soon as June 30, 1985.

The testimony indicates that the transfer of the general excise tax on liquid fuel to the state highway fund only alleviates the problems of funding state highways temporarily. It is imperative, however, that this short-term solution be implemented at this time.

Your Committee cannot emphasize enough the need for a long-term solution to the problem of the state highway fund. Implementation of the proposal of this bill does not serve as a long-term solution. The administration has had sufficient experience during this Regular Session to indicate that the proposal to change the liquid fuel tax is not acceptable to this Legislature. Thus, your Committee urges the administration to find and propose more palatable alternatives.

Your Committee also wishes to mention that the attorney general has determined that the transfer proposed by this bill is not double taxation. Thus, your Committee, on the weight of this finding, considers this proposal to be legally acceptable.

Your Committee also wishes to state that the transfer of general revenues to a special fund under this bill is not a flagrant attempt to circumvent the general fund expenditure ceiling of the State Constitution. The spirit of the constitutional provision is realized and appreciated, but the proposal of this bill has not been found to contravene the constitutional provision and is considered necessary at this time.

Your Committee has amended the bill by providing that the transfer of general excise tax revenues shall be in effect from July 1, 1981 to June 30, 1984. After June 30, 1984, it is the intent of your Committee to review the transfer. In conjunction with the amendment, the effective date has been changed to the date of approval to give the director of taxation time to establish the transfer formula.

Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 808, H.D. 2, as amended herein, and recommends that it pass Second Reading



in the form attached hereto as H.B. No. 808, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Senators Abercrombie, Cayetano and Kawasaki did not concur.

SCRep. 878 Ways and Means on H.B. No. 824

The purpose of this bill is to clarify and improve the laws relating to tuition waivers, state scholarships, and financial aid for students of the University of Hawaii system.

Your Committee has made one substantive amendment. On page 5, line 5, of the bill as received the word "college's" is changed to "university's". This amendment makes the language consistent with other provisions of the bill. Since the quota of financial aid is based on enrollment in the entire University of Hawaii system, this amendment is necessary to prevent misinterpretation.

In addition, your Committee has made technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 824, 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. 824, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 879 (Majority) Ways and Means on H.B. No. 919

The purpose of this bill is to make an appropriation to pay a judgment resulting from a settlement agreement in a lawsuit entitled Sylvia Gamino vs. State of Hawaii vs. Yukio Yamamoto and Yama's General Contractors, Civil No. 59095.

Your Committee has amended the bill by indicating that the appropriation shall be applicable for fiscal year 1981-82 and making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 919, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 919, S.D. 1.

Signed by all members of the Committee except Senator Campbell,  
Senator Kawasaki did not concur.

SCRep. 880 Ways and Means on H.B. No. 920

The purpose of this bill is to provide statutory authority to the state and counties to advance their contributions to the public employees health fund on or before the first of each month to avoid the necessity of the state advancing its own funds on behalf of the counties.

Your Committee has made technical amendments to this bill to correct typographical error and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 920, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 920, S.D. 2.

Signed by all members of the Committee.

SCRep. 881 (Majority) Ways and Means on H.B. No. 1048

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for the furnishing of electric energy.

This bill authorizes the Department of Budget and Finance to issue special purpose revenue bonds pursuant to chapter 39A, in an amount not to exceed \$72,252,000, for capital improvement programs which are multi-project programs for the local furnishing of electric energy by electric utility companies; provided that the Public Utilities Commission approves the projects and the funds are not used for new fossil or nuclear fuel generating units. This bill further provides that the Public Utilities Commission shall make annual reports to the legislature regarding electric utilities financing, costs, and benefits of the bond, and a listing of projects so funded.

Your Committee has amended the bill to insert the proper utilities and the amounts therefor. Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1048, 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. 1048, H.D. 2, S.D. 2.

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

SCRep. 882 (Majority) Ways and Means on H.B. No. 1167

The purpose of this bill is to establish a venture capital information center to carry out an invention development program.

This bill recognizes the need for supporting the development of inventions and new products and to assist and provide guidance for innovators and investors. Under this bill, an information center would be established by the Department of Planning and Economic Development to bring together investors with venture capital and developers of new products. A revolving fund is also established for the purpose of promoting the development of new products or inventions.

Your Committee heard testimony in support of the bill by the director of planning and economic development.

Your Committee has deleted the appropriation section and made language and technical, nonsubstantive amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1167, 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. 1167, H.D. 1, S.D. 2.

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

SCRep. 883 (Majority) Ways and Means on H.B. No. 1233

The purpose of this bill is to permit the board of trustees of the Office of Hawaiian Affairs to establish the salary of the office's administrator, instead of having the salary set at \$30,000 a year by law.

Your Committee has made technical amendments to this bill for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1233, S.D. 2.

Signed by all members of the Committee.  
Senators Kawasaki and Ajifu did not concur.

SCRep. 884 Ways and Means on H.B. No. 1239

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects authorized in H.B. No. 1, H.D. 1, the General Appropriations Act of 1981, H.B. No. 2, H.D. 1, the Judiciary Appropriations Act of 1981, and S.B. No. 734, S.D. 1, the General Improvements Act of 1981.

The bill includes the declaration of findings required by the clause in Article VII, Section 13 of the State Constitution which states:

"Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds outstanding, will not cause the debt limit to be exceeded at the time of issuance."

The effect of the foregoing constitutional requirement is that the Legislature must take into account the debt service on all bonds that count against the debt limit, including outstanding bonds, authorized bonds which are yet to be issued, and bonds authorized in the Act, and demonstrate that the constitutional debt limit will not be exceeded at

the time the bonds are issued.

Your Committee has developed the required declaration in Section 1 of the bill sequentially as follows:

Paragraph 1 sets forth the basic constitutional provision governing state debt.

Paragraph 2 shows the actual debt limit applicable for fiscal year 1980-81 and estimates of the debt limit for fiscal year 1981-82 to fiscal year 1984-85.

Paragraph 3 shows the debt service requirements from fiscal year 1981-82 to fiscal year 1987-88 for outstanding general obligation bonds which must be counted against the debt limit.

Paragraph 4 states the amount of authorized but unissued general obligation bonds as of December 31, 1980 and the amount of general obligation bonds authorized by this bill.

Paragraph 5 shows the schedule for proposed general obligation bond issuance and states the assumptions concerning bond maturities.

Paragraph 6 states that the total amount of general obligation bonds which the state proposes to issue is an amount sufficient to meet the requirements of all authorized unissued bonds and the bonds authorized by this bill.

Paragraph 7 notes that certain reimbursable general obligation bonds can be excluded, and while the amount of such excluded bonds cannot be precisely determined for each issuance, the Legislature makes the conservative estimate that 10 per cent of each issuance is excludable.

Paragraph 8 presents a display which compares the debt limit applicable at the time of each proposed bond issue with the greatest debt service amount resulting from each issue.

Paragraph 9 establishes the overall and concluding finding that the total amount of principal and interest estimated for the general obligation bonds authorized by this bill and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

In making the declaration to support the authorization of bonds in this bill, your Committee has followed the cautionary guidelines expressed by the state's bond counsel who has advised:

"A court will not necessarily sustain findings of a legislative body which are merely a recitation of the requirements of a constitution or a statute. Consequently, we believe that the legislature must establish a reasonable basis for the finding that the estimated debt service...will not cause the debt limit to be exceeded at the time of issuance. We believe prudence requires the basis to be conservative in order to eliminate any allegation that the legislature first made the finding and worked back to assumptions which were consistent with such finding."

Your Committee believes that the declaration of findings in this bill fully follows the bond attorney's cautionary guidelines.

The bill has been amended in the following respects:

(1) The declaration of findings in Section 1 has been amended to conform to the amount of general obligation bonds authorized by this bill and to include an assumption as to the amount of appropriations that will be encumbered as of June 30, 1984.

(2) Two new sections have been added to require a declaration of findings in support of general obligation bond authorization requests by the executive branch similar to the declaration which the Legislature is required to make.

(3) A severability clause and statement of effect of underscoring in statutory material has been added.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1239, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1239, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 885 Ways and Means on H.B. No. 1267

The purpose of this bill is to strengthen and better regulate the preference given to blind or visually handicapped persons for the operation of vending facilities and machines in state and county buildings.

Your Committee feels that this bill serves the cause of promoting the economic self-sufficiency of blind or visually handicapped persons. In this regard, passage is not only desirable but necessary.

Your Committee has made technical, nonsubstantive amendments to the bill as received. On page 1, line 12, the word "and" is changed to "or". On page 1, line 15, the word "on" is changed to "in". A quotation mark is placed at the end of the amended section 102-14, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1267, 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. 1267, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 886 Ways and Means on H.B. No. 1357

The purpose of this bill is to allow the Department of Labor and Industrial Relations the right to apply Hawaii's pension offset provided in section 383-23.5, Hawaii Revised Statutes, in a more equitable manner and to conform the language of the state's law with the federal law.

Effective September 26, 1980, Public Law 96-364 amended section 3304(a)(15), Federal Unemployment Tax Act. This bill amends the section dealing with the amount the weekly benefit payable to an individual under Hawaii Employment Security law is offset for an individual receiving a pension. The bill provides that only pensions received under a plan maintained or contributed to by a base period or chargeable employer may be offset and provides differing amounts for the offset dependent upon the contributions made by the individual and employer. In addition, with the exception of pensions paid under the Federal Social Security Act or the Railroad Retirement Act of 1974 no offset is allowable unless the individual's base period services or remunerations affected entitlement to the pension or increased the pension.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1357, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 887 Ways and Means on H.B. No. 1358

The purpose of this bill is to delete the provisions in section 383-29(a), Hawaii Revised Statutes, which waive the one week waiting period on a new claim for unemployment benefits when it is immediately preceded by a compensable week of a prior claim, and for payment of the waiting week after a claimant is paid for twelve consecutive weeks following the first compensable week in a benefit year.

The Omnibus Reconciliation Act of 1980, Public Law 96-499, eliminates the federal share of 50 per cent of the cost of the first week of extended benefits in any state which provides for payment of the waiting week. This bill ensures that the state may continue to receive the federal share of the cost of the first week of extended benefits.

Your Committee made nonsubstantive, technical amendments to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1358, 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. 1358, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 888 Ways and Means on H.B. No. 1359

The purpose of this bill is to conform section 383-170, Hawaii Revised Statutes, to section 202(a) of the Federal-State Extended Unemployment Compensation Act, as amended by

Public Law 96-499, and to provide for the denial of extended benefits to any individual who fails to accept suitable work, as defined in this bill, or a referral to such work, or for failure to engage in a systematic and sustained search for work.

Your Committee has made nonsubstantive, technical amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1359, 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. 1359, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 889    Ways and Means on H.B. No. 1360

The purpose of this bill is to conform the state law on extended benefits in unemployment compensation to Section 202 of the Federal-State Unemployment Compensation Act of 1970, as amended by Public Law 96-364, effective September 26, 1980.

Conformity of the state with federal law will assure that there is no loss of federal certification of the Hawaii Employment Security Law for the purposes of employer tax credit.

Your Committee has amended the title of the new section to be added to the Hawaii Revised Statutes to conform it to the section's substance, and has made other nonsubstantive changes for the purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1360, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1360, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 890    Ways and Means on H.B. No. 1716

The purpose of this bill is to change the amount of the state's contribution to public employees health benefits plans and to the children of employee-beneficiaries dental plans.

Your Committee has amended the bill by providing that the amounts of \$14.37 and \$46.21 shall be the amounts the state and counties contribute for each employee-beneficiary and employee-beneficiary with a dependent-beneficiary, respectively, under health benefits plans. Also amended is the amount the state and counties contribute for each child who has not attained the age of nineteen of all employee-beneficiaries who are enrolled for dental benefits. The amount as amended is \$4.59. A further amendment has deleted the section appropriating funds to be expended for the purposes of this Act. Nonsubstantive, technical amendments were also made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1716, 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. 1716, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 891    (Majority) Ways and Means on H.B. No. 1763

The purpose of this bill is to extend the time for the report due from the Tax Review Commission.

Under current law, the Tax Review Commission is required to conduct a systematic review of the state's tax structure and submit its report to the legislature by September 1981. Your Committee finds that the September 1981 deadline does not provide the commission with sufficient time to accomplish its task and that extending the deadline to thirty days prior to the convening of the 1983 Regular Session is of urgent necessity.

Your Committee has made technical, nonsubstantive amendment to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1763, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Abercrombie and Cayetano did not concur.

SCRep. 892 (Majority) Ways and Means on H.B. No. 1871

The purpose of this bill is to provide the exclusive representative of certain bargaining units another option to negotiate a model conversion plan regarding a reduction in the number of steps within the salary ranges under chapter 77, Hawaii Revised Statutes.

Three bargaining units, nonsupervisory blue-collar employees, supervisory blue-collar employees, and registered professional nurses, successfully negotiated conversion plans under an initial option available pursuant to Act 253, Session Laws of Hawaii 1980. This initial option expired on January 1, 1981.

There are six white-collar bargaining units remaining (units 3, 4, 10, 11, 12, and 13) without a conversion plan. Representatives of these bargaining units have expressed a desire to have the option to negotiate a model conversion plan.

This bill provides the same option as that provided under Act 253, Session Laws of Hawaii 1980, and extends the deadline for development and execution of the conversion plans to January 1, 1983. The bill also clarifies that model conversion plans shall result from negotiations without resort to any impasse procedure. Additionally, it specifies that the model conversion plan shall remain in effect, unless modified by mutual agreement, as the basis for subsequent wage negotiations. Also, salary ranges may be redesignated and salary ranges which are not being used may be excluded from the respective pay schedules in the publication of pay schedules.

Your Committee has amended the bill by adding a section providing for the supremacy of the substantive aspects of this Act over other acts of this session, with the exception of the amendment regarding coverage of section 77-13, Hawaii Revised Statutes, in S.B. No. 831. Other technical amendments have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1871, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1871, S.D. 2.

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

SCRep. 893 Ways and Means on H.B. No. 1876

The purpose of this bill is to provide incentives to encourage the production and purchase of gasohol by extending the tax exemption for gasohol from its present termination date of July 1, 1985, to June 30, 1992. This bill also removes the termination provisions empowering the director of taxation to terminate this tax exemption upon determination that the exemption is no longer needed as an incentive to market gasohol.

Your Committee is in agreement that extending the tax exemption termination date gives further assurance to the private sector of the state's firm commitment to encourage the development of alternate energy sources.

Your Committee has amended the bill by making nonsubstantive, technical changes and corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1876, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1876, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 894 Ways and Means on H.B. No. 1879

The purpose of this bill is to authorize and appropriate funds to provide for the fiscal biennium 1981-1983 salary increases and other cost adjustments for state officers and employees excluded from collective bargaining.

This bill is the funding vehicle through which excluded employees in the executive and judicial branches may receive equivalent salary increases to those which may be received by employees covered by collective bargaining agreements. Negotiations between

the bargaining units and the state have not yet been concluded and so the actual cost items for excluded employees have not been determined. The bill includes certain legislative agencies to provide for salary increases to their officers and employees, if they are granted.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1879, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 895 (Majority) Ways and Means on H.B. No. 1880

The purpose of this bill is to authorize the Department of Education to assess and collect special fees and charges from pupils for co-curricular activities and from pupils who negligently destroy or damage school books, equipment, and supplies.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1880, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 896 Ways and Means on H.B. No. 1875

The purpose of this bill is to make a revenue bond fund appropriation to fund the public's share of the redevelopment of the Aloha Tower Complex.

Your Committee has amended this bill to provide that no bonds shall be issued and no demolition or site development shall take place before the development proposals have been placed in contract form. This provision will reduce the possible risk to the state of proceeding with development and bond issuance and then finding that there is no one interested in renting or otherwise providing the necessary income stream for the repayment of the bonds. Your Committee has amended the bill by making technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1875, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Anderson.

SCRep. 897 Ways and Means on H.B. No. 50

The purposes of this bill are to amend the law on the housing and loan mortgage, commonly referred to as the Hula Mae program, to (1) replace the terms "residential property" and "such property" with the term "a principal residence" in the definition of "eligible borrower"; (2) replace the terms "purchase" and "housing unit" with the terms "permanent financing" and "dwelling unit", respectively, in the definition of "eligible loan"; (3) allow a person to be a vendee under an agreement of sale and still qualify as an "eligible borrower"; and (4) authorize the issuance of an additional \$250 million in revenue bonds for the program.

Your Committee finds that this bill will expand the successful Hula Mae program through the issuance of the additional revenue bonds. Your Committee finds it preferable that the Hula Mae program not be expanded beyond an increased revenue bond authorization and has amended the bill accordingly.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 50, 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. 50, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 898 Ways and Means on H.B. No. 796

The purpose of this bill is to allow a taxpayer to claim additional withholding allowances based on the taxpayer's estimated itemized deductions to prevent overwithholding of taxes.

This proposal, which was made by the Department of Taxation, will conform to the Internal Revenue Code and was heard by your Committee earlier in the companion bill, S.B. No. 546.

Your Committee has amended this bill to add a provision to require withheld income taxes to be returned to the Department of Taxation on or before the fifteenth day of the calendar month following the month or the quarter for which the taxes are withheld and by increasing the ceiling for filing quarterly returns involving tax liability from \$500 to \$1,000 per calendar year.

This measure relating to withheld income taxes has been proposed by the Department of Taxation to reduce confusion and related problems resulting from the current due dates of certain taxes. Under present law, both withholding and general excise tax returns and payments are due at the same time. Because of the identical due dates, many taxpayers combine their withholding and general excise tax payments by making one lump-sum payment without submitting the proper forms and without delineating what amount is due for each tax. This results in delays in processing the returns and greatly increases the department's administrative workload.

The proposed increase in the ceiling for filing quarterly returns from \$500 to \$1,000 is designed to reduce the burden on small businesses as well as to reduce the department's workload. The ceiling increase will enable more small businesses to file quarterly rather than monthly withholding tax returns. This change will not only reduce the number of returns filed by businesses but will also reduce the department's clerical time needed to process monthly returns.

Your Committee has made nonsubstantive amendments to this bill to correct typographical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 796, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 796, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 899 Ways and Means on H.B. No. 799

The purpose of this bill is to require withheld income taxes to be returned to the Department of Taxation on or before the fifteenth day of the calendar month following the month or the quarter for which the taxes are withheld and by increasing the ceiling for filing quarterly returns involving tax liability to \$1,000 per calendar year.

Your Committee has amended this bill by deleting the current provisions and instead providing for an exemption from vehicular taxes for specially constructed or modified and adapted motor vehicles for personal use by handicapped persons. This bill would require certification from the handicapped person's physician as to the person's impairment of normal mobility.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 799, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Abercrombie and Yee.

SCRep. 900 Ways and Means on H.B. No. 1437

The purpose of this bill is to provide a public service company tax exemption to any contract carrier by water having a gross weight exceeding ten thousand gross tons which is engaged primarily in the business of transporting persons for tourism or sightseeing purposes within the state for the period July 1, 1981 to June 30, 1986 if in business after June 30, 1981.

Your Committee has amended the effective date of this bill to be upon approval.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1437, 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. 1437, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Abercrombie, Campbell and Yee.



SCRep. 901 Ways and Means on H.B. No. 1874

The purpose of this bill is to establish the Aloha Tower Development Corporation.

Your Committee recognizes that the public benefits which will accrue to the state will also extend throughout the Pacific Basin.

The project will be a joint venture of public and private interests. The development corporation will finance the public's share through the issuance of revenue bonds which are to be repaid by the development corporation. The office building and hotel will be financed by private developers.

Your Committee finds that the Aloha Tower Development Corporation will be the most efficient means of implementing the project and ensuring that the complex interests of the public and private sectors are smoothly integrated.

Your Committee has amended the bill by amending the designated boundaries to exclude the water areas adjacent to Piers 8 and 9 so that the boundaries designate only the fast land areas of the project site.

Your Committee has further amended the bill so that the mayor of the City and County of Honolulu or the mayor's designated representative shall serve as an ex officio voting member of the board of directors of the development corporation.

Your Committee has made technical and legal changes to the bill to conform to the recommendations of the state's bond counsel.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1874, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1874, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Anderson and Yee.

SCRep. 902 Judiciary on H.B. No. 1428

The purpose of this bill is to provide for prejudgment interest at the rate of ten per cent from the date a cause of action accrues to the time of satisfaction of a judgment rendered thereon. This would raise the interest rate from eight to ten per cent and allow prejudgment interest in all cases.

Under present law, interest may be recovered upon a judgment at the rate of eight per cent per year. With respect to prejudgment interest, there is case authority for the proposition that this is allowable, at least where the action is based on a debt. Lucas v. Liggett & Meyers Tobacco Company, 51 Haw. 346 (1969). However, there is still ambiguity as to whether such prejudgment interest will be allowed where the cause of action is one for unliquidated damages in tort.

Testimony received from an attorney in private practice, Henry Kitamura, Esq., indicated that the low interest rate of eight per cent now encourages defendants to file appeals rather than satisfying judgments rendered against them, because they can hold their money to take advantage of the high interest rates prevailing in the commercial market, which sometimes reach as high as twenty-two per cent. This would work to the disadvantage of the judgment creditor, who would have to wait for a long period of time for the appeal to be heard, before receiving satisfaction of a judgment he had fairly won. Raising the interest rate to a figure of ten per cent would encourage quick satisfaction of judgments.

Mr. Kitamura pointed out that the bill's intent to allow interest to run not just from the date of judgment, but from the date the cause of action accrued, is justified, as the Hawaii Supreme Court has already ruled that prejudgment interest is allowable in actions on a debt, and the same should be true for tort actions as well.

Your Committee has considered the testimony and agrees with the above comments. It is believed that the bill would encourage defendants and their insurers to more expeditiously evaluate claims made against them, to settle justifiable claims, and to satisfy any judgments rendered thereon. This would be beneficial not only to the injured party in a tort or other type of suit but would promote the efficiency of the trial courts by reducing existing caseloads.

Your Committee finds the bill's provision is insufficient. Therefore, for purposes of

clarifying this area of the law, your Committee has amended the bill to provide that prior to the entry of the judgment, prejudgment interest shall be allowed only on that portion of the judgment which can be attributed to the damages actually sustained. The amendment would further provide that the prejudgment interest shall be computed from the date the cause of action accrued to the date the judgment is satisfied; but, it shall be computed at the rate of interest and from the date agreed upon by the parties involved in any action for the satisfaction of a debt, which cause of action is premised on an existing contract or agreement. Your Committee has amended the bill to provide that these changes shall not affect Chapter 661 and 662, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1428, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1428, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator O'Connor.

SCRep. 903 Ways and Means on H.B. No. 1470

The purpose of this bill is to mandate the Department of Transportation to enter into arrangements for the sale and delivery of in-bond or duty-free merchandise at the Honolulu International Airport only by means of separate contracts providing for comparable facilities at the airport, and by no other arrangements or agreements such as delivery permits.

Your Committee is aware of the issues surrounding this bill and that they are delineated in great detail in S.C.R. No. 646 which was prepared by your Committee on Transportation following its earlier hearing on the bill.

Your Committee has amended S.D. 1 by adding the words "in the state" to the description of the location where in-bond merchandise subject to payments to the state may be displayed or sold. It has also deleted reference to "landing areas, cargo loading zones and commercial facilities" from the description of Honolulu International Airport as it pertains to restrictions upon the sale or delivery of in-bond merchandise, as the general designation includes these specific areas.

Your Committee has retained the language in S.D. 1 which terminates its provisions effective June 30, 1982.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1470, 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. 1470, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Campbell.

SCRep. 904 Legislative Management

Informing the Senate that S.C.R. Nos. 63 and 64, S.R. Nos. 194 to 198 and Stand. Com. Rep. Nos. 816 to 903 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 905 Legislative Management

Informing the Senate that S.R. Nos. 199 and 200 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 906 Legislative Management

Informing the Senate that S.C.R. Nos. 65 and 66 and S.R. Nos. 201 to 206 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 907 (Joint) Agriculture and Ways and Means on S.C.R. No. 42

The purpose of this senate concurrent resolution is to respectfully urge the counties to specifically include biomass as one of the alternative energy improvements exempt from the real property tax.

Your Committees find that there is a national, as well as state, commitment to encourage alternative energy facilities to assist in reducing the nation's dependency on foreign oil; that a system of tax exemptions and incentives have been devised to encourage the development of such alternative energy improvements and facilities; that an important alternative energy source in Hawaii is the use of biomass; that the current Hawaii system of tax exemptions and incentives for alternative energy facilities presently does not include biomass; that on July 1, 1981, the counties of the state will assume the responsibilities of the real property tax system, including all such matters as exemptions and incentives, and thereby removing such responsibilities from the state; and that therefore the counties should be requested to provide such exemptions and incentives to biomass facilities.

Your Committees on Agriculture and Ways and Means concur with the intent and purpose of S.C.R. No. 42 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 908     Agriculture on S.R. No. 129

The purpose of this senate resolution is to authorize the Senate Committee on Agriculture to carry on an interim study into certain agricultural matters, to direct the Legislative Reference Bureau to provide such support to that Committee as may be deemed necessary, and for the Committee to submit its findings and recommendations, including any proposed legislation, to the Senate not later than thirty days prior to the convening of the Regular Session of 1982.

Your Committee finds that there is a need to review the statutes relating to agriculture in the Hawaii Revised Statutes as many may be outdated, redundant, or unnecessary. Your Committee also finds that there is a need to investigate existing statutes and state programs concerning aquaculture, so that proper coordination and legislation may occur.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 129 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 909     Human Resources on H.C.R. No. 19

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to support appropriations under Title II of Public Law 96-79 in encouraging the development of additional intermediate care facilities in accordance with the findings of the State Comprehensive Health Plan.

Presently, there is a critical shortage of intermediate care beds in Hawaii. While this problem can be partially alleviated through a concerted and cooperative effort by community institutional facilities, such attempts will not accommodate the existing need.

Your Committee on Human Resources concurs with the intent and purpose of H.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 910     Human Resources on S.C.R. No. 52

The purpose of this concurrent resolution is to request the legislative auditor to conduct a comprehensive review of the public employees' retirement system, the review to be transmitted to the Legislature at least twenty days prior to the convening of the Regular Session of 1982.

The review is to take into consideration a number of policy issues including whether the public employees' retirement system should be restructured to take into account social security benefits and contributions, whether the provision of the automatic adjustment of the post-retirement allowance should be amended, whether the disability benefit provisions should be redesigned, whether the special retirement provisions for certain classes of members should be changed, whether the provisions for the determination of early retirement allowance should be placed into law, and whether the optional benefit form provisions should be amended.

To your Committee's knowledge, there has never been a comprehensive review of the public employees' retirement system with regard to its funding and benefit levels

since its establishment in 1926. Therefore, your Committee believes that a review is warranted.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 52 and recommends its adoption.

Signed by all members of the Committee except Senator Anderson.

SCRep. 911 Human Resources on S.C.R. No. 53

The purpose of this concurrent resolution is to request the legislative auditor to analyze the administration and provision of human services programs by the state government, the analysis to be submitted to the Legislature at least twenty days prior to the convening of the Regular Session of 1982.

The analysis should take into account individual schematic outlines of the state government's human services programs which are utilized by each distinct class of persons including but not limited to, the physically disabled who may or may not be vocationally rehabilitated, the mentally handicapped who may or may not be vocationally trained, the mentally ill, the economically disadvantaged, the unemployed, and abused children. Each human services program should be examined to determine its efficiency and effectiveness, and recommendations for improving the delivery of human services of the state government be made.

Your Committee is concerned about the numerous and complex human service programs offered by the several state departments and offices. These programs were not developed in a unified or coherent manner but rather, established separately over the years by federal and state law makers who wanted to deal with pressing human problems. Therefore, when viewed in totality, the whole range of services may not complement and support each other in the most proficient way possible. It is hoped that a comprehensive study of the state's system of service delivery will result in recommendations for improved effectiveness and efficiency.

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 except Senator Anderson.

SCRep. 912 Human Resources on S.C.R. No. 54

The purpose of this concurrent resolution is to request the legislative auditor to conduct a comprehensive study of position classification and compensation of employees of state departments and agencies, including the University of Hawaii and the Department of Education, and to submit this study to the Legislature at least twenty days prior to the convening of the Regular Session of 1982.

Your Committee finds that a comprehensive study of position classification and compensation is required in order to ensure that public employees in the various state departments and agencies are consistently and equitably classified and compensated to promote efficiency in the civil service.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 54 and recommends its adoption.

Signed by all members of the Committee except Senator Anderson.

SCRep. 913 Human Resources on S.C.R. No. 56

The purpose of this concurrent resolution is to encourage farmers, processors, distributors, wholesalers and retailers of food products to donate their surplus food products to charitable, religious and non-profit organizations.

Many low-income families are having a difficult time in maintaining an adequate nutritional diet when confronted with trade-off decisions regarding the purchasing power of the dollar on other basic necessities such as shelter, utilities, clothing, medical care and transportation. As current trends indicate that the price of food will continue to increase in subsequent years, your Committee finds that encouraging the donation of surplus food products to the "needy" within our community will be of invaluable assistance.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 914 Human Resources on S.C.R. No. 57

The purpose of this concurrent resolution is to request the legislative reference bureau to conduct a survey of other states' "Good Samaritan" statutes.

"Good Samaritan" legislation has been enacted in several states to enable farmers, processors, distributors, wholesalers and retailers of food to donate surplus food products to eligible non-profit organizations providing assistance to "needy persons" without fear of being held liable for injuries resulting from the ingestion of such donated food products.

Many local food sources are presently destroying their surplus food products in lieu of donating it for fear of product liability. Many of these businesses have expressed a willingness to donate their excess food products but have not done so because of insufficient legal protection. A survey which would analyze the scope of "Good Samaritan" statutes and their legal impact upon other jurisdictions would serve as a model for the development and enactment of similar legislation in Hawaii.

Your Committee has amended this concurrent resolution by specifying the form in which the Legislative Reference Bureau is to report the findings of the survey.

Your Committee on Human Resources concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends its adoption in the amended form hereto attached as S.C.R. No. 57, S.D. 1.

Signed by all members of the Committee.

SCRep. 915 Human Resources on S.R. No. 151

The purpose of this resolution is to request major state agencies to develop and implement on-going staff training workshops addressing the cultural practices, values, and the needs and the problems of immigrants.

Immigrants to Hawaii face many adjustment problems due to differences in social practices and cultural values. In order to deal with the needs and problems of these immigrants, the staff of state public agencies should be aware of and sensitive to the social practices and values of divergent cultures.

Your Committee has amended the title of this resolution by replacing the word "SENSITIVITY" with the word "AWARENESS".

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 151, S.D. 1.

Signed by all members of the Committee.

SCRep. 916 Human Resources on S.R. No. 152

The purpose of this resolution is to request the legislative auditor to analyze the administration and provision of human services programs by the state government, the analysis to be submitted to the Legislature at least twenty days prior to the convening of the Regular Session of 1982.

The analysis should take into account individual schematic outlines of the state government's human services programs which are utilized by each distinct class of persons including but not limited to, the physically disabled who may or may not be vocationally rehabilitated, the mentally handicapped who may or may not be vocationally trained, the mentally ill, the economically disadvantaged, the unemployed, and abused children. Each human services program should be examined to determine its efficiency and effectiveness, and recommendations for improving the delivery of human services of the state government be made.

Your Committee is concerned about the numerous and complex human service programs offered by the several state departments and offices. These programs were not developed in a unified or coherent manner but rather, established separately over the years by federal and state law makers who wanted to deal with pressing human problems. Therefore, when viewed in totality, the whole range of services may not complement and support

each other in the most proficient way possible. It is hoped that a comprehensive study of the state's system of service delivery will result in recommendations for improved effectiveness and efficiency.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 152 and recommends that it be referred to your Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 917 Human Resources on S.R. No. 156

The purpose of this resolution is to request the legislative auditor to conduct a comprehensive review of the public employees' retirement system, the review to be transmitted to the Legislature at least twenty days prior to the convening of the Regular Session of 1982.

The review is to take into consideration a number of policy issues including whether the public employees' retirement system should be restructured to take into account social security benefits and contributions, whether the provision of the automatic adjustment of the post-retirement allowance should be amended, whether the disability benefit provisions should be redesigned, whether the special retirement provisions for certain classes of members should be changed, whether the provisions for the determination of early retirement allowance should be placed into law, and whether the optional benefit form provisions should be amended.

To your Committee's knowledge, there has never been a comprehensive review of the public employees' retirement system with regard to its funding and benefit levels since its establishment in 1926. Therefore, your Committee believes that a review is warranted.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 156 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 918 Human Resources on S.R. No. 160

The purpose of this resolution is to request the legislative auditor to conduct a comprehensive study of position classification and compensation of employees of state departments and agencies, including the University of Hawaii and the Department of Education, and to submit this study to the Legislature at least twenty days prior to the convening of the Regular Session of 1982.

Your Committee finds that a comprehensive study of position classification and compensation is required in order to ensure that public employees in the various state departments and agencies are consistently and equitably classified and compensated to promote efficiency in the civil service.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 160 and recommends that it be referred to your Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 919 Human Resources on S.R. No. 165

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a survey of other states' "Good Samaritan" statutes.

"Good Samaritan" legislation has been enacted in several states to enable farmers, processors, distributors, wholesalers and retailers of food to donate surplus food products to eligible non-profit organizations providing assistance to "needy persons" without fear of being held liable for injuries resulting from the ingestion of such donated food products.

Many local food sources are presently destroying their surplus food products in lieu of donating it for fear of product liability. Many of these businesses have expressed a willingness to donate their excess food products but have not done so because of insufficient legal protection. A survey which would analyze the scope of "Good Samaritan" statutes and their legal impact upon other jurisdictions would serve as a model for the development and enactment of similar legislation in Hawaii.

Your Committee has amended this resolution by specifying the form in which the Legislative Reference Bureau is to report the findings of the survey.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 165, as amended herein, and recommends that it be referred to your Committee on Legislative Management, in the form attached hereto as S.R. No. 165, S.D. 1.

Signed by all members of the Committee.

SCRep. 920 Human Resources on S.R. No. 164

The purpose of this resolution is to encourage farmers, processors, distributors, wholesalers and retailers of food products to donate their surplus food products to charitable, religious and non-profit organizations.

Many low-income families are having a difficult time in maintaining an adequate nutritional diet when confronted with trade-off decisions regarding the purchasing power of the dollar on other basic necessities such as shelter, utilities, clothing, medical care and transportation. As current trends indicate that the price of food will continue to increase in subsequent years, your Committee finds that encouraging the donation of surplus food products to the "needy" within our community will be of invaluable assistance.

Your Committee on Human Resources concurs with the intent and purpose of S.R. No. 164 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 921 Legislative Management

Informing the Senate that S.C.R. No. 67, S.R. Nos. 207 to 214 and Stand. Com. Rep. Nos. 907 to 920 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 922 Transportation on S.C.R. No. 46

The purpose of this concurrent resolution is to give a general description of duty-free operations in Hawaii, to list in some detail the variety of concerns which have arisen concerning the duty-free market, and to request the assistance and cooperation of certain public agencies and the private sector in gathering information and proposing solutions for action by the Legislature during its Regular Session of 1982.

Your Committee on Transportation has amended this concurrent resolution to incorporate suggestions received in testimony during its public hearings on this and related measures. Changes have been made to provide for greater clarity in the assignment of responsibility during the legislative interim. Several non-substantive and technical amendments have also been made.

Your Committee on Transportation is in accord with the intent and purpose of S.C.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 46, S.D. 1.

Signed by all members of the Committee except Senators Kuroda and Toyofuku.

SCRep. 923 Transportation on S.R. No. 133

The purpose of this resolution is to give a general description of duty-free operations in Hawaii, to list in some detail the variety of concerns which have arisen concerning the duty-free market, and to request the assistance and cooperation of certain public agencies and the private sector in gathering information and proposing solutions for action by the Legislature during its Regular Session of 1982.

Your Committee on Transportation has amended this resolution to incorporate suggestions received in testimony during its public hearings on this and related measures. Changes have been made to provide for greater clarity in the assignment of responsibility during the legislative interim. Several nonsubstantive and technical amendments have also been made.

Your Committee on Transportation is in accord with the intent and purpose of S.R. No. 133, as amended herein, and recommends its passage in the form attached hereto

as S.R. No. 133, S.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Kuroda and Toyofuku.

SCRep. 924 Legislative Management

Informing the Senate that S.C.R. Nos. 68 and 69; S.R. Nos. 215 and 218 and Stand. Com. Rep. Nos. 922 and 923 have been printed and are ready for distribution.

Signed by all members of the Committee except Senator Cobb.

SCRep. 925 Human Resources on S.R. No. 15

The purpose of this resolution is to express concerns over the inequities in the salaries of the female work force caused by misconstrued job concepts and classifications, and to request employers to recognize and adopt the concept of equal pay for work of comparable value to their organizations.

Although Hawaii was the first state to ratify the equal rights amendment to the Constitution of the United States, there still exists a differential between men's and women's wages. Many employers deem position held by women as less important or requiring less skill than those held by men, or women are employed in positions which have a different job description from comparable positions in which men are employed.

Your Committee has amended this resolution to express unsubstantiated data as ideals rather than facts. Your Committee has further amended this resolution to include private labor organizations as recipients of this resolution.

Your Committee on Human Resources 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. 926 Consumer Protection and Commerce on S.C.R. No. 43

The purpose of this resolution is to request that the Department of Regulatory Agencies undertake a study of the need to regulate the practice of social work in the state.

In its hearing on this resolution your Committee received extensive favorable testimony from the Hawaii Chapter, National Association of Social Workers, Inc., to the effect that social work in the contemporary context deals widely with sensitive areas of human relationships and interaction.

According to the testimony, "the social work profession encompasses a broad spectrum of services which includes many areas that involve making decisions in life and death situations such as child and spouse abuse, suicide prevention and the treatment of potentially dangerous individuals." The testimony foresaw a serious threat to public health, safety, and welfare in the practice of social work by incompetent, unqualified, and unethical persons. Social workers were reported to be "licensed or certified to practice in 23 states, Puerto Rico, and Canada."

The Department of Regulatory Agencies had no objection to the proposed study, but recommended that it be performed by the Legislative Auditor, whose Sunset Evaluation Reports of boards, commissions and programs within the department's purview provide a framework and procedure well-suited to the requested study.

Your Committee concluded that the study is both necessary and timely, and further, that the Legislative Auditor would be the appropriate agency to undertake it. The resolution has been appropriately amended.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 43, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 43, S.D. 1

Signed by all members of the Committee.

SCRep. 927 Consumer Protection and Commerce on S.C.R. No. 47

The purpose of this concurrent resolution is to request the Department of Regulatory Agencies to conduct a study to determine the feasibility of requiring self-support of



its operations.

Your Committee received testimony from the Department of Regulatory Agencies which supported the idea of a study but which also pointed out the difficulty for it to conduct a totally objective and thorough self-analysis.

Your Committee, therefore, has amended this concurrent resolution to authorize the department to contract with an independent agency or organization to conduct the study and to provide the development of legislation to implement its recommendations. The resolution has been further amended to make technical nonsubstantive changes.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1.

Signed by all members of the Committee.

SCRep. 928 Consumer Protection and Commerce on S.C.R. No. 51

The purpose of this resolution is to request a study on licensing carpenters. Carpenters play an integral role in the building industry, as do the electrical and plumbing trades, which are presently regulated pursuant to chapter 448E.

During the past ten years carpentry has become more complex due to new innovations and technology. Therefore, it may be appropriate that carpenters be licensed as are other skilled craftsmen.

Your Committee heard testimony from the Department of Regulatory Agencies favoring the resolution and recommending that the Legislative Auditor be the reporting agency.

Your Committee finds, instead, that the Department of Labor and Industrial Relations should act as lead agency in undertaking the requested study with the participation of the Department of Regulatory Agencies and others.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 51 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 929 Consumer Protection and Commerce on S.R. No. 135

The purpose of this resolution is to request the Department of Regulatory Agencies to conduct a study to determine the feasibility of requiring self-support of its operations.

Your Committee received testimony from the Department of Regulatory Agencies which supported the idea of a study but which also pointed out the difficulty for it to conduct a totally objective and thorough self-analysis.

Your Committee, therefore, has amended the resolution to authorize the department to contract with an independent agency or organization to conduct the study and to provide the development of legislation to implement its recommendations. The resolution has been further amended to make technical nonsubstantive changes.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 135, S.D. 1.

Signed by all members of the Committee.

SCRep. 930 Consumer Protection and Commerce on S.R. No. 148

The purpose of this resolution is to request a study on licensing carpenters. Carpenters play an integral role in the building industry, as do the electrical and plumbing trades, which are presently regulated pursuant to chapter 448E.

During the past ten years carpentry has become more complex due to new innovations and technology. Therefore, it may be appropriate that carpenters be licensed as are other skilled craftsmen.

Your Committee heard testimony from the Department of Regulatory Agencies favoring

the resolution and recommending that the Legislative Auditor be the reporting agency.

Your Committee finds, instead, that the Department of Labor and Industrial Relations should act as lead agency in undertaking the requested study with the participation of the Department of Regulatory Agencies and others.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.R. No. 148 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 931 Higher Education on S.R. No. 179

The purpose of this senate resolution is to request the Board of Regents of the University of Hawaii to report on its progress in implementing corrective measures to ameliorate certain deficiencies in the University's organization, planning, and personnel management practices as identified in the Legislative Auditor's report and reflected in this resolution.

It is your Committee's intent that the University and the Legislature use the findings and recommendations as contained in the Legislative Auditor's report as a guide towards building a stronger and more viable University system in consonance with the state's mission to assure quality post secondary education to all who seek it. In working towards this goal, your Committee has provided the Board of Regents with a definitive outline of implementation and reporting dates. Your Committee will also be holding hearings during the interim to assess and monitor the University's compliance with the spirit and the essence of the Legislative Auditor's recommendations.

Your Committee on Higher Education is in accord with the intent and purpose of S.R. No. 179 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 932 Legislative Management

Informing the Senate that S.C.R. Nos. 70 and 71, S.R. Nos. 219 to 231 and Stand. Com. Rep. Nos. 925 to 931 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 933 Government Operations and Intergovernmental Relations on S.C.R. No. 31

The purpose of this concurrent resolution is to recognize the economic, strategic, and political importance of the Pacific Basin.

Your Committee received testimony which reviewed the development of the U.S. Pacific Basin Territories and supported the further development of relations with nations in the Pacific Basin. Your Committee is in agreement that the United States Congress and the national administration should recognize the importance of the Pacific Basin and take appropriate measures to strengthen the position of the United States in this area.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.C.R. No. 31 and recommends its adoption.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 934 Government Operations and Intergovernmental Relations on S.R. No. 90

The purpose of this resolution is to request the Office of Organized Research and the Hawaii Institute of Geophysics to conduct a study on sudden-impact environmental hazards including earth-quakes, tsunamis and volcanic eruptions. Among other things, the study is to update earthquake and seismic information, assess the prediction capabilities of the state, recommend actions to improve earthquake prediction capabilities, and make recommendations on the feasibility of a program for disseminating information aimed at reducing losses from environmental hazards.

Your Committee finds that there is a need for further study of sudden-impact environmental hazards such as earthquakes, tsunamis and volcanic eruptions since Hawaii is vulnerable to such hazards. A study will enable state authorities to take proper measures designed to reduce loss of life and property as a result of environmental hazards.

Your Committee has corrected a typographical error and conformed the resolution to recommended drafting style.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.R. No. 90, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 90, S.D. 1.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 935    Legislative Management

Informing the Senate that S.C.R. Nos. 72 to 80, S.R. Nos. 232 to 289 and Stand. Com. Rep. Nos. 933 and 934 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 936    Government Operations and Intergovernmental Relations on Gov. Msg. No. 233

Recommending that the Senate advise and consent to the nomination of ALBERT F. ALFONSO to the Civil Defense Advisory Council for a term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 937    Government Operations and Intergovernmental Relations on S.C.R. No. 21

The purpose of this concurrent resolution is to urge state, county and city criminal justice agencies to ensure that future procurement of data processing equipment is compatible with that in use by the Hawaii Criminal Justice Analysis Center.

Your Committee received testimony from the Department of Social Services and Housing which supported this resolution. It was stated that such coordination of data systems would facilitate information transfers between criminal justice agencies promptly and effectively. Your Committee also heard from the Attorney General's office in support of this resolution.

Your Committee has amended the resolution to make nonsubstantive style changes and to add an additional Resolved clause to transmit copies of the resolution to the Governor and the mayors of the respective counties.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.C.R. No. 21, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 21, S.D. 1.

Signed by all members of the Committee.

SCRep. 938    Higher Education on Gov. Msg. No. 150

Recommending that the Senate advise and consent to the nominations of JOHN C.J. YUEN and GERALD PANG-CHING to the Board of Directors, Research Corporation of the University of Hawaii for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Abercrombie.

SCRep. 939    Higher Education on Gov. Msg. No. 151

Recommending that the Senate advise and consent to the nominations of the following:

SUMIE F. McCABE to the Western Interstate Commission for Higher Education, for a term ending December 31, 1983; and

DAVID L. FAIRBANKS to the Western Interstate Commission for Higher Education, for a term ending December 31, 1984.

Signed by all members of the Committee except Senator Abercrombie.

SCRep. 940    Higher Education on Gov. Msg. No. 250

Recommending that the Senate advise and consent to the nomination of MARJORIE MANUIA to the State Post-Secondary Education Commission, for a term ending December 31, 1984.

Signed by all members of the Committee except Senator Abercrombie.

## SCRep. 941 Legislative Management

Informing the Senate that Stand. Com. Rep. Nos. 936 to 940 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 942 Ecology, Environment and Recreation on S.C.R. No. 69

The purpose of this concurrent resolution is to (1) urge the City and County of Honolulu, the State of Hawaii and the U.S. Navy to establish joint memoranda of understanding specifying their respective responsibilities in the event of an accidental release of radioactivity from the Pearl Harbor Naval Shipyard, (2) to urge those same agencies to follow the guidelines currently being followed at commercial nuclear plants in establishing their plans for responding to such an accident, (3) to request the State Advisory Committee on Radiological Safety to review the state's emergency response plans and recommend priorities for bringing them into conformance with NUREG-0654, and (4) to request the relevant federal agencies to provide support for those efforts.

Your Committee received testimony in support of this resolution from the Chairman of the State Advisory Committee on Radiological Safety, the Environmental Center of the University of Hawaii, and the Hawaii Council of Churches.

In response to the Three Mile Island accident, the operators of commercial nuclear power reactors and the states and localities in which those reactors are located have been required to make significant improvements in their ability to respond to, and thereby limit the consequences of, accidents involving the release of radioactivity to the environment. Those required improvements have been summarized in the U.S. Nuclear Regulatory Commission report NUREG-0654.

However, although the provisions of NUREG-0654 are currently required to be implemented at commercial nuclear power reactors, there is no legal requirement to implement them at military facilities such as Pearl Harbor since those facilities are not subject to the U.S. Nuclear Regulatory Commission's licensing process.

Although there is no legal requirement, there is a clear trend for military facilities and the states and localities in which they are located to work cooperatively to upgrade their capability to respond to radiological incidents. This trend is reflected by the recent signing of a Memorandum of Understanding between the U.S. Department of Energy and the State of Washington with respect to radiological incidents at the Department's facility at Hanford, Washington, and the ongoing negotiations between the U.S. Navy and the State of Washington to establish a similar Memorandum of Understanding for the Puget Sound Naval Shipyard. Those memoranda clearly specify the responsibilities of the respective government agencies in the event of an accidental release of radioactivity, and serve as a framework for voluntarily implementing the guidelines set forth in NUREG-0654.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 69 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

## SCRep. 943 Legislative Management

Informing the Senate that S.R. Nos. 290 and 291, Conf. Com. Rep. Nos. 1 and 2, and Stand. Com. Rep. No. 942 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 944 Judiciary on H.B. No. 207

The purpose of this bill is to clarify that in cases of murder other than those set forth in subsection (a), the court no longer has the discretion in choosing between a term of life imprisonment with possibility of parole or twenty years of imprisonment. Under the present law, those convicted of murder will receive either a sentence of life imprisonment with possibility of parole or twenty years of imprisonment.

Testimony submitted by the Honolulu Prosecuting Attorney indicates that under the existing law, many defendants convicted of crimes less serious than murder are subject to the same maximum term of imprisonment as persons convicted of murder. The Prosecuting Attorney's Office feels that a conviction of murder warrants a greater sentence than

twenty years since it is the most serious offense in the penal code and involves the intentional or knowing killing of a human being.

Your Committee finds that requiring the maximum sentence of life imprisonment with possibility of parole would afford protection to the community since one convicted of murder and granted parole would serve out the life sentence in the event the terms and conditions of the release were violated.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 207, 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. 945 Judiciary on H.B. No. 1025

The purpose of this bill is to amend subsection (b) (3) in Section 8043, Hawaii Revised Statutes, by making changes to maintain the intent and purpose of the bill and giving it greater clarity.

Testimony submitted by the Honolulu Police Department and the Honolulu Prosecutor's Office indicates that this provision is desirable since it would provide that no bail shall be allowed if a person is on parole.

Your Committee feels that many parolees who have been charged with a serious crime while on parole do pose a threat to the community and therefore should not be permitted to remain free on bail.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1025, 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. 946 Judiciary on H.B. No. 1866

The purpose of this bill is to provide that the fee which a court reporter may charge for services rendered in making copies of transcripts and proceedings will be increased from \$1.25 to \$1.50 per twenty-five line page and from \$.50 to \$.60 per carbon copy.

Testimony was submitted by the state Judiciary on S.B. No. 1846 which is identical to H.B. No. 1866 indicating that the present transcript fees were set in 1975. Act 100 of the Session Laws of Hawaii, 1975, increased the fee from \$1.00 per page for the original to \$1.25 per page and from \$.40 per page for each carbon copy to \$.50 per page. The private sector is approximately 100 percent above official court reporters in the costs of transcripts involved in court-type proceedings. On the average, they charge \$2.20 per page for an original and one carbon copy and \$1.00 per page for each additional carbon copy. Federal court reporters are paid \$2.00 for an original and \$.50 per copy with a minimum of three copies to be ordered.

Your Committee finds that this increase in fees is justifiable.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1866, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 947 Consumer Protection and Commerce on S.C.R. No. 60

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a comparative study on the condominium laws of other jurisdictions. This study is to be done during the 1981-1982 interim and be submitted to the Legislature twenty days prior to the convening of the 1982 Regular Session.

The areas of study are to include the manner in which condominium assessments and maintenance fees are established and changed and the protection of owners' rights to be informed about management and acquisition of common elements. The study is also to include recommendations to further consumer protection under Hawaii's horizontal property act.

Your Committee finds that such a study is desirable in order to keep the legislature informed as to possible changes which may be needed to improve Hawaii's condominium laws.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.C.R. No. 60 and recommends its adoption.

Signed by all members of the Committee except Senator Machida.

SCRep. 948 Consumer Protection and Commerce on S.R. No. 168

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a comparative study during the 1981-1982 interim on condominium laws of other jurisdictions. Specific areas which are requested for study are the establishment and change of condominium assessments and maintenance fees; laws as they relate to the protection of condominium owners' rights to be informed about management and acquisition of common elements; and recommendations to further consumer protection under Hawaii's horizontal property act.

Your Committee finds that such a study is desirable in order to keep the legislature informed as to possible changes which may be made to improve Hawaii's laws on condominiums.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.R. No. 168 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 949 Ways and Means on Gov. Msg. No. 170

Recommending that the Senate advise and consent to the nomination of JENSEN S.L. HEE as Director of Finance, for a term ending December 6, 1982.

Signed by all members of the Committee.

SCRep. 950 Ways and Means on Gov. Msg. Nos. 171, 172, 270 and 271

Recommending that the Senate advise and consent to the nominations of the following:

FRED C. BLANCO to the Board of Taxation Review, First Taxation District, for a term ending December 31, 1984;

HARRIETTE MOKIHANA DAVIS to the Board of Taxation Review, Second Taxation District, for a term ending December 31, 1984;

ROGELIO SARAOS to the Board of Taxation Review, Fourth Taxation District, for a term ending December 31, 1984;

ELLEN AOKI to the Board of Taxation Review, Third Taxation District, for a term ending December 31, 1984; and

DOUGLAS BEATTY and KWAI WAH LEE to the Board of Taxation Review, Third Taxation District, for a term ending December 31, 1983.

Signed by all members of the Committee.

SCRep. 951 Ways and Means on Gov. Msg. Nos. 302 and 303

Recommending that the Senate advise and consent to the nominations of the following:

LOVEY LEINAALA APANA to the Board of Taxation Review, Fourth Taxation District, for a term ending December 31, 1984; and

JERRY A. RUTHRUFF to the Board of Trustees, Employees' Retirement System, for a term ending January 1, 1987.

Signed by all members of the Committee except Senator Abercrombie.

SCRep. 952 Legislative Management

Informing the Senate that S.R. Nos. 292 to 297 and Stand. Com. Rep. Nos. 944 to 951 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 953 Ecology, Environment and Recreation on S.C.R. No. 63

The purpose of this concurrent resolution is to urge the Department of Health to allow the experimental installation of a composting toilet and a greywater irrigation system at the Kokokahi Hunger Mission Model in Kaneohe.

Testimony in support of this concurrent resolution from the department and the Hunger Mission Model revealed that the use of composting toilets and greywater irrigation systems could significantly reduce domestic water consumption in the state. However, state law currently does not permit their use. The purpose of the proposed experiment is to compile the data needed to establish regulations to ensure that those devices will not pose any environmental or health hazards.

At the suggestion of the department, your Committee has amended this concurrent resolution to request that the Department of Health and the Environmental Center of the University of Hawaii to work with the Hunger Mission Model to devise the research strategy for the proposed experiment.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 63, S.D.1.

Signed by all members of the Committee.

SCRep. 954 Ecology, Environment and Recreation on S.R. No. 196

The purpose of this resolution is to urge the Department of Health to allow the experimental installation of a composting toilet and a greywater irrigation system at the Kokokahi Hunger Mission Model in Kaneohe.

Testimony in support of this resolution from the department and the Hunger Mission Model revealed that the use of composting toilets and greywater irrigation systems could significantly reduce domestic water consumption in the state. However, state law currently does not permit their use. The purpose of the proposed experiment is to compile the data needed to establish regulations to ensure that those devices will not pose any environmental or health hazards.

At the suggestion of the department, your Committee has amended this resolution to request that the department of health and the Environmental Center of the University of Hawaii to work with the Hunger Mission Model to devise the research strategy for the proposed experiment.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 196, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 196, S.D.1.

Signed by all members of the Committee.

SCRep. 955 Ways and Means on H.B. No. 114

The purpose of this bill is to provide funds for the compensation of victims, dependants, attorneys and others, for medical services as the result of criminal acts.

Testimony submitted by the Department of Budget and Finance indicates that the sum of \$598,535.24 should be appropriated.

The sum of \$598,535.24 is approved by your Committee to be appropriated out of the general revenues of the state to cover the payments of claims approved by the Criminal Injuries Compensation Commission in 1980. Your Committee finds that these claims are in order.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 114, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 956 (Majority) Ways and Means on H.B. No. 753

The purpose of this bill is to amend section 174-11, Hawaii Revised Statutes, to allow the Board of Land and Natural Resources (BLNR) discretion in fixing and adjusting irrigation system rates and charges.

Currently the law mandates the board to at least break even in its charges for the use of water from stateowned water systems. This bill would remove that requirement, allowing for lower rates to be charged, at the discretion of the board.

Your Committee is concerned that this bill could be used to reduce charges to farmers for all stateowned water systems, thus creating an unwanted subsidy program and becoming a burden upon the taxpayers. Nevertheless, your Committee additionally feels that in certain cases the current law is too restrictive in its wording, and that it hence denies the board of land and natural resources a needed flexibility in setting water rates. Your Committee is specifically thinking of a limited number of specific exceptional cases wherein the board should be allowed to set rates at less-than-a-break-even basis. On this basis, and only on this basis, your Committee supports this bill and feels that it is consistent with the state's policy of promoting and encouraging agriculture in the state.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 753 and recommends that it pass Third Reading.

Signed by all members of the Committee.  
Senators Anderson and Kawasaki did not concur.

SCRep. 957 Ways and Means on H.B. No. 779

The purpose of this bill is to authorize the director of regulatory agencies to establish, amend, or repeal registration, renewal, and late renewal fees for regulatory programs it administers and enforces.

Presently, a number of regulatory programs placed in the Department of Regulatory Agencies do not have provisions for registration, renewal, or late fees. This bill authorizes the director to set fees, pursuant to chapter 91, to defray the costs of enforcement and administration of these programs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 779, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 958 Ways and Means on H.B. No. 793

The purpose of this bill is to designate each director as the "Administrator" of each Intake Service Center and to clarify these positions and that of the state executive director of all the Intake Service Centers. This bill clarifies the appointment process as well as the administrative responsibility and accountability of these persons. The existing law, which does not make this distinction, has resulted in considerable confusion in terms of the roles among the various directors of the state's Intake Service Centers.

Your Committee feels that this bill would be beneficial in terms of clearing up this confusion and clarifying the roles of the over-all state executive director of all Intake Service Centers, and administrators.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 793, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 959 Ways and Means on H.B. No. 1007

The purpose of this bill is to provide that all claims for refunds, reimbursements, or other payments sought from the Legislature shall be subject to full review by the Attorney General. The Attorney General shall transmit the claims that are recommended to the Legislature together with any data and documents supporting each claim. The present law provides that the Department of Budget and Finance serves as a clearinghouse in the processing of claims which are submitted to the Legislature.

Your Committee finds that this bill would improve the claims procedure by requiring the Attorney General to review each claim and submit a recommendation as to the disposition



of each claim to the Legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1007 herein, and recommends that H.B. No. 1007 pass Third Reading.

Signed by all members of the Committee.

SCRep. 960 Ways and Means on H.B. No. 1158

The purpose of this bill is to allow the Employees' Retirement System to increase the present first mortgage loan amount from 75 per cent to no more than 90 per cent of the value of the real property and improvements mortgaged to secure it, provided that the obligation is insured or guaranteed against default or loss under a mortgage insurance policy issued by a casualty insurance company licensed to do business in the state.

The coverage provided by the insurer should be sufficient to reduce the Employees' Retirement System's liability to not more than 75 per cent of the value of the real property and shall remain in force until the outstanding amount of the principal of the first mortgage is reduced to 75 per cent of the market value and improvements mortgaged to secure it, at which time the coverage shall be subject to cancellation solely at the option of the board of trustees.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1158, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 961 Ways and Means on H.B. No. 1334

The purpose of this bill is to permit the head of a department to delegate to a deputy director the duties and responsibilities specified in section 39-64, Hawaii Revised Statutes, pertaining to the execution of revenue bonds.

Under the present statute, only the head of the department is authorized to sign revenue bonds issued by that department. Your Committee believes that such authority should be delegated to a deputy director designated by the head of the department, in order to provide maximum administrative flexibility and assure continual efficiency in the operation of that department.

Your Committee finds that the programs of the Department of Transportation and the responsibilities of the director have greatly increased in recent years. Departmental management has become increasingly complex, and revenue bond sales have grown dramatically. The duties of the director are multi-dimensional in scope and often make conflicting demands upon his time. This bill would help relieve the director of one of these duties---the purely ministerial task of signing revenue bonds.

Your Committee agrees that this responsibility may properly be assigned to a deputy director designated by the director and that the delegation of this function is in the state's best interest.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1334 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 962 Ways and Means on H.B. No. 1873

The purpose of this bill is to amend the existing statutes relating to shortage categories in public employment as follows: (1) allows the entry salary for a shortage category to be adjusted by adding to the first step of an appropriate salary range a temporary shortage differential; (2) allows for similar adjustments in the entry salaries of other classes or groups of positions in classes if warranted to preserve internal relationships within the same series as the shortage category; (3) allows for adjustments in the pay of incumbents who are in a class or group of positions in a class where the entry salary has been adjusted so that no incumbent is paid below the adjusted entry salary; and (4) establishes procedures for phasing out shortage differentials whenever there are changes in the pay schedules or the entry salaries are lowered following a review of shortage category determinations.

Your Committee is in agreement that under the authority of Act 253, Session Laws

of Hawaii 1980, model conversion plans regarding a reduction in the number of steps were negotiated for three bargaining units. Changes in the pay structures under these model conversion plans (i.e., fewer steps, larger percentage differences between steps, and a requirement that all employees be paid on step) prompted a review of the existing statutes on shortage categories. The review showed that amendments are necessary to: (1) restore flexibility in setting an appropriate entry salary for a shortage category; (2) preserve internal relationships within the series in which a shortage occurs; (3) assure that no incumbents are paid less than the adjusted entry salaries for their respective class or group of positions in a class; and (4) phase out shortage differentials which are provided as a temporary measure to alleviate recruitment problems.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1873, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 963 Legislative Management

Informing the Senate that S.R. Nos. 298 to 301 and Stand. Com. Rep. Nos. 953 to 962 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 964 Consumer Protection and Commerce on Gov. Msg. Nos. 112 and 205

Recommending that the Senate advise and consent to the nominations of the following:

STANLEY M. KURIYAMA to the Board of Examiners in Optometry, for a term ending December 31, 1984; and

ANNA W.K. CHUNG to the Board of Examiners in Optometry, for a term ending December 31, 1982.

Signed by all members of the Committee except Senator Yee.

SCRep. 965 Government Operations and Intergovernmental Relations on S.C.R. No. 45

The purpose of this concurrent resolution is to request the United States Congress to prepare and submit a constitutional amendment to require a balancing of the federal budget.

Your Committee finds that the total indebtedness and fiscal obligations of the United States approaches one trillion dollars which results in an annual debt servicing cost of approximately \$90 billion. Your Committee further finds that the growing deficits in the federal budget are detrimental to the economy and fiscal posture of the United States. Our nation's relationship with the world community has suffered considerably because of budgeting, spending, and money printing practices which have resulted in large deficits. Continuation of such practices will impose an unbearable financial burden on present and future generations of Americans.

Based on the foregoing, your Committee finds that it is imperative to submit a constitutional amendment in Congress requiring a balancing of the federal budget.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 966 Tourism on S.R. No. 206

The purpose of this resolution is to urge the United States Congress to waive non-immigrant visas for travelers from certain nations.

The visitor visa requirement presently imposed by the Immigration and Nationality Act are felt by many to be burdensome, antiquated, unnecessary, and in many cases a barrier to travel to the United States.

Hawaii, by virtue of its international popularity and by its dependence on tourism would benefit greatly from the removal of this barrier.

One of every five jobs in Hawaii is either directly or indirectly related to tourism and

generates over twenty per cent of all household income in the islands. According to testimony by the Japan-Hawaii Economic Council, the elimination of visa procedures could increase the number of Japanese tourist to Hawaii by at least ten per cent.

Current legislation before the United States Congress would waive certain visa requirements for non-immigrants of certain countries. Therefore your Committee concurs with testimony from the State and private sectors, and urges the United States Congress to support the passage of legislation easing visa requirements.

Your Committee on Tourism concurs with the intent and purpose of S.R. No. 206 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 967 Agriculture on S.R. No. 186

The purpose of S.R. No. 186 is to urge that the Department of Agriculture, the College of Tropical Agriculture, the Department of Land and Natural Resources, the Hawaii Farm Bureau Federation and various young farmer organizations all join together under the coordination of the Governor's Agricultural Coordinating Committee to examine the possibility of establishing an agricultural park in Paauilo, Hawaii.

The College of Tropical Agriculture and Human Resources maintains the Hamakua Research Branch Station in the vicinity of the proposed agricultural park. The work done at this station has centered on crops which require minimum irrigation and on pasture improvement projects. The College has stated in testimony before the Committee that other factors, e.g., market needs for crops, availability of water and electricity, numbers of interested farmers, should be evaluated to determine the viability of an agricultural park in the area. The College has offered to work with the Department of Agriculture in the requested assessment.

The Legislature has appropriated funds for Phase I of a statewide assessment and plan for agricultural parks. Phase II of this project, for which funding has been requested from the 1981 Legislature, will include site selection and economic feasibility analysis. The Department of Agriculture suggests that the Paauilo site be evaluated as part of this Phase II program.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 186 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 968 Agriculture on S.R. No. 188

The purpose of this resolution is to call upon appropriate Senate committees to conduct an interim study to determine the feasibility of encouraging the establishment of a feed production industry in the state. Said industry would include roughage crops such as alfalfa hay and grain crops such as feed corn. The purpose of said industry would be to provide locally-grown, and therefore less expensive, feed for Hawaii's livestock producers.

Your Committee has reviewed written and oral testimony from the College of Tropical Agriculture and Human Resources, the Department of Agriculture and the 50th State Dairy Cooperative. Your Committee finds that the increasing costs of transportation added to the rising costs of feeds themselves has placed the Hawaii livestock industry in a precarious situation. In the ten years between 1970 and 1979, locally produced livestock products (beef/veal, eggs, pork and poultry) have been capturing a decreasing share of the local retail market. For example, locally produced beef and veal accounted for 47.7% of the retail trade in the state in 1970. In 1979, locally produced beef and veal accounted for only 32.2% of the local retail trade, a decline of more than 15.5% in the decade. Feed represents from 50-70% of the total cost of producing livestock for market. Any savings in the feed costs should result in lower prices and, therefore, lower costs to the retail public which should yield locally produced livestock products an increased share of the marketplace.

The College of Tropical Agriculture and Human Resources has recommended that the study resulting from passage of this resolution use the "industry analysis approach", a systematic examination which has been successfully applied by the Governor's Agricultural Coordinating Committee in defining solutions for segments of the state's agricultural industry, e.g., swine and poultry. The College faculty is already engaged in an examination of the corn and alfalfa components of a feed system. Additional examination of the feed

industry, to include defining the relationship between the forage (pasture) system in the state and a feed industry can define for the Legislature those actions required to develop an efficient, effective livestock feed industry for the state.

Your Committee on Agriculture is in agreement with the purpose and intent of S.R. No. 188 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 969     Judiciary on H.B. No. 1339

The purpose of this bill is to amend the present campaign contributions and expenditures law to exempt political action committees that spend less than \$1,000 per election from the reporting requirements of Chapter 11 of the Hawaii Revised Statutes.

The bill would encourage active participation in the election process without unduly burdening organizations making small expenditures with the task of filing a report with the Campaign Spending Commission. This bill would also ensure that organizations spending in excess of \$1,000 per election would still be subject to the reporting provisions of this chapter.

Your Committee received testimony from the Campaign Spending Commission and Common Cause/Hawaii, in favor of this bill. A representative from Common Cause/Hawaii supported the bill as requiring corporations, unions and other organizations to file reports with the Campaign Spending Commission. Jack Gonzales, Esq., for the Campaign Spending Commission testified that the change embodied in the bill would allow more accurate records to be compiled by the commission, while at the same time allowing the commission to monitor those committees making significant contributions or expenditures on behalf of or against candidates and/or ballot issues.

Your Committee is in accord with the intent and purpose of H.B. No. 1339, 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. 970     Judiciary on Gov. Msg. No. 161

Recommending that the Senate advise and consent to the nomination of TANY HONG as Attorney General, for a term ending December 6, 1982.

Signed by all members of the Committee .

SCRep. 971     Judiciary on Gov. Msg. Nos. 162, 163, 164, 165, 166, 167, 264, 265, 266 and 267

Recommending that the Senate advise and consent to the nominations of the following:

SOPHIE K. SHEATHER to the Criminal Injuries Compensation Commission, for a term ending December 31, 1984;

THOMAS K. HUGO, JR., to the Hawaii Paroling Authority, for a term ending December 31, 1984;

THOMAS K. HUGO, JR., to the Intake Service Center Board, for a term ending December 6, 1982;

ELI K. NAHULU, BOYD MOSSMAN, FRANCIS KEALA, and BETTY M. VITOUSEK to the Juvenile Justice Interagency Board, for terms ending, respectively, December 31, 1981, December 31, 1982, December 31, 1983, and December 31, 1984;

PILIALOHA E. LEE LOY and LOIS ANDREWS to the Commission on the Status of Women, for terms ending December 31, 1984;

LANI LIU EWART to the Commission to Promote Uniform Legislation, for a term ending December 31, 1984;

ALANA W. LAU to the Criminal Injuries Compensation Commission, for a term ending December 31, 1982;

MARY ANN PYUN, GUY A. PAUL, CHARLES F. MARSLAND, JR., and ALFRED K. SUGA to the Intake Service Center Board, for terms ending December 6, 1982;

GEORGE H. WALKER to the Board of Registration, Island of Hawaii, for a term ending December 31, 1984; and

LEONORA C. ALBAYALDE, VERONICA C. MOLONY, JAMES P. WALSH, JR., and VIVIAN RAE HANSON to the Commission on the Status of Women, for terms ending, respectively, December 31, 1984, December 31, 1984, December 31, 1984, and December 31, 1981.

Signed by all members of the Committee.

SCRep. 972     Judiciary on Gov. Msg. No. 299

Recommending that the Senate advise and consent to the nominations of RAFAEL ACOBA, A. VAN HORN DIAMOND, GEORGE IRANON, ALWYN KAKUDA, NEAL OKABAYASHI, THOMAS OSHIRO, BORICK PEROFF, FRANK D. SLOCUM, and FRANK P. WHITE, JR., to the Hawaii Crime Commission, for terms ending January 30, 1984.

Your Committee on Judiciary is concerned that the list of nominees submitted by the governor does not include any women. Your Committee hopes that the governor will address this concern when making future appointments to the commission due to the need for more equitable representation by the women of our state on this very important commission. Further, due to the large number of legal problems considered by this commission, it may also be advantageous to both the commission and our state that another attorney be represented on the commission.

Your Committee on Judiciary also hopes that the chairman of the commission will not be calling an excessive number of commission meetings now that compensation has been provided for.

Signed by all members of the Committee.

SCRep. 973     Judiciary on Gov. Msg. No. 300

Recommending that the Senate advise and consent to the nomination of KEVIN MULLIGAN to the Commission on the Status of Women, for a term ending December 31, 1981.

Signed by all members of the Committee.

SCRep. 974     (Majority) Judiciary on S.R. No. 174

The purpose of this resolution is to request the Judiciary to conduct a study concerning the establishment of closed-circuit television systems between the state adult correctional facilities and its respective circuit courts, for the purpose of conducting preliminary hearings.

Testimony was received from the Department of Social Services and Housing in favor of this resolution. The representative from the department cited the need for a study in order to be apprised of potential legal implications of use of closed-circuit television systems to conduct preliminary hearings.

Your Committee has expanded the study called for in the resolution to include use of television in all pre-trial hearings, including those on pre-trial motions, rather than limiting it to preliminary hearings only, as provided for in the original resolution. Your Committee believes that much of the delay described in the resolution stems from pre-trial hearings of all types, and is not limited just to preliminary hearings.

Your Committee finds that the present inability to provide a speedy trial for defendants is in part attributable to the delay caused by preliminary hearings and other pre-trial hearings, including those on pre-trial motions in both district and circuit courts. Your Committee finds that one way to expedite the preliminary hearing process is to use closed-circuit television systems. The defendant would remain in the correctional facility and the preliminary hearing or other pre-trial hearing would be conducted over a closed-circuit television. Your Committee feels that, by implementing this system, funds presently spent on transporting defendants to court would be saved and the danger of escapes by defendants would be reduced.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 174, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 174, S.D. 1.

Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 975    Judiciary on S.R. No. 263

The purpose of this resolution is to request that the Departments of Social Services and Housing and Personnel Services conduct a joint study of the existing and planned programs and any problems relating to the recruitment, training, and retention of qualified and effective security personnel now employed or to be employed by the Corrections Division of the Department of Social Services and Housing. This study should include a review of the rules and regulations, practices and procedures, class specifications, position descriptions, compensation, employee benefits, working conditions and any other considerations which are relevant to attracting and retaining security personnel. This study shall also include a review of security positions at intake service centers, community correctional centers, the high security facility on Oahu, Kulani Honor Camp, the Hawaii Youth Correctional Facility, and any other correctional facility administered by the Department of Social Services and Housing.

Testimony submitted by the Department of Social Services and Housing indicates that it is more than willing to aid the Senate in this study since it is already conducting a study regarding H.R. No. 32 which is substantially the same as S.R. No. 263.

Your Committee finds that to implement the idea of rehabilitation as embodied in the Correctional Master Plan, it is crucial that the security personnel fully recognize and understand the purpose of rehabilitation and how it is to be achieved through the correctional system. The recruitment, training and retention of security personnel for correctional facilities is a matter of importance to assure that they are qualified and competent.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 263 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 976    Judiciary on S.R. No. 267

The purpose of this resolution is to request the Department of Social Services and Housing, through its Correctional Division and Intake Service Centers, to review and evaluate existing and future rehabilitation and treatment programs for offenders to include, but not be limited to, the following:

1. Programs required to be provided by each Community Correctional Center including "occupational training and social adjustment programs" for offenders while incarcerated and post-release "referrals to community educational, vocational training, employment, and work study programs";
2. Correctional industry programs or "industrial and agricultural enterprises" to be provided by state correctional facilities;
3. Programs negotiated by the Director of Social Service and Housing with private organizations or agencies for the purpose of rehabilitation offenders;
4. Furlough programs;
5. Programs administered by the Conditional Release Centers;
6. Community-based treatment programs, emphasized by the Hawaii State Correctional Master Plan, which are designed to rehabilitate offenders; and
7. Any other rehabilitation and treatment programs.

Your Committee finds that the objective of the Hawaii State Correctional Master Plan is to rehabilitate the offender and encourage his return to a productive community life through the implementation of correctional programs. Your Committee feels that it is important to review the adequacy, availability and effectiveness of the various programs in order to further improve upon them and thereby assure successful rehabilitation of offenders.

Mr. Masaru Oshiro, Acting Executive Director of the Intake Service Centers, Department of Social Services and Housing, testified in support of this resolution, stating that the Intake Service Centers support any effort to improve and strengthen offender programs.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 267 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 977     Judiciary on S.R. No. 273

The purpose of this resolution is to request that the Attorney General study and evaluate the desirability of making periodic payments as opposed to lump-sum payments on serious accident claims.

Your Committee finds that in more serious accident cases the greatest part of any damage award is future damages which consists of future incapacity, future medical expenses, and loss of future income. The present law provides that the entire judgment be paid over to the claimant in a lump sum soon after entry of judgement. Your Committee feels that periodic payments would be in the interest of the various government entities and the claimant.

Testimony submitted by the Attorney General indicates the desirability of studying and evaluating the making of periodic payments and its relation to attorney's fees.

Your Committee has amended the resolution to reflect concerns of the proportion of any payment which must be paid as attorney's fees as well as the manner in which attorney's fees are to be handled in an award of periodic payments on serious accident claims. This concern is particularly great in cases where huge damage awards are granted.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 273, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 273, S.D. 1.

Signed by all members of the Committee.

SCRep. 978     (Majority) Judiciary on S.R. No. 279

The purpose of this resolution is to examine the feasibility of amending the Hawaii Rules of Evidence to authorize or require the court to participate in the examination of witnesses.

While existing law provides that the court shall exercise reasonable control over the mode and order of interrogating witnesses and presenting evidence, your Committee prefers an expansion of the trial judge's role in becoming a more active participant in the examination of witnesses. Your Committee finds that active participation by the judge may assure that critical evidence is presented during the trial and thereby assure the rendering of a just verdict.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 279 and recommends its adoption.

Signed by all members of the Committee.  
Senators Cayetano and O'Connor did not concur.

SCRep. 979     Judiciary on S.R. No. 280

The purpose of this resolution is to request that the Judiciary review of its procedures for the disqualification of a judge where there is prejudice or bias.

Your Committee finds that under existing law, the challenged judge may himself rule on the legal sufficiency of an affidavit charging him with bias. Your Committee feels that the existing law may be inadequate since there is no review of a judge's possible bias other than the judge's own determination.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 280 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 980     Judiciary on S.R. No. 284

The purpose of the bill is to request the Attorney General to assume statutory responsibility, presently assigned to the State Law Enforcement Planning Agency, for the Juvenile Justice Interagency Board in the event this agency is no longer in existence.

Your Committee finds that Act 303, Session Laws of Hawaii, 1980, provided that the Juvenile Justice Interagency Board be located within the State Law Enforcement Planning

Agency. Section 844-4, Hawaii Revised Statutes, provides that the State Law Enforcement Planning Agency shall continue to operate so long as there are sufficient federal funds. However, the federal funds as provided by the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, will terminate as of September 30, 1981. In this event, the Juvenile Justice Interagency Board will be without an executive director and an administrative office to assist in their operations as a board. Your Committee feels that it is important that the Juvenile Justice Interagency Board continue to operate as it has to date and that the Attorney General is in the best position to assume responsibility for this board.

Testimony was received from the Attorney General in support of the resolution. The Attorney General's testimony agreed that the Attorney General's office is the proper successor to the State Law Enforcement Planning Agency, and further, that the Attorney General's office was willing to assume its functions in the event it ceased to exist.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 284 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 981     Judiciary on S.R. No. 167

The purpose of this resolution is to request the Hawaii Crime Commission, the Office of the Prosecuting Attorney and the Legislative Reference Bureau to conduct a study of the Hawaii sexual offense statutes.

Your Committee finds that there is a growing concern over the low conviction rate of sexual offenders and there is an increasing sentiment that the sexual offense laws require major changes. Your Committee feels that the low conviction rate is an indication of the inadequacy of the existing statutes.

Testimony was received from the Hawaii State Commission on the Status of Women, and the Women's Legislative Coalition in support of this resolution. Chairperson Josephine Bucaneg of the former group pointed out that several revisions have been made to the sex offense provisions of the Hawaii Penal Code in the last few years. She testified in favor of a comprehensive review of these provisions, rather than piecemeal revision, and that this interim study take advantage of earlier work in this area by the Hawaii State Crime Commission and the 1980 Committee on Criminal Sexual Violence.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 167 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 982     (Majority) Judiciary on S.R. No. 256

The purpose of this resolution is to request that the Legislative Auditor conduct an audit of the Hawaii Criminal Justice Information Data Center, the Corrections Information System and the Judiciary for the purposes of clarifying their roles and functions to preclude any duplication that may exist.

Your Committee finds that these three information systems are designed to aid the state in the area of crime by assisting their respective law enforcement agencies with their functions and duties. However, at the present time, there appears to be an overlap regarding the roles and functions of these three systems.

Your Committee received testimony from the Director of Social Services and Housing in full support of this resolution and described the availability of high-quality information as being essential to the administration and planning of the Corrections Division.

Your Committee has revised the resolution to require the audit of state criminal justice information systems in their operations and interaction with county and city information systems. Your Committee has made further revision of the resolution to request the Governor and mayors of the respective counties to make data processing equipment purchases compatible for use with equipment of the Statistical Analysis Center. It is believed that this change will facilitate exchange of information among criminal justice information systems.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 256, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 256, S.D. 1.



Signed by all members of the Committee.  
Senator O'Connor did not concur.

SCRep. 983    Judiciary on S.R. No. 266

The purpose of this resolution is to request the Legislative Reference Bureau in cooperation with the Department of Social Services and Housing, Department of Health, Department of the Attorney General, the Public Defender, the Judiciary, and the Prosecuting Attorney's Office to review the insanity laws of the state to determine whether the laws can be restructured to make a distinction between individuals who are legally insane and those who are mentally ill. In addition, it is requested that they review the following in order to assure compliance with State v. Raitz (Hawaii Supreme Court No. 7636, December 26, 1980):

1. The period of time a person may be committed to an in-patient mental health facility;
2. The period of time an individual can be held for treatment in accordance with a court order; and
3. The period of time an individual may be retained in custody.

Testimony submitted by the Department of Health indicates that the insanity laws need to be substantially revised in order to clarify and update the acquittal by reason of insanity and unfitness provisions of the penal code.

Your Committee finds that one of the most difficult problems under existing law is the determination of when a person shall not be held responsible for his conduct. The present law fails to distinguish between the individual with the requisite state of mind who may be mentally ill and those, who by virtue of insanity, are incapable of formulating the requisite intent. In addition, the present law is inadequate in terms of providing a reasonable period of time necessary to determine the probability of an individual regaining his fitness to proceed to trial so as to be in compliance with State v. Raitz.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 266 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 984    Judiciary on S.R. No. 277

The purpose of this resolution is to request that the Legislature review the Hawaii Statewide Sentencing Project report with the objective of re-examining and revising the sentencing provisions of the Hawaii Penal Code. The review should include but not be limited to the following:

1. Whether indeterminate sentencing as it exists under present law should be replaced by determinate sentencing;
2. The effects and ramifications of determinate sentencing; and
3. A reassessment of the underlying philosophy of the Hawaii State Correctional Master Plan which emphasizes rehabilitation rather than punishment.

Your Committee finds that the underlying philosophy of the existing sentencing laws is rehabilitation oriented, with one example being the indeterminate sentencing approach. The Hawaii State Correctional Master Plan is aimed at rehabilitation rather than punishment by incarceration. At the present time, there is growing concern regarding the indeterminate sentencing approach. Those who criticize indeterminate sentencing agree that it neither rehabilitates the offender nor deters the offender from committing further crimes. Existing law already indicates a shift toward determinate sentencing such as mandatory minimum terms of imprisonment for certain types of repeat offenders, mandatory terms of imprisonment for the use of firearms in committing class A or B felonies, and mandatory imprisonment for class A felons.

Testimony submitted by Mr. Masaru Oshiro, Acting Executive Director of the Intake Service Centers, Department of Social Services and Housing, was in support of this resolution and indicated that the Intake Service Centers would support the efforts of the respective legislative committees in the review of the Hawaii Statewide Sentencing Project Report. He wished to emphasize in particular, however, that the review specifically consider the matter of additional offenders, should the punishment-oriented approach be recommended.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 277 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 985     Judiciary on S.R. No. 287

The purpose of this resolution is to request the Director of the Legislative Reference Bureau to conduct a study of the Penal Code and the Uniform Controlled Substances Act and recommend any change of law regarding the sentencing for drug offenses.

Your Committee finds that under the existing law, the selling of fifty tablets or capsules of certain drugs is a class A felony. This law would seem to be inequitable particularly since it is included in the same class as the crimes of murder and rape.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 287 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 986     Consumer Protection and Commerce on S.R. No. 120

The purpose of this resolution is to request that the Department of Regulatory Agencies undertake a study of the need to regulate the practice of social work in the state.

In its hearing on this resolution your Committee received extensive favorable testimony from the Hawaii Chapter, National Association of Social Workers, Inc., to the effect that social work in the contemporary context deals widely with sensitive areas of human relationships and interaction.

According to the testimony, "the social work profession encompasses a broad spectrum of services which includes many areas that involve making decisions in life and death situations such as child and spouse abuse, suicide prevention and the treatment of potentially dangerous individuals." The testimony foresaw a serious threat to public health, safety, and welfare in the practice of social work by incompetent, unqualified, and unethical persons. Social workers were reported to be "licensed or certified to practice in 23 states, Puerto Rico, and Canada."

Based on testimony received, your Committee is in agreement that a study is needed to assess the need for regulation of the practice of social work.

Your Committee has amended the resolution by requesting the Hawaii Chapter of the National Association of Social Workers to prepare an impact statement for use by the Department of Regulatory Agencies in conducting its study. It is the intent of your Committee that the impact statement include but not be limited to:

- 1) The need for regulation to protect the health, welfare, and safety of the public;
- 2) Possible alternatives to regulation;
- 3) The number and kinds of persons affected directly or indirectly by regulation;
- 4) Possible evidence of malpractice by social workers warranting regulation;
- 5) Private and public costs incurred by regulation; and
- 6) Possible restrictions regulation may impose on qualified persons already practicing social work.

Because the practice of social work appears to include activities closely related to the practice of psychology, your Committee has further amended the resolution to have the study consider the relationship of social work to the practice of psychology. Other technical amendments have been made to the resolution which have no substantive effect.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 120, S.D. 1.

Signed by all members of the Committee except Senators Machida and Saiki.

SCRep. 987     Consumer Protection and Commerce on Gov. Msg. Nos. 284, 285 and 286

Recommending that the Senate advise and consent to the nominations of the following:

LOIS M. POST to the Board of Barbers, for a term ending December 31, 1981;

SYDNEY DROSIHN to the Board of Massage, for a term ending December 31, 1983; and

GLORIA J. DAMRON and CONSTANCE B. SMALES to the Real Estate Commission, for terms ending December 31, 1984.

Signed by all members of the Committee except Senators Machida and Saiki.

SCRep. 988     Consumer Protection and Commerce on Gov. Msg. Nos. 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 113, 114, 115, 116, 117, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 206, 207, 208, 209, 210, 211, 212, 213, and 214

Recommending that the Senate advise and consent to the nominations of the following:

LARRY S. TAMANAHA to the Board of Public Accountancy, for a term ending December 31, 1984;

RICHARD H. SAKUMA to the Cemetery and Mortuary Board, for a term ending December 31, 1984;

MAVELYN KIM to the Board of Chiropractic Examiners, for a term ending December 31, 1984;

FLORENCE C. KAM and DERL W. GREEN to the Board of Cosmetology, for terms ending December 31, 1984;

DR. GEORGE UESATO and THOMAS J. JELF to the Board of Dental Examiners, for terms ending December 31, 1984;

SAMMY K. ARASHIRO to the Board of Electricians and Plumbers, for a term ending December 31, 1984;

ALBERT K. WAGNER to the Elevator Mechanics Licensing Board, for a term ending December 31, 1984;

A. CHRISTINE WALTERS to the Board of Hearing Aid Dealers and Fitters, for a term ending December 31, 1984;

SHARON YOUNG to the Board of Massage, for a term ending December 31, 1984;

LEROY K. UJIMORI to the Motor Vehicle Industry Licensing Board, for a term ending December 31, 1984;

JAMES L. CARROLL to the State Board of Nursing, for a term ending December 31, 1984;

JUNE S. NAKASHIMA and ELIZABETH J. WAITE to the State Board of Nursing, for terms ending December 31, 1983;

BERTRAND BLOCK, D.O., to the Board of Osteopathic Examiners, for a term ending December 31, 1984;

DAVID B.K. LYMAN, III, and STEVEN C.H. LOUI to the Board of Pilot Commissioners, for terms ending December 31, 1984;

JANET S. ISHIKAWA, Ph.D., to the Board of Certification for Practicing Psychologists, for a term ending December 31, 1984;

VICKIE M.L. PEILER to the Board of Speech Pathology and Audiology, for a term ending December 31, 1983;

WALTER R. HAAS, D.V.M., to the Board of Veterinary Examiners, for a term ending December 31, 1984;

NATHAN PACO to the Consumer Advisory Council, for a term ending at the Governor's pleasure;

WILLIAM CHARLES PIEPER and HARUTO TANABE to the Board of Public Accountancy, for terms ending December 31, 1984;

Y. SCOTT MATSUMOTO to the Board of Acupuncture, for a term ending December 31, 1984;

CAREN KALIKOPUALOKELANI KODAMA and EDWIN MADAYAG to the Board of Barbers, for terms ending December 31, 1984;

YOSHIE SUEHIRO to the Board of Barbers, for a term ending December 31, 1982;

RONALD H. NAGANO to the Cemetery and Mortuary Board, for a term ending December 31, 1984;

TSUKASA MURAKAMI and JOSEPH AKIONA to the Contractors License Board, for terms ending December 31, 1984;

WALLACE ENDO and WILLIAM W. WILMORE to the Contractors License Board, for terms ending December 31, 1984;

GILBERT J. LEE to the Credit Union Review Board, for a term ending December 31, 1982;

EMIL W. BALTHAZAR to the Credit Union Review Board, for a term ending December 31, 1984;

DOUGLAS E. LUIZ to the Board of Electricians and Plumbers, for a term ending December 31, 1984;

NICHOLAS W. TEVES to the Board of Electricians and Plumbers, for a term ending December 31, 1984;

HOWARD L. FARWELL to the Elevator Mechanics Licensing Board, for a term ending December 31, 1983;

EDWARD R. TURNER to the Elevator Mechanics Licensing Board, for a term ending December 31, 1981;

ROY R. KAMISATO and HAROLD ROGER NETZER to the Board of Hearing Aid Dealers and Fitters, for terms ending December 31, 1984;

ROBERT H. McKAY and ART FRANK to the Board of Hearing Aid Dealers and Fitters, for terms ending December 31, 1982;

PAUL T. ESAKI, M.D., to the (Board of) Medical Examiners, for a term ending December 31, 1984;

DWANE P. BRENNEMAN and CAROLYN C. VANDER LINDEN to the Motor Vehicle Industry Licensing Board, for terms ending December 31, 1984;

CLIFFORD K.M. YUEN to the Motor Vehicle Repair Industry Board, for a term ending December 31, 1984;

PAUL AMOR to the State Board of Nursing, for a term ending December 31, 1983;

DONNA R. BRODD to the State Board of Nursing, for a term ending December 31, 1982;

VICENTE F. AQUINO, STEVEN A. SCOTT-HOSAKA and JOSEPH D. DIPARDO to the Board of Examiners of Nursing Home Administrators, for terms ending December 31, 1984;

DEBORAH ANN CABEBE to the Board of Dispensing Opticians, for a term ending December 31, 1984;

MELVIN P. VIOS to the Board of Osteopathic Examiners, for a term ending December 31, 1984;

MIYOJI FURUSHO and CLAIRE WOLTER to the Pest Control Board, for terms ending December 31, 1984;

MARY A. WAHLMAN and JAMES MICHAEL BROWN to the Board of Pharmacy, for terms ending December 31, 1984;

LEIGHTON OSHIMA to the Board of Certification of Practicing Psychologists, for a term ending December 31, 1981;

STEPHEN D. GOODENOW to the Board of Private Detectives and Guards, for a term ending December 31, 1984;

MICHAEL T. MIYABARA, E. CLAUDE MOORE and PEPITO RAGASA to the Board of Registration of Professional Engineers, Architects, Land Surveyors and Landscape Architects, for terms ending December 31, 1984;

RONALD BRIAN FITZGERALD, JOHN SOONG, M.D., LOUISA L. SUMAOANG and VIOLET SHIZUE TSUKAYAMA to the Board of Radiologic Technologists, for terms ending December 31, 1984;

RICHARD BRUCE JOSEPH, M.D., and DOROTHY D. CRAVEN to the Board of Speech Pathology and Audiology, for terms ending December 31, 1983; and

JOHN PAUL MOON to the Board of Veterinary Examiners, for a term ending December 31, 1984.

Signed by all members of the Committee except Senators Machida and Saiki.

SCRep. 989 Legislative Management

Informing the Senate that S.R. Nos. 302 to 306, Conf. Com. Rep. Nos. 3 to 46 and Stand. Com. Rep. Nos. 964 to 988 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 990 Housing and Hawaiian Homes on H.B. No. 792

The purpose of this bill is to expand the applicability of exemptions from statutes, ordinances, and charter provisions to include certain projects developed under government-assistance programs.

Currently, under Section 359G-4.1, Hawaii Revised Statutes, the Hawaii Housing Authority has the power to override certain state and county requirements for projects developed by the authority or developed in partnership with the authority. Many projects developed by the private sector with only financial assistance of the authority, such as interim construction loans, are consistent with the intent and purpose of Chapter 359G, Hawaii Revised Statutes. However, the provisions of Section 359G-4.1 cannot be utilized because the private developers are not in partnership with the authority. This bill will allow such projects and certain government-assisted projects qualified by the authority to utilize these provisions to produce housing at the lowest possible price while retaining proper health and safety standards.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 792, 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 Housing and Hawaiian Homes on Gov. Msg. No. 296

Recommending that the Senate advise and consent to the nomination of SHELDON S.H. ZANE to the Advisory Council for Housing and Construction Industry, for a term ending December 31, 1982.

Signed by all members of the Committee

SCRep. 992 Housing and Hawaiian Homes on Gov. Msg. Nos. 152, 153, 154 and 155

Recommending that the Senate advise and consent to the nominations of the following:

WILBERT K. EGUCHI to the Hawaii Housing Authority for a term ending December 31, 1984;

KENNETH F. BROWN to the Hawaii Community Development Authority, for a term ending December 31, 1984;

STANLEY YADAO to the Hawaiian Homes Commission, for a term ending December 31, 1984; and

WALLACE S.J.CHING and JAMES H. HARA to the Advisory Council for Housing and Construction Industry, for terms ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 993 Housing and Hawaiian Homes on Gov. Msg. Nos. 251, 252, 253 and 254

Recommending that the Senate advise and consent to the nominations of the following:

JOSE ENCARNACION to the Factory Built Housing Advisory Board, for a term ending December 31, 1981;

GEORGE NITTA to the Hawaii Community Development Authority, for a term ending December 31, 1981;

MARIO RAMIL to the Advisory Council for Housing and Construction Industry, for a term ending December 31, 1984;

NORMAN K. JANICKI, JR., MELVIN K. KOIZUMI and ROY TANJI to the Factory Built Housing Advisory Board, for terms ending December 31, 1984; and

BARBARA HANCHETT to the Hawaiian Homes Commission, for a term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 994 Housing and Hawaiian Homes on H.B. No. 73

The purpose of this bill is to include aquaculture as a permitted use of leased Hawaiian Home lands.

Presently, the Hawaiian Homes Commission Act only provides for residential agricultural and pastoral uses but does not specifically permit aquaculture on homestead lands. The Department of Hawaiian Home Lands testified that many homesteaders and applicants have indicated an interest in aquaculture, and that the lands are suitable for such development. The proposed amendment will make it possible to lease such lands for aquaculture purposes.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 73 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 995 Housing and Hawaiian Homes on H.B. No. 1107

The purpose of this bill is to clarify the conditions under which a developer or contractor is guaranteed a share of the cost of housing projects developed in partnership with the Hawaii Housing Authority (HHA).

Under Section 359G-6, Hawaii Revised Statutes, the HHA is authorized to develop housing projects in partnership with developers and contractors. These "partners" are guaranteed a gross share of not more than fifteen per cent of the actual cost of the project, less any amount subsidized by the state. There is little incentive for "partners" to adhere to the original project budget since gross share is based on actual project cost. This measure will enable the HHA to guarantee a gross share to the partner only when the actual project cost does not exceed the original project cost and to base gross share on the original cost of the project.

This bill also excludes from the definition of "subsidies" as used in Section 356G-6, all tax exemptions granted under Section 359G-15. This is a technical amendment which conforms Section 359G-6 to the provisions of Act 243, Session Laws of Hawaii 1980, which amended Section 359G-15 to provide that tax exemptions granted under that section shall not be considered a subsidy.

Your Committee on Housing and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1107 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 996 Transportation on Gov. Msg. Nos. 168 and 268

Recommending that the Senate advise and consent to the nominations of GARY MATSUMURA, ARTHUR HERMAN LOEBL, CURTIS DON LEE, PAUL K. FINDEISEN, CLYDE NAMUO, MATT

Q. LUBER and ERNEST G. PASCHOAL to the State Highway Safety Council, for terms ending December 31, 1984.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 997 Transportation on Gov. Msg. No. 269

Recommending that the Senate advise and consent to the nominations of PAUL T. MATSUMOTO and CHEW HOY LEE to the Commission on Transportation, for terms ending December 31, 1984.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 998 Transportation on Gov. Msg. Nos. 169 and 301

Recommending that the Senate advise and consent to the nominations of FRED C. EVORA, M.D., and ROBERT L. SMITH, M.D., to the Medical Advisory Board, for terms ending December 31, 1984.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 999 (Joint) Transportation and Consumer Protection and Commerce on S.R. No. 222

The purpose of this resolution is to request that the Legislative Auditor conduct a review of the implementation and administration of the new harbor pilotage law (Chapter 462A, HRS) and report the findings and recommendations to the Legislature prior to the convening of the Regular Session of 1982.

Your Committee has heard considerable formal testimony and informal comment on this subject. Representatives of the Harbor Pilots Association testified that no action of any variety is appropriate at this point as the law in question is too new to have an auditable record and subsequently commented that a forthcoming rate adjustment hearing (Summer 1981) will provide an occasion to explore all current problems. The Chairman of the Board of Pilot Commissioners informally indicated no objection to an audit provided the Legislature believes there is a need for one. The Department of Transportation commented that an audit is indeed necessary if the state is to maintain control over both the financial and operational aspects of harbor pilot activities. The department also indicated its belief that the forthcoming rate adjustment hearing would not result in a sufficient review of current problems.

Your Committees on Transportation and Consumer Protection and Commerce concur with the intent and purpose of S.R. No. 222 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees except Senators Uwayne, Saiki and Yee.

SCRep. 1000 Transportation on S.R. No. 219

The purpose of this resolution is to request that the Department of Transportation, in cooperation with high school officials and law enforcement officials, examine the question of nonessential student driving and propose methods for reducing it.

Your Committee heard testimony favoring this resolution from both the Department of Transportation and the Department of Education. If equitable means of reducing student driving can be found, a significant reduction will result in traffic congestion near schools, petroleum consumption, parking facilities construction and maintenance, and, possibly, vehicle accidents. Additionally, limitations upon the nonessential use of private vehicles would be likely to encourage young people to develop more positive attitudes toward the use of mass transit facilities.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 219 and recommends its adoption.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 1001 Transportation on S.R. No. 220

The purpose of this resolution is to request that the Department of Transportation fully cooperate with, and assist in every way possible, the establishment of regular water carrier cargo service between Hawaii and American Samoa. The cooperation should

include, but not be limited to, the provision of such incentives as reduced paperwork and a limited suspension of mooring or dockage fees.

Your Committee is aware that there has been no water carrier cargo service between Hawaii and American Samoa since May 1980, and that such service as did exist previously was sporadic after 1977.

Your Committee believes it is in the best interests of the state and the people of the South Pacific, particularly those of American Samoa, that water carrier cargo service between Hawaii and American Samoa be encouraged in every way feasible. It is especially important as regards improved trade relations and expanded employment.

Your Committee has made certain technical, nonsubstantive changes in the language of the resolution.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 220, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 220, S.D.1.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 1002 Transportation on S.R. No. 221

The purpose of this resolution is to request that the Department of Transportation conduct a statewide study of the harbors under its authority to determine the status of current security arrangements and to propose appropriate changes prior to the 1982 legislative session.

Your Committee is aware that there are significant problems with regard to security at certain harbors operated by the state and that this problem may in fact be present at all such harbors. Should this be so, remedial action will doubtless be required. However, as hasty action based upon incomplete evidence and study may prove to be worse than no action at all, your Committee is of the belief that a comprehensive study followed by recommendations as requested by this resolution is the appropriate first step. The Department of Transportation is in agreement.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 221 and recommends its adoption.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 1003 Transportation on S.R. No. 238

The purpose of this resolution is to request that the Senate Committee on Transportation, aided by the Department of Transportation, conduct a review of the state highway fund and propose any remedies necessary to maintain its solvency.

Your Committee is aware that rising costs and declining fuel consumption raise questions about the future solvency of the highway fund, a fund which is essential to the construction, maintenance and operation of all state highways but which depends in large part upon fuel sales for its income. The Legislature is presently considering certain proposals to strengthen this fund's income base and still further changes may prove necessary if projected deficits materialize. The Department of Transportation shares these concerns and testified in support of the measure.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 238 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 1004 Transportation on S.R. No. 239

The purpose of this resolution is to request that the Senate Committee on Transportation, aided by the Department of Transportation, conduct a review of the Bike Plan Hawaii and the soon-to-be-completed Pedestrian/Pedalcycle Safety Project and submit its findings and recommendations to the Legislature prior to the convening of the Regular Session of 1982.

Your Committee has heard considerable testimony on a number of measures pertaining to bicycle use. While it is evident that certain changes in the present law are necessary,



any action that does not take full account of existing planning and pending research would be ill-advised. Therefore, your Committee elected to hold all related measures until a mechanism can be established to bring all interested parties together for a review of plans and research and the drafting of an appropriate, comprehensive set of legislative proposals. This resolution provides that mechanism.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 239 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Cobb and Toyofuku.

SCRep. 1005 Agriculture on Gov. Msg. No. 282

Recommending that the Senate advise and consent to the nomination of HERBERT M. RICHARDS, JR., to the Governor's Agriculture Coordinating Committee, for a term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1006 Human Resources on Gov. Msg. No. 156

Recommending that the Senate advise and consent to the nomination of FRANKLIN Y.K. SUNN as Director of Social Services (and Housing), for a term ending December 6, 1982.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1007 Human Resources on Gov. Msg. No. 157

Recommending that the Senate advise and consent to the nominations of DOROTHY C. HOE, ALBERT K. SING, RENA ALAO and MORGAN B. WHITE to the Advisory Council for Children and Youth, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1008 Human Resources on Gov. Msg. No. 158

Recommending that the Senate advise and consent to the nominations of MASAICHI UEMURA, BARBARA H. YOKOYAMA, LOUIS GONSALVES, JR., JAMES T. NISHI and KIMIYO FUJIOKA to the Policy Advisory Board for Elderly Affairs, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1009 Human Resources on Gov. Msg. No. 159

Recommending that the Senate advise and consent to the nomination of BERNADETTE SAKODA to the Hawaii Employment Relations Board, for a term ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1010 Human Resources on Gov. Msg. No. 160

Recommending that the Senate advise and consent to the nominations of the following:

MICHAEL C.K. WONG, TOM T. IKEDA, VERLIE ANN MALINA-WRIGHT, EDWARD A. COLOZZI and DANIEL L. AQUINO to the Advisory Commission on Manpower and Full Employment, for terms ending June 30, 1983; and

FRANK SKRIVANEK, TOM T. HIRANAGA, LILLIAN A. YAMANAKA and RICHARD O. AADLAND to the Advisory Commission on Manpower and Full Employment, for terms ending June 30, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1011 Human Resources on Gov. Msg. No. 255

Recommending that the Senate advise and consent to the nominations of RENE H. MANSHO and HELEN H. BURNSIDE to the Advisory Council for Children and Youth, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1012 Human Resources on Gov. Msg. No. 256

Recommending that the Senate advise and consent to the nomination of GORDON SHIBAO to the Advisory Council for Children and Youth, for a term ending December 31, 1981.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1013 Human Resources on Gov. Msg. No. 257

Recommending that the Senate advise and consent to the nomination of ROY LEE ROBERTS to the Policy Board for Elderly Affairs, for a term ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1014 Human Resources on Gov. Msg. No. 258

Recommending that the Senate advise and consent to the nomination of RICHARD T. SUBIAGA to the Civil Service Commission, for a term ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1015 Human Resources on Gov. Msg. No. 259

Recommending that the Senate advise and consent to the nominations of the following:

ODETTA K. FUJIMORI to the Hawaii Employment Relations Board, for a term ending December 31, 1982; and

ROBERT M. FUKUNAGA to the Hawaii Employment Relations Board, for a term ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1016 Human Resources on Gov. Msg. No. 260

Recommending that the Senate advise and consent to the nominations of the following:

IRIN T. FUKUI to the Advisory Commission on Manpower and Full Employment, for a term ending June 30, 1983; and

WINONA MACHADO, PATRICIA K. OSGOOD and SANDRA ALBANO to the Advisory Commission on Manpower and Full Employment, for terms ending June 30, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1017 Human Resources on Gov. Msg. No. 261

Recommending that the Senate advise and consent to the nominations of the following:

PHILIP S. CHUN, LOUISE N. KONG and ROLLAND SMITH to the Progressive Neighborhoods Program Task Force, for terms ending December 31, 1983; and

MELBA K. HUIHUI, MATILDA M. MOLINA, BEN B. MAYES and WINONA E. RUBIN to the Progressive Neighborhoods Program Task Force, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1018 Human Resources on Gov. Msg. No. 262

Recommending that the Senate advise and consent to the nominations of RICHARD IGA, EUGENE KELIPIO KALANUI and DOROTHY G. FINLEY to the Board of Social Services and Housing, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1019 Human Resources on Gov. Msg. No. 263

Recommending that the Senate advise and consent to the nominations of the following:

DAISY MAE SLAGLE to the Board of Vocational Rehabilitation, for a term ending December 31, 1981; and

WALTER Y. ARAKAKI, RONALD NAKATSU and KAREN A. TAKETA to the Board of Vocational Rehabilitation, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1020 Human Resources on Gov. Msg. No. 297

Recommending that the Senate advise and consent to the nomination of DONNA M. FUJII to the Advisory Council for Children and Youth, for a term ending December 31, 1982.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1021 Human Resources on Gov. Msg. No. 298

Recommending that the Senate advise and consent to the nominations of ROY E. KING and E. MABRY BEARD to the Board of Trustees, Hawaii Public Employees Health Fund, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Saiki.

SCRep. 1022 Ecology, Environment and Recreation on S.R. No. 286

The purpose of this resolution is to request the Legislative Auditor to audit the State Hunter Safety Training Program.

Your Committee received testimony in support of this resolution from the Hawaii Rifle Association and from the Department of Land and Natural Resources, which administers the program. That testimony revealed that the program was established by Act 62 of 1974, and that a full time coordinator for the program was hired in January, 1979. The testimony further revealed that out of approximately 15,000 licensed hunters in the state, 316 have been trained and certified under the program.

Your Committee finds that this is an appropriate time to assess the results achieved by the program, including but not necessarily limited to the quality of the training, the effectiveness of efforts made to encourage hunters to become involved in it, and the number of students who have been certified to date.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 286 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Uwayne.

SCRep. 1023 Human Resources on H.B. No. 1583

The purpose of this bill is to amend section 76-16, Hawaii Revised Statutes, in order to authorize the addition of one more deputy director position to the Department of Planning and Economic Development.

Since the establishment of the present department in 1963, there has been a substantial change in the number of programs and functions assigned to it. The department is now responsible for a number of functional and organizational assignments, as well as nine programs in economic development and government-wide support. Further, the range and variety of assignments are also reflected in the fact that the director serves on eleven boards, commissions, and other public bodies as required by statutes.

Despite the heavy workload on the department, there is only one deputy director position authorized at the present time. An additional deputy director would allow one person to be assigned to each of the major areas in the department, specifically, research and planning programs and economic development programs. Besides providing help in the department's central administration, the deputy director could also provide another point of contact for the department's many and various groups. Services to the public and the carrying out of programs and projects would be greatly improved by the addition of the deputy director.

Your Committee on Human Resources is in accord with the intent and purpose of H.B. No. 1583 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 Saiki.

SCRep. 1024 Higher Education on Gov. Msg. No. 295

Recommending that the Senate advise and consent to the nomination of J.W.A. BUYERS to the Board of Directors of the Research Corporation of the University of Hawaii, for term ending December 31, 1982.

Signed by all members of the Committee.

SCRep. 1025 (Majority) Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of GERARD JERVIS to the Board of Regents of the University of Hawaii, for term ending December 31, 1982.

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

SCRep. 1026 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of TIM SCOTT FARR to the Board of Regents of the University of Hawaii, for term ending December 31, 1982.

Signed by all members of the Committee.

SCRep. 1027 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of STEPHEN BESS to the Board of Regents of the University of Hawaii, for term ending December 31, 1982.

Signed by all members of the Committee.

SCRep. 1028 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of GREGORY DELA CRUZ to the Board of Regents of the University of Hawaii, for term ending December 31, 1983.

Signed by all members of the Committee.

SCRep. 1029 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of JULIA FROHLICH, M.D., to the Board of Regents of the University of Hawaii, for term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1030 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of ALICE GUILD to the Board of Regents of the University of Hawaii, for term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1031 Higher Education on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of BURT K. TSUCHIYA to the Board of Regents of the University of Hawaii, for term ending December 31, 1983.

Signed by all members of the Committee.

SCRep. 1032 Public Utilities on Gov. Msg. No. 304

Recommending that the Senate advise and consent to the nomination of CLYDE S. DUPONT to the Public Utilities Commission, for term ending December 31, 1985.

Signed by all members of the Committee.

SCRep. 1033 (Majority) Public Utilities on S.C.R. No. 76

The purpose of this concurrent resolution is to request the Legislative Auditor to update his 1975 report on motor carrier regulation, to request the Attorney General to determine the exact status of the law in this area, and for the appropriate legislative committees to study this information in order to propose legislation to alter the regulatory

structure of Hawaii's Motor Carrier law in order to bring it into conformance with federal law, if necessary.

During this legislative session, your Committee has examined the issue of changing motor carrier regulation in order to bring it into conformance with the 1980 Federal Motor Carrier Act. More information is needed before any legislative action can be taken, because of the extreme disagreement as to the present legal status of Hawaii's motor carrier laws. In order to provide complete information, the Legislative Auditor is requested to update his 1975 review of economic regulation of the motor carrier industry.

Your Committee on Public Utilities concurs with the intent and purpose of S.C.R. No. 76, as amended herein, and recommends its adoption, in the amended form hereto attached as S.C.R. No. 76, S.D. 1.

Signed by all members of the Committee.  
Senators Yamasaki and Campbell did not concur.

SCRep. 1034 Public Utilities on S.C.R. No. 80

The purpose of this resolution is to request the Public Utilities Commission to provide to the legislature, governor, and Department of Planning and Economic Development, biennial ten-year comprehensive energy forecasts. The Public Utilities Commission is also asked to draft a schedule requiring public utilities supplying energy to submit similar reports.

Your Committee heard testimony stating that utilities already supply the Public Utilities Commission with five-year capital expenditures budgets and furnish data to the Department of Planning and Economic Development. Your Committee notes that although this is a step in the right direction, such reporting falls short of the comprehensive forecasting and planning asked for in this resolution. However, the present planning and accumulation of data should allow the utilities to meet the requirements of this resolution without much problem. Your Committee firmly believes that the utilities themselves should undertake comprehensive planning rather than rely on state agencies to do it for them. Your Committee also wishes to note that in the resolution, the P.U.C. is given leeway to draw up a schedule for reporting that takes into account any undue hardship to utilities.

Your Committee also heard testimony from the Public Utilities Division's consumer advocate in support of the resolution. The consumer advocate stated that long term comprehensive planning will provide utilities with a greater range of options in meeting today's changing energy needs. The consumer advocate also supported disclosure to the public of the P.U.C.'s best estimates of the future cost to consumers of energy utility services.

Your Committee finds that energy planning is a matter of growing importance. The Public Utilities Commission, with its broad powers to control energy supplying public utilities, must take an active role in this field. The utilities themselves must also undertake such planning and forecasting under the monitoring of the P.U.C. Although some reporting currently takes place, it needs to be expanded.

Your Committee on Public Utilities is in accord with the intent and purpose of S.C.R. No. 80 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1035 Public Utilities on S.R. No. 228

The purpose of this resolution is to request the Public Utilities Commission to provide to the legislature, governor, and Department of Planning and Economic Development, biennial ten-year comprehensive energy forecasts. The Public Utilities Commission is also asked to draft a schedule requiring public utilities supplying energy to submit similar reports.

Your Committee heard testimony stating that utilities already supply the Public Utilities Commission with five-year capital expenditures budgets and furnish data to the Department of Planning and Economic Development. Your Committee notes that although this is a step in the right direction, such reporting falls short of the comprehensive forecasting and planning asked for in this resolution. However, the present planning and accumulation of data should allow the utilities to meet the requirements of this resolution without much problem. Your Committee firmly believes that the utilities themselves should undertake comprehensive planning rather than rely on state agencies to do it for them. Your Committee also wishes to note that in the resolution, the P.U.C. is given leeway to draw up a schedule for reporting that takes into account any undue hardship to utilities.

Your Committee also heard testimony from the Public Utilities Division's consumer advocate in support of the resolution. The consumer advocate stated that long term comprehensive planning will provide utilities with a greater range of options in meeting today's changing energy needs. The consumer advocate also supported disclosure to the public of the P.U.C.'s best estimates of the future cost to consumers of energy utility services.

Your Committee finds that energy planning is a matter of growing importance. The Public Utilities Commission, with its broad powers to control energy supplying public utilities, must take an active role in this field. The utilities themselves must also undertake such planning and forecasting under the monitoring of the P.U.C. Although some reporting currently takes place, it needs to be expanded.

Your Committee on Public Utilities is in accord with the intent and purpose of S.R. No. 228 and recommends its adoption.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1036 (Majority) Public Utilities on S.R. No. 253

The purpose of this resolution is to request the Legislative Auditor to update his 1975 report on motor carrier regulation, to request the Attorney General to determine the exact status of the law in this area, and for the appropriate legislative committees to study this information in order to propose legislation to alter the regulatory structure of Hawaii's motor carrier law in order to bring it into conformance with federal law, if necessary.

During this legislative session, your Committee has examined the issue of changing motor carrier regulation in order to bring it into conformance with the 1980 Federal Motor Carrier Act. More information is needed before any legislative action can be taken, because of the extreme disagreement as to the present legal status of Hawaii's motor carrier laws. In order to provide complete information, the Legislative Auditor is requested to update his 1975 review of economic regulation of the motor carrier industry.

Your Committee on Public Utilities concurs with the intent and purpose of S.R. No. 253, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 253, S.D.1.

Signed by all members of the Committee.  
Senators Yamasaki and Campbell did not concur.

SCRep. 1037 Ecology, Environment and Recreation on S.R. No. 262

The purpose of this resolution is to request the Department of Land and Natural Resources to submit a report to the Legislature prior to the 1982 Regular Session describing the progress made in developing state parks on the island of Hawaii at Kiholo Bay, Kua Bay, Makalawena Bird Sanctuary, the Old Kona Airport, and Hualalai.

Your Committee received testimony in support of this resolution from the Department of Land and Natural Resources.

Your Committee has made a technical amendment to paragraph eight of this resolution.

Your Committee on Ecology, Environment and Recreation 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. 1038 Transportation on S.R. No. 34

The purpose of this resolution is to urge the Congress to adopt legislation amending the present requirement that half of all public transit system buses purchased with the assistance of UMTA funds be equipped with wheelchair lifts and thereby reduce Oahu transit system costs and encourage the development and use of alternative transit systems especially designed for the handicapped.

Your Committee heard extensive testimony favoring the resolution from the Department of Transportation Services, City and County of Honolulu; the Oahu Metropolitan Planning Organization; and the Chamber of Commerce of Hawaii. These witnesses testified that the present requirement is cost-inefficient in the extreme, regardless of its good intention. Conservative estimates indicate that it would cost at least \$4 million to retrofit the required number of buses (200 at present levels) and that the cost would continue upward in

the future as new buses, properly fitted, are purchased to replace those retired. The City and County of Honolulu's share of the cost for such a program is estimated to be \$1.6 million in FY 1983 and \$2.5 million by FY 1988. Further, these figures are for capital expenditures only and do not include the increased operating costs that would be generated by the additional time required to operate the lift equipment once it is in regular service.

In contrast, the present Handi-Van system serves the handicapped of all parts of Oahu except the North Shore with door to door transportation (whereas lift-equipped buses would run only on regularly assigned routes) for a total (capital and operating) annual cost estimated at \$1.1 million in FY 1981 and \$1.3 million in FY 1982. Hence, the Handi-Van system provides a much more convenient service and is more cost effective than a modified bus system.

Witnesses also testified that modifications in the present lift requirement are necessary if local communities are to have the decision-making flexibility necessary to develop and utilize alternative transit systems for the handicapped best suited to local circumstances. Again, the Handi-Van system was cited as an example of such a "local option" response which better serves local needs but which would surely be forced out of existence by the lift requirements, as Oahu, like most communities, cannot afford two subsidized transit programs for the handicapped. In addition, your Committee is aware that there is considerable sentiment within the local handicapped community favoring the Handi-Van approach over the modified bus approach.

While retaining its commitment to provide special transit services for the handicapped, your Committee finds the testimony on this resolution persuasive and commonsensical. Your Committee has amended the resolution by adding additional cost data supplied by the Oahu Metropolitan Planning Organization.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 34, S.D.1.

Signed by all members of the Committee except Senators Cobb, Kuroda and Toyofuku.

SCRep. 1039 Transportation on S.R. No. 126

The purpose of this resolution is to request the City and County of Honolulu to examine and amend auto parking ordinances in a manner that would discourage the use of single occupant autos and encourage the use of public transportation and car-pooling systems for commuting purposes.

Your Committee heard testimony from the Building Department, City and County of Honolulu, that the ready availability of auto parking facilities does indeed work contrary to efforts to encourage commuters to use public transportation or carpooling systems. So long as it is relatively easy to park, the use of single occupant autos for commuting to employment centers will likely continue and it will remain difficult to increase use of such systems as The Bus, the Handi-Van, Car-Pooling Preferred Parking, Van-Go, and Park and Ride as well as carpooling and taxis. Conversely, limitations upon available parking will almost surely increase the use of these systems. Building Department officials testified in support of the resolution and cited current efforts to achieve some of the ends suggested in the document.

Your Committee is also aware that the use of single occupant autos for commuting purposes wastes energy resources, encourages inflation, and adds significantly to roadway congestion. Limitations upon parking space would likewise contribute to the solution of these problems.

Your Committee has made technical, nonsubstantive amendments to the resolution.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 126, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 126, S.D.1.

Signed by all members of the Committee except Senators Cobb, Kuroda and Toyofuku.

SCRep. 1040 Agriculture on Gov. Msg. Nos. 96, 97, 98, 184, 185 and 186

Recommending that the Senate advise and consent to the nominations of the following:

SIDNEY G.U. GOO to the Board of Agriculture, for term ending December 31, 1984:

FREDERICK S. NONAKA to the Advisory Committee on Agricultural Products, for term ending December 31, 1984;

LIBERT LANDGRAF to the Advisory Committee on Pesticides, for term ending December 31, 1984;

RONALD TERRY to the Advisory Committee on Agricultural Products, for term ending December 31, 1984;

KENNETH LEONHARDT and PETE M. MATSUDA to the Advisory Committee on Flowers and Foliage, for terms ending December 31, 1984;

HOWARD Y. TAKISHITA to the Advisory Committee on Flowers and Foliage, for term ending December 31, 1981;

MARK D. MERLIN to the Advisory Committee on Pesticides, for term ending December 31, 1982; and

WILLIAM M. KOMODA, EUGENE M. YAMANE, MORDECAI H. HUDSON, JR., FRED DEGIORGIO, FRED GREENWOOD and TOM POY to the Advisory Committee on Pesticides, for terms ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1041 Judiciary on S.R. No. 240

The purpose of this resolution is to request the United States Congress to permit Hawaii, and any other state, to propose and establish its own multi-lingual voter assistance program and exempt the state from the Voting Rights Act amendments, and to redefine "illiteracy" in the Act to exclude those persons who have the ability to read and write English even though the person may not have had formal education.

Your Committee finds that the 1975 amendments to the Federal Voting Rights Act of 1965 requires that elections be conducted in the language of those minority groups which comprise more than five per cent of the citizens of voting age and which have an illiteracy rate higher than the national illiteracy rate. Your Committee finds that past elections have proven that printing voter information forms and ballots in foreign languages imposes a considerable burden on the state; particularly since only a few foreign language ballots are ever requested by voters. The reason for this is that many minority members are capable of reading and writing English although they have no formal education. Also, your Committee feels that since 1968, the Office of the Lieutenant Governor has been conducting its own voter registration and education programs. In terms of encouraging voter participation, these programs have proven to be just as effective, if not more effective, than the requirements of the Voting Rights Act amendments.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 240 and recommends its adoption.

Signed by all members of the Committee except Senators Kobayashi, O'Connor and Yee.

SCRep. 1042 Ecology, Environment and Recreation on Gov. Msg. Nos. 118, 119, 120, 121, 122, 123, 124, 215, 217, 218, 219, 220, 221, 222, 287, 288, 289 and 317

Recommending that the Senate advise and consent to the nominations of the following:

KENNETH M. NAGATA and ROBERT M. NAKAMURA to the Animal Species Advisory Commission, for terms ending December 31, 1984;

ELIZABETH ALLISON KAY and C. JOHN RALPH to the Animal Species Advisory Commission, for terms ending December 31, 1983;

NOBORU IWAMI, MILES Y. HONDA, WAYNE P. LAW, CYNTHIA H.H. THIELEN, NORMAN M. SAITO, KEVIN DOYLE and JOHN BOSE II to the Environmental Council, for terms ending December 31, 1984;

ARTHUR A. KOHARA, ANN B. SIMPSON, ROY R. TAKEMOTO and LEONARD K.P. LEONG to the Environmental Quality Commission, for terms ending December 31, 1984;

JOSE E. SORIANO, ALLAN K. IKAWA and JAMES B. WATT to the Fish and Wildlife Advisory Committee, County of Hawaii, for terms ending December 31, 1982;



BRUCE HEIDENFELT to the Fish and Wildlife Advisory Committee, County of Hawaii, for term ending December 31, 1981;

CORNELIUS CHOY, BERT A. KOBAYASHI and IRWIN K. KAWANO to the Fish and Wildlife Advisory Committee, City and County of Honolulu, for terms ending December 31, 1982;

RONALD E. KULA and JOHN BROOKS II to the Fish and Wildlife Advisory Committee, County of Maui, for term ending December 31, 1982;

FRANK PERREIRA, ROBERT A. HEE and MICHAEL V. LAYOSA, SR., to the Fish and Wildlife Advisory Committee, County of Kauai, for terms ending December 31, 1982;

KENNETH Y. KANESHIRO and WILLIAM J. WALSH to the Natural Area Reserves System Commission, for terms ending December 31, 1984;

SAMUEL J. WEIMER and JAMES D. GONSALVES to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, for terms ending December 31, 1984;

JOHN J.N. SPRINGER, JR., to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, for term ending December 31, 1981; and

GLENN E. MASON to the Hawaii Historic Places Review Board, for term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1043 (Joint) Ecology, Environment and Recreation and Economic Development on S.R. No. 209

The purpose of this resolution is to direct the Department of Land and Natural Resources to submit a report to the Legislature prior to the 1982 Regular Session concerning the disposition of the Waikiki War Memorial Natatorium.

Your Committees received testimony in support of this resolution from the Marine Affairs Coordinator, the Department of Land and Natural Resources, the Hadley-Pryun Developers Inc., the West Diamond Head Community Organization, and the Waikiki Residents Association. Your Committees also received testimony in support of the resolution from the Chamber of Commerce, which supports the removal of the Natatorium.

Testimony before your Committees revealed that the Natatorium is in a serious state of disrepair, and poses a health and safety hazard. Both renovation or destruction of the facility could cost millions of dollars.

The testimony further revealed that a private company, Hadley-Pryun Developers Inc., has expressed interest in renovating the Natatorium as part of a larger project involving the renovation and expansion of the nearby Waikiki aquarium.

Your Committees find that the report requested by this resolution will enable the Legislature to better assess the various options available with respect to the future of the Natatorium.

In addition to several technical amendments, your Committees have amended the resolution to request the department to consult with various interested persons and groups when preparing the report.

Your Committees on Ecology, Environment and Recreation and Economic Development concur with the intent and purpose of S.R. No. 209, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 209, S.D.1.

Signed by all members of the Committees except Senators Saiki and Yamasaki.

SCRep. 1044 Health on Gov. Msg. Nos. 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 292 and 294

Recommending that the Senate advise and consent to the nominations of the following:

DONALD F.B. CHAR, M.D., to the Board of Health, for term ending December 31, 1984;

ROBERT M. HARAGA to the County Hospital Management Advisory Committee, Hawaii County, for term ending December 31, 1984;

DONALD I. DOI and MASAO WATANABE to the County Hospital Management Advisory Committee, City and County of Honolulu, for terms ending December 31, 1984;

DORIS F. CROWELL to the County Hospital Management Advisory Committee, Kauai County, for term ending December 31, 1984;

FRANKLIN SUNN to the State Planning Council on Developmental Disabilities, for term ending December 31, 1982;

BRUCE ERIC WEST to the State Planning Council on Developmental Disabilities, for term ending December 31, 1983;

RUSSELL H. ST. COOK and ROBERT C. MARVIT to the Advisory Commission on Drug Abuse and Controlled Substances, for terms ending December 31, 1984;

FLORENCE A. HUNTINGTON and BERT K.B. LUM, PH.D., to the Drug Product Selection Board, for terms ending December 31, 1984;

JAMES LUMENG, M.D., VINCENT S. AOKI, M.D., and JAMES K. ASATO to the Drug Product Selection Board, for terms ending December 31, 1983;

CAROL A. PARKER to the Drug Product Selection Board, for term ending December 31, 1985;

WAYNE K. MIYAMOTO and ROBERT C. PITTMAN to the Commission on the Handicapped for terms ending December 31, 1984;

ROBERT W.B. WYATT, SISTER MAUREEN KELEHER, CHESTER K. SEGAWA and MASAMI NAGASAKO to the Statewide Health Coordinating Council, for terms ending December 31, 1984;

BARBARA DART, SHIGERU KATAOKA and SUSUMU MAEDA to the Hawaii Council Subarea Health Planning Council, for terms ending December 31, 1984;

DONALD I. DUNN, RONALD T. IWATA and RICHARD V. STENSON to the East Honolulu Subarea Health Planning Council, for terms ending December 31, 1984;

ANNA M. KEKUMU, SANDRA L. CHUNG and Verna M.K. KEYES to the West Honolulu Subarea Health Planning Council, for terms ending December 31, 1984;

DIANE M. AKAU, DAVID PARSONS and INGRID M. CABUNOC to the Central Oahu Subarea Health Planning Council, for terms ending December 31, 1984;

PEGGY CHOY, DAVID HOBBS, M.D., HUBERT K. MURAKAWA and MARY D. OJERIO to the Waianae Coast Subarea Health Planning Council, for terms ending December 31, 1984;

VIRGINIA BURCHETT and BERNARD A.K.S. HO to the Windward Oahu Subarea Health Planning Council, for terms ending December 31, 1984;

EDWARD MORITA and VIOLET T.G. STROM to the Kauai County Subarea Health Planning Council, for terms ending December 31, 1984;

EDWARD H. KAAHUI, CHARLES L. KNOBEL and LAUREEN TANAKA-SANDERS to the Maui County Subarea Health Planning Council, for terms ending December 31, 1984;

SUSAN H. MELIESTE to the Statewide Health Coordinating Council, for term ending December 31, 1984;

ELENA GABORNO to the East Honolulu Subarea Health Planning Council, for term ending December 31, 1984;

YOSHI T. KOGA to the East Honolulu Subarea Health Planning Council, for term ending December 31, 1982;

WILLIE DOMINGO and ALAN K.K. SUE to the West Honolulu Subarea Health Planning Council, for terms ending December 31, 1984;

DONNA C. KEKUMU to the West Honolulu Subarea Health Planning Council, for term ending December 31, 1982;

DONNA Y. KISHI to the Central Oahu Subarea Health Planning Council, for term ending December 31, 1981;

PATRICK R. CULLEN, NOBERTO BAYSA, M.D., and MYRTLE K. JAY to the Central Oahu Subarea Health Planning Council, for terms ending December 31, 1984;

DAVID H. LUEHR to the Windward Oahu Subarea Health Planning Council, for term ending December 31, 1983;

JOHN TOMLINSON EICHNOR, PHYLLIS "MOMI" STEPHENSON and BERNABE "BENNY" QUITEVAS to the Windward Oahu Subarea Health Planning Council, for terms ending December 31, 1984;

COLETTE KELIIPULEOLE to the Waianae Coast Subarea Health Planning Council, for term ending December 31, 1982;

DIXIE DEAN PADELLO to the Waianae Coast Subarea Health Planning Council, for term ending December 31, 1983;

LOUISE HELEN ALOHA MANUEL, MARYKNOLL KALAHIKIOLA SPOTKAEFF and YVONNE M. ANGUT to the Waianae Coast Subarea Health Planning Council, for terms ending December 31, 1984;

JOHN ENGLISH to the Kauai County Subarea Health Planning Council, for term ending December 31, 1982;

RICHARD JOHNSTON to the Kauai County Subarea Health Planning Council, for term ending December 31, 1983;

MARK A. WENTWORTH and REV. KENNETH W. SMITH to the Kauai County Subarea Health Planning Council, for terms ending December 31, 1984;

REV. JUSTO R. ANDRES to the Maui County Subarea Health Planning Council, for term ending December 31, 1982;

RACHAEL KAMAKANA and CAROL M. YORK to the Maui County Subarea Health Planning Council, for terms ending December 31, 1984;

CHRISTIAN PETER LARSEN to the Commission on the Handicapped, for term ending December 31, 1981;

JEFFREY DAVID NUNN to the Commission on the Handicapped, for term ending December 31, 1982;

CHARLOTTE L. TOWNSEND to the Commission on the Handicapped, for term ending December 31, 1983;

COLETTA WHITCOMB and SUSANNA CHEUNG to the Commission on the Handicapped, for terms ending December 31, 1984;

CHESTER SEGAWA and RUSSELL D. HICKS, M.D., to the Advisory Commission on Drug Abuse and Controlled Substances, for terms ending December 31, 1981;

YOSHIICHI TANAKA to the Advisory Commission on Drug Abuse and Controlled Substances, for term ending December 31, 1983;

THOMAS OLIVER, HOWARD MEDEIROS and HISAO NAKAMURA to the Advisory Commission on Drug Abuse and Controlled Substances, for terms ending December 31, 1984;

WARREN Y. TORIANO to the County Hospital Management Advisory Committee, Hawaii County Hospital System, for term ending December 31, 1984;

JACK H. HOUTZ to the County Hospital Management Advisory Committee, City and County of Honolulu Hospital System, for term ending December 31, 1983;

EUGENE NAPUA TIWANAK to the County Hospital Management Advisory Committee, City and County of Honolulu Hospital System, for term ending December 31, 1984;

NORMAN AKITA to the County Hospital Management Advisory Committee, Kauai County Hospital System, for term ending December 31, 1981;

MYRNA ANNE KAI to the County Hospital Management Advisory Committee, Kauai County Hospital System, for term ending December 31, 1984;

BERTRAM WEEKS, M.D., and MICHAEL RICHARD SAVONA, M.D., to the County Hospital Management Advisory Committee, Maui County Hospital System, for terms ending December 31, 1984;

RUTH I. JOHNSON to the County Hospital Management Advisory Committee, Maui County Hospital System, for term ending December 31, 1981;

ANDREW P. SACKETT to the Board of Health, for term ending December 31, 1981;

ROBERT BERRY to the Board of Health, for term ending December 31, 1984;

BEVERLY JEAN WITHINGTON to the Hawaii County Subarea Health Planning Council, for term ending December 31, 1982; and

GAROLD ENLOE and NEAL K. NAKASHIMA to the Hawaii County Subarea Health Planning Council, for terms ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1045 Tourism on S.R. No. 194

The purpose of this resolution is to request the Department of Planning and Economic Development and the City and County of Honolulu, in cooperation with the visitor industry and Waikiki residents to develop a program of priority improvements for the Waikiki visitor destination area.

Your Committee finds that Waikiki serves as the principal gateway to tourism in the state. Visitor expenditures in Waikiki contribute significantly to state and city revenues and improvements should be made to preserve and enhance the area.

Your Committee received testimony from Mr. Hideto Kono of the Department of Planning and Economic Development in support of this resolution. He indicated that the program must identify the needs and priorities of Waikiki and determine the best means to address and finance such needs.

Mr. Donald Bremner also gave testimony but questioned the need for a program of priorities. He referred to a list of priority improvement recommendations submitted by the Waikiki Task Force to the Honolulu City Council.

Your Committee finds, however, that since the state is committing a substantial amount of money for the improvement of Waikiki in the form of capital improvement funds, the state should take an active part in determining the utilization of such funds. It is to this end that the priority program of Waikiki improvements is directed and is therefore required.

Your Committee on Tourism concurs with the intent and purpose of S.R. No. 194 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1046 Legislative Management

Informing the Senate that S.R. Nos. 307 to 312, Conf. Com. Rep. Nos. 47 to 52 and Stand. Com. Rep. Nos. 990 to 1045 have been printed and are ready for distribution.

Signed by all members of the Committee.

SCRep. 1047 Consumer Protection and Commerce on Gov. Msg. No. 315

Recommending that the Senate advise and consent to the nominations of the following:

VICTOR H. ZUERCHER, JR., to the Board of Dental Examiners, for term ending December 31, 1983; and

FRANCIS L. LOCK and KAREN J. BARDIN-BILLMAN to the Board of Dental Examiners, for terms ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1048 Consumer Protection and Commerce on Gov. Msg. No. 314

Recommending that the Senate advise and consent to the nomination of PATRICIA N. KRAMER to the Board of Cosmetology, for term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1049 (Joint) Education and Higher Education on S.C.R. No. 71

The purpose of this concurrent resolution is to request the Committees on Education and Higher Education of the respective Houses to jointly examine the issues associated with land and facilities designated for educational purposes and to develop a comprehensive plan for integrating educational and appropriate associated functions for these lands and facilities.

Your Committees find that it would be in the best interest of the taxpayers of Hawaii to examine and ensure proper and efficient utilization of all educational facilities in the state.

The examination should include the possibility of public school consolidation, particularly in light of increasing construction and land costs and declining enrollment; immigrant services; adult education; external and extended degree programs; continuing education and community service programs; and vocational education.

The Department of Education and the University of Hawaii have both expressed interest in assisting your Committees in the preparation of this examination and proposing recommendations to the next legislature.

Your Committees on Education and Higher Education concur with the intent and purpose of S.C.R. No. 71 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1050 Ecology, Environment and Recreation on S.R. No. 84

The purpose of this resolution as received by your Committee is to request the governor to (1) sign an executive order making Hawaii a party to the Western Regional Low-Level Radioactive Waste Committee, (2) submit an annual report to the legislature describing the progress of negotiations conducted under the auspices of the Committee, and (3) submit any proposed interstate compact for low-level radioactive waste disposal to the legislature for its approval.

Your Committee received testimony in support of this resolution from the Department of Health, the state advisory committee on radiological safety, the Citizens' Party, and the American Friends Service Committee. That testimony revealed that in December, 1980 Congress passed the Low-Level Radioactive Waste Policy Act, which encourages states to enter into regional compacts providing for low-level radioactive waste disposal, and grants states who enter into such compacts the right to prohibit other states from disposing of wastes within their borders. The testimony further revealed that the governors of twelve western states have formed a working group to negotiate such compacts, that the members of the working group have already begun meeting, and that some western states which are currently receiving wastes from Hawaii may be ready to sign compacts as early as this summer. The testimony also revealed that it is not feasible to build a low-level radioactive waste disposal facility in Hawaii.

Your Committee has amended this resolution by requesting the governor to monitor the low-level radioactive waste negotiations being carried out among states in other regions of the country, as well as in the western region, and, if necessary, to enter into negotiations with those states to establish low-level waste disposal compacts with them. Your Committee has further amended the resolution to request the governor to discuss any such negotiations in an annual report to the legislature on the progress of negotiations in the Western Regional Low-Level Radioactive Waste Committee. The purpose of these amendments is to make clear that while the western states should be Hawaii's starting point for negotiating interstate compacts, the state should not limit itself to negotiating with the western states if more favorable terms can be obtained from other states with waste disposal sites, such as South Carolina.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 84, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 84, S.D.1.

Signed by all members of the Committee.

SCRep. 1051 Ecology, Environment and Recreation on S.R. No. 85

The purpose of this resolution is to urge the U.S. Environmental Protection Agency and the National Oceanic and Atmospheric Administration to include Hawaii in a program they are currently developing to identify and evaluate nuclear waste disposal sites off the coasts of the United States.

Your Committee received testimony in support of this resolution from the Department of Health, the Environmental Center of the University of Hawaii, the Citizens' Party, Americans for Democratic Action, and the American Friends Service Committee. The testimony revealed a need to compile a complete inventory of the nuclear wastes which have been dumped off the coasts of the state.

Your Committee has amended this resolution by substituting "Department of Commerce" for "Department of the Interior", and by deleting the requirement that copies of the resolution be sent to the U.S. Congress.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 85, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 85, S.D.1.

Signed by all members of the Committee.

SCRep. 1052 Ecology, Environment and Recreation on S.R. No. 210

The purpose of this resolution is to request the Department of Land and Natural Resources to submit a report to the Legislature assessing the current and future use of a 280-acre parcel of state land located mauka of Kahekili highway in Kaneohe.

Your Committee received testimony on this resolution from the Department of Land and Natural Resources, which noted that although it supports the intent of the resolution it lacks the financial or staff resources to undertake the study it requests. Your Committee also received testimony from Windward Community College, which expressed its willingness to cooperate with the study.

Facilities located on this land include the Hawaii State Hospital, Windward Community College, Windward Mental Health Center, and Kaneohe District Park. Significant amounts of funds have been and will continue to be expended on those facilities. Although there is a limited amount of space in the area, it seems possible that one or more of those facilities will need to expand in the future. Your Committee finds that the study requested by this resolution would provide the basis for a sensible long-range plan for the site. Your Committee hopes that the department will be able to undertake the study to the best of its ability with the resources it has available.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 210 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1053 Ecology, Environment and Recreation on S.R. No. 218

The purpose of this resolution is to (1) urge the City and County of Honolulu, the State of Hawaii and the U.S. Navy to establish joint memoranda of understanding specifying their respective responsibilities in the event of an accidental release of radioactivity from the Pearl Harbor Naval Shipyard, (2) to urge those same agencies to follow the guidelines currently being followed at commercial nuclear plants in establishing their plans for responding to such an accident, (3) to request the State Advisory Committee on Radiological Safety to review the state's emergency response plans and recommend priorities for bringing them into conformance with NUREG-0654, and (4) to request the relevant federal agencies to provide support for those efforts.

Your Committee received testimony in support of this resolution from the Chairman of the State Advisory Committee on Radiological Safety, the Environmental Center of the University of Hawaii, and the Hawaii Council of Churches.

In response to the Three Mile Island accident, the operators of commercial nuclear power reactors and the states and localities in which those reactors are located have been required to make significant improvements in their ability to respond to, and thereby limit the consequences of, accidents involving the release of radioactivity to the environment. Those required improvements have been summarized in the U.S. Nuclear Regulatory Commission report NUREG-0654.

However, although the provisions of NUREG-0654 are currently required to be implemented at commercial nuclear power reactors, there is no legal requirement to implement them at military facilities such as Pearl Harbor since those facilities are not subject to the U.S. Nuclear Regulatory Commission's licensing process.

Although there is no legal requirement, there is a clear trend for military facilities and the states and localities in which they are located to work cooperatively to upgrade their capability to respond to radiological incidents. This trend is reflected by the recent signing of a Memorandum of Understanding between the U.S. Department of Energy and the State of Washington with respect to radiological incidents at the department's facility at Hanford, Washington, and the ongoing negotiations between the U.S. Navy and the State of Washington to establish a similar Memorandum of Understanding for the Puget Sound Naval Shipyard. Those memoranda clearly specify the responsibilities of the respective government agencies in the event of an accidental release of radioactivity, and serve as a framework for voluntarily implementing the guidelines set forth in NUREG-0654.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 218 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1054 Ecology, Environment and Recreation on H.C.R.No. 158

The purpose of this resolution is to have the Legislature of the State of Hawaii join in a petition requesting the Japanese Diet to hold ongoing investigative hearings on the Japanese government's proposal to dump low-level nuclear wastes in the Pacific, and urging the Diet to stop the dumping program.

Your Committee received testimony in support of this resolution from the American Friends Service Committee and the Hawaii Council of Churches. Your Committee also received testimony from the Environmental Center of the University of Hawaii, which recommended that the contents of the petition be reviewed to ensure that it accurately reflects the concerns of the state, and that federal support for the petition be solicited.

Upon reviewing the petition, your Committee finds that it accurately represents many of the concerns which have been raised about Japan's ocean dumping proposal. Your Committee further finds that it is appropriate to express those concerns through this petition and to request the Japanese Diet to investigate them further.

Your Committee has made technical and stylistic amendments to paragraphs two and six of the resolution. Your Committee has also amended paragraph three of the resolution to clarify that even "properly" sealed containers could ultimately deteriorate in sea water and release radioactivity into the marine environment. Lastly, your Committee has amended the resolution to provide that certified copies of it be transmitted to the Secretary of State, the President of the United States Senate, the Speaker of the United States House of Representatives, and to the Governor.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 158, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 158, S.D.1.

Signed by all members of the Committee.

SCRep. 1055 (Majority) Housing and Hawaiian Homes on S.R. No. 231

The purpose of this resolution is to request the Office of Hawaiian Affairs (OHA) to study the requirements of the present blood quantum restrictions in the application of its program and the programs of the Department of Hawaiian Home Lands (DHHL).

Your Committee finds that the presence of these limitations has caused administrative and programmatic difficulties, specifically 1) the removal of Hawaiian heirs with less than fifty per cent Hawaiian blood from Hawaiian home land lots upon the death of a native Hawaiian lessee, and 2) the necessity of maintaining accounting and administrative procedures

which separate the expenditures of funds according to the Hawaiian blood quantum of the beneficiary of the services.

Your Committee received testimony from DHHL and OHA that support the intent of the resolution. Both organizations agree that the study can lead to the improvement of services and programs offered to the Hawaiian people.

Testimony from both groups indicated that the objectivity and thoroughness of the survey would be increased by additional resources. Your Committee finds that OHA should not be restricted to the sources of information within their office and DHHL's.

Your Committee has amended this resolution by: 1) incorporating the suggestions of OHA and DHHL and allowing OHA to use various sources of information to complete the study on blood quantum restrictions, and 2) making technical corrections which have no substantive effect.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 231, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 231, S.D. 1.

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

SCRep. 1056 Housing and Hawaiian Homes on S.R. No. 254

The purpose of this resolution is to request the Senate Committee on Housing and Hawaiian Homes, with the assistance of the Legislative Reference Bureau, to review and evaluate the performance and capabilities of the Hawaii Housing Authority with respect to the implementation of existing or proposed state housing programs and expenditures.

Currently, the responsibilities of the Hawaii Housing Authority, include policy, fiscal, programmatic, and management decisions and duties equivalent to those found in every sector of the housing industry. Your Committee feels that prior to creating any new programs or adopting the Housing Functional Plan, which projects the need of over \$1,000,000,000 in appropriations for housing purposes, a thorough evaluation of the functions and capacity of the authority should be conducted.

The resolution has been amended to require that certified copies of the resolution be transmitted to the Executive Director of the Hawaii Housing Authority and the Chairman of the Senate Committee on Housing and Hawaiian Homes. Other nonsubstantive amendments have also been made.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of S.R. No. 254, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 254, S.D. 1.

Signed by all members of the Committee.

SCRep. 1057 Government Operations and Intergovernmental Relations on S.R. No. 117

The purpose of this resolution is to request the City and County of Honolulu to study the Huna Street and Nuuanu Park Place controversy and clarify various issues in a report to the legislature.

At its hearing on this resolution, your Committee received testimony from Huna Street residents, the Real Estate Commission, AMFAC, and the City and County of Honolulu. The developers of the Nuuanu Park Place project and the contractors involved in construction of the project chose not to testify due to ongoing litigation.

Your Committee finds that the Huna Street residents have raised legitimate concerns regarding the manner in which building and construction permits were issued by the City and County. Of particular concern to your Committee is the justification for allowing the construction of a 122 unit project in view of the limited access to the property on which the project is located. Your Committee is also concerned that no satisfactory explanation has been given as to the reason why a contractor was allowed to install a water line under a privately owned street without any evidence of permission from the owners thereof.

Your Committee finds that the Huna Street controversy demonstrates a failure by government to establish or follow proper procedures and practices to protect the legitimate



interests of residents whose lifestyles and welfare are drastically affected by projects such as the Nuuanu Park Place condominium.

Based on the foregoing, your Committee further finds that a report by the City and County of Honolulu as requested by the resolution is needed in order that the legislature may determine the need for further study or corrective legislation.

Your Committee on Government Operations and Intergovernmental Relations is in accord with the intent and purpose of S.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Senator Ushijima.

SCRep. 1058 (Joint) Ecology, Environment and Recreation, Economic Development, and Higher Education on S.R. No. 208

The purpose of this resolution is to request the Department of Land and Natural Resources to submit a report to the Legislature prior to the start of the 1982 session concerning the future of the Waikiki Aquarium.

Your Committee received testimony in support of this resolution from the Marine Affairs Coordinator, the Department of Land and Natural Resources, the University of Hawaii, the Waikiki Residents Association, and Hadley-Pruyn Developers, Inc.

The testimony revealed that although the aquarium has an excellent staff and has the potential to be a "world class" facility, it has been unable to fulfill its potential because its present facilities are old, difficult to maintain, and are too small. The testimony further revealed that a private developer, the Hadley-Pruyn Developers, Inc., has expressed interest in renovating and expanding the aquarium.

Your Committees find that the report requested by this resolution would help the Legislature to assess the various options which exist for improving the aquarium's facilities, including the Hadley-Pruyn proposal.

Your Committees have amended paragraph nineteen of this resolution to request the department to consult with the Marine Affairs Coordinator in preparing this study.

Your Committees on Ecology, Environment and Recreation, Economic Development, and Higher Education concur with the intent and purpose of S.R. No. 208, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 208, S.D.1.

Signed by all members of the Committees except Senators Yamasaki and Cayetano.

SCRep. 1059 (Joint) Ecology, Environment and Recreation and Judiciary on S.R. No. 211

The purpose of this resolution is to request the Department of Land and Natural Resources to submit a report to the Legislature setting forth a plan for the use of the site of the Hawaii Youth Correctional Facility in Kailua.

Your Committees received testimony in support of this resolution from the Pohakupu Community Association and from Ms. Jane Morris. Your Committees also received testimony from the Department of Social Services and Housing, which manages the Youth Correctional Facility. The department testified that while it "generally concur(s)" with the intent of the resolution, it believes that it will continue to require the entire site for the Youth Correctional Facility.

Your Committees also received testimony from Windward Community College, which noted that it does not expect to need any land at the site. Lastly, your Committees received testimony from the Department of Land and Natural Resources, which stated that while it supports the intent of the resolution, it lacks the staff or financial resources to undertake the study it requests.

Your Committees find that the land in question is an extremely valuable resource, and that the preparation of a plan for its future use would be both useful and appropriate at this time. It is the intent of your Committees that the Department of Land and Natural Resources prepare the plan to the best of its abilities with the resources it has available.

Your Committees on Ecology, Environment and Recreation and Judiciary concur with the intent and purpose of S.R. No. 211 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1060 Ecology, Environment and Recreation on S.R. No. 246

The purpose of this resolution is to request the Committee on Ecology, Environment and Recreation to review the programs and policies of the state pertaining to ecology and environment, conservation and resources, and recreation.

A great deal of legislation has been enacted in recent years in those areas. Now that the resultant programs and policies have had several years to evolve, it is important to review them to ensure that they are meeting their original objectives.

The review requested by this resolution would be conducted during the legislative interim, and if it indicates the need for legislative action, the Committee would submit legislative recommendations to the Senate before the start of the 1982 Regular Session.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of S.R. No. 246 and recommends it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Mizuguchi and Uwaine.

SCRep. 1061 Human Resources on Gov. Msg. No. 310

Recommending that the Senate advise and consent to the nomination of JAMES CLARK to the Hawaii Public Employment Relations Board, for term ending six years from date of appointment.

Signed by all members of the Committee except Senator Yee.

SCRep. 1062 Education on S.C.R. No. 62

The purpose of this concurrent resolution is to request the Department of Education (DOE) and the Hawaii State Teachers Association (HSTA) to jointly prepare a report and a weighted class size formula.

Basically, the weighted class size formula would assign a factor of one to the "normal" student and a higher factor for the special education student, compensatory education student, limited English-speaking student, or other category of student which is appropriate to the student's level of educational difficulty.

Although there is no ideal and financially realistic class size, the class sizes of public schools in Hawaii are suspected of being excessive and have been cited as a contributing factor to the poor academic performances of students.

Therefore your Committee is in agreement with the intent of this resolution but with the following amendments:

- (1) Instead of the Department of Education and the Hawaii State Teachers Association, the Board of Education is designated to prepare the report and weighted class size formula. This change is pursuant to a Hawaii Public Employment Relations Board ruling which decided against weighted class size formula as a negotiable issue;
- (2) Adding class composition as a further consideration in preparing a weighted class size formula;
- (3) Deleting a reference to possible costs of implementing the weighted class size formula;
- (4) Deleting any duties requested of the Department of Education and the Hawaii State Teachers Association;
- (5) Inclusion of interested individuals and groups in the preparation of a weighted class size formula; and
- (6) Amending the date the report is to be submitted.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1063 Education on S.R. No. 44

The purpose of this resolution is to request the Department of Education to evaluate its curriculum in vocational agriculture, consider expanding course offerings in vocational agriculture, and submit a report to the Legislature with respect to course offerings, including identification of problems or obstacles to expanding the curriculum and alternative remedies to meet such problems or obstacles.

Your Committee finds that agriculture plays a key role in the economy of the state and that young people seeking careers in farming and agriculture should be afforded the opportunity to gain the knowledge required to pursue such careers. Your Committee further finds that the Department of Education should develop a firm and aggressive vocational agricultural program to meet the needs of students interested in careers in agriculture and to that end, an evaluation of the vocational agricultural curriculum is desirable and would be of great benefit.

Your Committee on Education concurs with the intent and purpose of S.R. No. 44 and recommends its adoption.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1064 Education on S.R. No. 176

The purpose of this resolution is to request the Department of Education (DOE) and the Hawaii State Teachers Association (HSTA) to jointly prepare a report and a weighted class size formula.

Basically, the weighted class size formula would assign a factor of one to the "normal" student and a higher factor for the special education student, compensatory education student, limited English-speaking student, or other category of student which is appropriate to the student's level of educational difficulty.

Although there is no ideal and financially realistic class size, the class sizes of public schools in Hawaii are suspected of being excessive and have been cited as a contributing factor to the poor academic performances of students.

Therefore your Committee is in agreement with the intent of this resolution but with the following amendments:

- (1) Instead of the Department of Education and the Hawaii State Teachers Association, the Board of Education is designated to prepare the report and weighted class size formula. This change is pursuant to a Hawaii Public Employment Relations Board ruling which decided against weighted class size formula as a negotiable issue;
- (2) Adding class composition as a further consideration in preparing a weighted class size formula;
- (3) Deleting a reference to possible costs of implementing the weighted class size formula;
- (4) Deleting any duties requested of the Department of Education and the Hawaii State Teachers Association;
- (5) Inclusion of interested individuals and groups in the preparation of a weighted class size formula; and
- (6) Amending the date the report is to be submitted.

Your Committee on Education concurs with the intent and purpose of S.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 176, S.D. 1.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1065 (Joint) Education and Higher Education on S.R. No. 224

The purpose of this resolution is to request the Senate Committees on Education and Higher Education to jointly examine the issues associated with land and facilities designated for educational purposes and to develop a comprehensive plan for integrating educational and appropriate associated functions for these lands and facilities.

Your Committees find that it would be in the best interest of the taxpayers of Hawaii to examine and ensure proper and efficient utilization of all educational facilities in the state.

The examination should include the possibility of public school consolidation, particularly in light of increasing construction and land costs and declining enrollment; immigrant services; adult education; external and extended degree programs; continuing education and community service programs; and vocational education.

The Department of Education and the University of Hawaii have both expressed interest in assisting your Committees in the preparation of this examination and proposing recommendations to the next legislature.

Your Committees on Education and Higher Education concur with the intent and purpose of S.R. No. 224 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees except Senators O'Connor, Soares, Ushijima and George.

SCRep. 1066 Education on Gov. Msg. Nos. 130 and 228

Recommending that the Senate advise and consent to the nominations of the following:

ROSE P. KANEAPUA and GARD N. KEALOHA to the King Kamehameha Celebration Commission, for terms ending December 31, 1984;

LEONA L. RYDER to the King Kamehameha Celebration Commission, for term ending December 31, 1982; and

SOLOMON K. COLBURN, JR., to the King Kamehameha Celebration Commission, for term ending December 31, 1983.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1067 Education on Gov. Msg. Nos. 131, 132, 229, 230 and 231

Recommending that the Senate advise and consent to the nominations of the following:

EDGAR S. HIMEDA to the Library Advisory Commission, City and County of Honolulu, for term ending December 31, 1984;

YAEKO ONO to the Library Advisory Commission, County of Maui, for term ending December 31, 1984;

LINDA O. CHANG, JUDY BECKER, DEBORAH MACER CHUN and SUSAN M. ICHINOSE to the Library Advisory Commission, City and County of Honolulu, for terms ending, respectively, December 31, 1982, December 31, 1982, December 31, 1984 and December 31, 1984;

LENA K. PALAMA to the Library Advisory Commission, County of Kauai, for term ending December 31, 1981; and

M. DEE DUDLEY to the Library Advisory Commission, County of Maui, for term ending December 31, 1984.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1068 Education on Gov. Msg. No. 227

Recommending that the Senate advise and consent to the nominations of FRANKLIN S. ODO, JOANNE TROTTER and DAVID PEARCE PENHALLOW to the State Foundation on Culture and the Arts, for terms ending December 31, 1984.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1069 Education on Gov. Msg. No. 232

Recommending that the Senate advise and consent to the nomination of ELAINE K. KONO to the Hawaii Public Broadcasting Authority, for term ending December 31, 1986.

Signed by all members of the Committee Senators Carpenter, O'Connor, Kobayashi and Soares.

SCRep. 1070 Education on Gov. Msg. No. 290

Recommending that the Senate advise and consent to the nomination of HIROSHI YAMASHITA to the Education Commission of the States, for term ending December 31, 1983.

Signed by all members of the Committee except Senators Carpenter, O'Connor, Kobayashi and Soares.

SCRep. 1071 Education on Gov. Msg. No. 291

Recommending that the Senate advise and consent to the nominations of the following:

CHIEKO TANIMOTO and ALFRED EVANGELISTA to the Library Advisory Commission, County of Hawaii, for terms ending December 31, 1984;

ROBERT SANBORN and VERA MAE DELO SANTOS to the Library Advisory Commission, County of Hawaii, for terms ending December 31, 1983;

GRACE KEKAULIKE BASQUE to the Library Advisory Commission, County of Hawaii, for term ending December 31, 1982; and

DAISY U. SMITH to the Library Advisory Commission, County of Hawaii, for term ending December 31, 1981.

Signed by all members of the Committee except Senators Carpenter, O'Connor, Kobayashi and Soares.

SCRep. 1072 Education on Gov. Msg. No. 311

Recommending that the Senate advise and consent to the nominations of KIYOTO TSUBAKI, SISTER BRENDA LAU and MASAKO H. LEDWARD to the Hawaii Education Council, for terms ending December 31, 1984.

Signed by all members of the Committee Senators Carpenter, O'Connor, Kobayashi and Soares.

SCRep. 1073 Education on S.R.No. 223

The purpose of this resolution is to establish a Task Force to study and clarify the needs of handicapped children in Hawaii. The Task Force will establish guidelines to effectively utilize public and private health and mental health education services and submit a report of its findings and recommendations to the Legislature prior to the convening of the 1982 Regular Session.

Public Law 94-142 requires "a free appropriate public education" to all handicapped children three to twenty-one years of age. Pursuant to this law, and in light of new fiscal constraints being placed on federal funding, your Committee believes that there is a strong need for the state to fully utilize the services of all existing health and mental health agencies before expending new funds and risking duplication of existing resources.

It is the intent of your Committee that the Task Force study and clarify the needs of all children who have developmental delays, especially the preschool and severely multi-handicapped child, and review the services available to them in total perspective.

Your Committee has amended the resolution by allowing the Task Force to augment its membership, and by making minor technical changes which do not alter the substance of the resolution.

Your Committee on Education concurs with the intent and purpose of S.R. No. 223, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 223, S.D. 1.

Signed by all members of the Committee except Senators O'Connor and Soares.

SCRep. 1074 Ecology, Environment and Recreation on Gov. Msg. No. 318

Recommending that the Senate advise and consent to the nominations of ROBERT L. SHUFORD, TOM OKUDA and SHARON WEINER to the Stadium Authority, for terms ending December 31, 1984.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1075 Economic Development on Gov. Msg. Nos. 125 and 223

Recommending that the Senate advise and consent to the nominations of the following:

THOMAS S. YAGI to the Board of Land and Natural Resources, for term ending December 31, 1984; and

JAMES DOUGLAS KEAUAHOU ING to the Board of Land and Natural Resources, for term ending December 31, 1984.

Signed by all members of the Committee except Senators Machida and Yamasaki.

SCRep. 1076 Economic Development on Gov. Msg. Nos. 126 and 224

Recommending that the Senate advise and consent to the nominations of the following:

LLOYD T. SADAMOTO to the Board of Planning and Economic Development, for term ending December 31, 1984;

LEONARD K. KAPAHULEHUA to the Board of Planning and Economic Development, for term ending December 31, 1983; and

ROBERT T. GERMAN to the Board of Planning and Economic Development, for term ending December 31, 1984.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1077 Economic Development on Gov. Msg. No. 127

Recommending that the Senate advise and consent to the nominations of the following:

ALIKA COOPER, BILL CHOY, LOUIS AGARD and WINFRED HO to the Hawaii Fisheries Coordinating Council, for terms ending December 31, 1983; and

ASAHI OKAMOTO, FRANK GOTO and CHARLES SPINNEY to the Hawaii Fisheries Coordinating Council, for terms ending December 31, 1982.

Signed by all members of the Committee except Senators Machida and Yamasaki.

SCRep. 1078 Economic Development on Gov. Msg. No. 316

Recommending that the Senate advise and consent to the nomination of TEOFILO TACBIAN to the Land Use Commission, for term ending December 31, 1984.

Signed by all members of the Committee except Senators Machida and Yamasaki.

SCRep. 1079 Economic Development on Gov. Msg. No. 316

Recommending that the Senate advise and consent to the nomination of ROBERT TAMAYE to the Land Use Commission, for term ending December 31, 1984.

Signed by all members of the Committee except Senators Machida and Yamasaki.

SCRep. 1080 Economic Development on Gov. Msg. No. 316

Recommending that the Senate advise and consent to the nomination of EVERETT CUSKADEN to the Land Use Commission, for term ending December 31, 1984.

Signed by all members of the Committee except Senators Machida, Uwayne and Yamasaki.

SCRep. 1081 (Majority) Consumer Protection and Commerce on Gov. Msg. No. 313

Recommending that the Senate advise and consent to the nomination of ROBERT M. LEE to the Boxing Commission, for term ending December 31, 1982.

Signed by all members of the Committee.  
Senators Carpenter, Uwayne and Saiki did not concur.

## SCRep. 1082 Legislative Management

Informing the Senate that S.R. Nos. 313 to 324, Conf. Com. Rep. No. 53 and Stand. Com. Rep. Nos. 1047 to 1081 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 1083 (Joint) Health and Education on S.R. No. 153

The purpose of this resolution is to request the Board of Education to implement a program of cardiopulmonary resuscitation training in the public high schools and to have the Department of Education report its findings and recommendations to the Legislature prior to the Regular Session of 1982.

Your Committees find that the goal of the American Heart Association, the American Red Cross, and their affiliated organizations to train twenty per cent of the population in basic cardiac life support techniques is meritorious. Your Committees believe that the state can greatly assist in achieving this goal by incorporating, where feasible and economical, cardiopulmonary resuscitation training into existing state agency programs.

Your Committees received testimony from the Department of Health, Hawaii Medical Association, the Hawaii Heart Association, and the Hawaii State Teachers Association that a cardiopulmonary training program for public high school students is feasible and desirable. The Hawaii Medical Association and the Hawaii Heart Association also testified that school systems in several other states, including California, Michigan, Nebraska, and Pennsylvania, have such training as part of the regular curriculum.

Testimony presented by the Department of Education stated that cardiopulmonary resuscitation training is currently being taught in a few public high schools based on teacher interest and training. The Hawaii Heart Association further testified that a pilot project to train high school students on a large scale is being conducted in four Hawaii county high schools. According to the Heart Association testimony, the pilot project is operating successfully and trains approximately 350 students a year. The Heart Association has indicated that based on the results of the pilot project a statewide training program could be implemented without much difficulty. Therefore, your Committees have specified that the Board of Education should begin implementation in fall 1981 and have amended the resolution accordingly.

Inasmuch as the resolution requests implementation of a training program, a study and report of findings is unnecessary and your Committees have amended the resolution to delete the request for a study.

Your Committees have made nonsubstantive amendments to the resolution to clarify that the training program requested is intended for public high school students.

Your Committees on Health and Education are in accord with the intent and purpose of S.R. No. 153, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 153, S.D. 1.

Signed by all members of the Committees.

## SCRep. 1084 Health on S.R. No. 255

The purpose of this resolution is to request a study by the Department of Health on providing services to disabled adults age 20 and over.

Your Committee received supportive testimony from the State Planning Council on Developmental Disabilities. They stated that such a study would "serve to improve the stability of programs and contribute to the care of the developmentally disabled population."

Your Committee also received testimony from the Department of Health requesting not to be the lead agency in the study. They suggested that the Developmental Disabilities Council serve as the objective party in the study.

Your Committee has adopted the recommendation of the Department of Health and has made appropriate amendments in the title and body of the resolution to make the State Planning Council on Developmental Disabilities the lead agency in conducting the study.

Your Committee on Health concurs with the intent and purpose of S.R. No. 255, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 255, S.D. 1.

Signed by all members of the Committee.

SCRep. 1085 Judiciary on S.R. No. 265

The purpose of this resolution is to request that a special thirteen-member commission be appointed to study the question of which agency, either existing or to be created, should be designated to implement the Correctional Master Plan. The Commission is to elect its own chairman from among its members, which members are to be appointed as follows: The Speaker of the Hawaii State House of Representatives--two members; the President of the Hawaii State Senate--two members; the Governor of the State of Hawaii--three members; the Chief Justice of the Hawaii Supreme Court--two members; and the mayors of the counties of Hawaii, Maui, Kauai, and the City and County of Honolulu--one member each.

Your Committee finds that a need for coordinated implementation of the Correctional Master Plan is both essential as well as long overdue. This need has been pointed out in reports such as the State Law Enforcement Planning Agency's January, 1980 report to the Legislature, entitled "Progress and Assessment Report of the Hawaii State Correctional Master Plan" and the U.S. Department of Justice Law Enforcement Assistance Administration's September 27, 1979 audit report, entitled, "Audit of Part E Discretionary Grants for the Implementation of the Correctional Master Plan in the State of Hawaii." Furthermore, bills were introduced in the 1981 Regular Session, H.B. No. 23 and S.B. No. 2041, to designate an agency with the authority to implement the Correctional Master Plan.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 265 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Anderson, Cobb, Kobayashi and O'Connor.

SCRep. 1086 Education on S.R. No. 251

The purpose of this resolution is to request the Board of Education to (1) establish a program for consolidating underutilized schools, (2) submit a report of positive action taken to reduce unnecessary expenditures, and (3) submit a report indicating initiation of consolidation proceedings.

Enrollment in public schools has been declining for eight consecutive years. While a decline would indicate a need for fewer classroom facilities, shifts in enrollment require the construction of new classrooms in areas experiencing rapid growth.

The combination of declining and shifting enrollment has resulted in over two hundred vacant or underutilized classrooms and several underutilized schools.

Your Committee heard testimony from the Department of Education in support of the intent of the resolution.

With respect to the question of school consolidation, your Committee believes that the efficient and proper utilization of public school facilities represents sound fiscal and public policy on the part of the state.

Your Committee on Education concurs with the intent and purpose of S.R. No. 251 and recommends its adoption.

Signed by all members of the Committee except Senators Cayetano, O'Connor, Kobayashi and Soares.

SCRep. 1087 Education on S.R. No. 257

The purpose of this resolution is to request the Department of Education to conduct a feasibility study on establishing a new high school for Kona in the Kealahou complex. The study should also include appropriate project costs.

Presently, Kona High School is the only high school in the Kona district. The facilities at Kona are old and limited, and cannot accommodate the expanding population in Kona. Therefore, your Committee recommends a study be conducted to determine the feasibility of adding another high school to the Kona district.

Your Committee has amended the title of this resolution to clearly reflect its purpose.



Your Committee on Education concurs with the intent and purpose of S.R. No. 257, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 257, S.D. 1.

Signed by all members of the Committee except Senators Cayetano, O'Connor, Kobayashi and Soares.

SCRep. 1088 Education on S.R. No. 274

The purpose of this resolution is to encourage the Department of Education to continue the development of nutrition education curricula to address and fulfill the needs identified in the Nutrition Needs Assessment and to plan and implement training programs for the various target groups. The resolution also encourages the Department of Education to continue its commitment by providing leadership and coordinating activities for effective nutrition education and training programs for Hawaii's school children, teachers, administrators and food service personnel. Additionally, the Department of Education is directed to submit a plan outlining a method to continue integrated and high priority nutrition education and training programs within the public schools.

Your Committee heard supportive testimony from the Department of Education, the state Department of Health, the state Nutrition Education Council, the Hawaii Dietetic Association, the Hawaii Nutrition Council and Ms. Sandra Shimabukuro. In testimony presented by the Department of Education, it was noted that one unit of nutrition education is recommended in the Hawaii Educational Instructional Guide for the Public Schools for students in kindergarten to grade six, and in each of the required health courses taken by students during grades 7-8 and in grades 9-12. Further, the Department of Education noted that it is developing a sequential nutrition education curriculum guide and classroom materials relevant to Hawaii's multi-cultural student population by utilizing federal funds available through the Nutrition Education and Training Program.

Your Committee has amended the resolution to correct typographical errors.

Your Committee on Education concurs with the intent and purpose of S.R. No. 274, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 274, S.D. 1.

Signed by all members of the Committee except Senators Cayetano, O'Connor, Kobayashi and Soares.

SCRep. 1089 Education on S.R. No. 282

The purpose of this resolution is to direct the Department of Education to conduct a survey of all high schools in the state to ascertain (1) the kind and number of college preparatory courses presently offered, (2) the number of students enrolled in these courses, and (3) the student-teacher ratio for these courses.

Your Committee heard testimony from the Department of Education on this resolution.

Your Committee finds that a survey of courses within our high schools could prove extremely beneficial in planning future college preparatory curriculum.

Your Committee on Education concurs with the intent and purpose of S.R. No. 282 and recommends its adoption.

Signed by all members of the Committee except Senators Cayetano, O'Connor, Kobayashi and Soares.

SCRep. 1090 Consumer Protection and Commerce on S.C.R. No. 70

The purpose of this concurrent resolution is to require the Motor Vehicle Insurance Division of the Department of Regulatory Agencies to include in its annual listing of motor vehicle insurance premiums, a separate list of motorcycle insurance premiums. This measure also requires the Commission to work with Street Bikers United to define an average motorcycle size.

Presently, section 294-16, Hawaii Revised Statutes, requires the Motor Vehicle Insurance Division of the Department of Regulatory Agencies to publish annually in a newspaper of general circulation, a list of all no-fault insurers with representative annual premiums.

The purpose of this provision is to assist consumers in "shopping around" for no-fault policies.

Although motorcycles are also required, under mandatory insurance provisions, to be covered by no-fault insurance, a similar list is not provided for motorcyclists.

Your Committee finds that motorcyclists presently encounter difficulties in securing affordable and adequate no-fault policies.

The intent of the concurrent resolution is to assist these consumers in a similar manner.

Your Committee notes that the list of automobile insurers and premiums is published pursuant to a statutory provision, and, therefore, this measure was amended to request rather than require the Motor Vehicle Division to publish a similar list relating to motorcycles. Also the concurrent resolution was amended to request the Motor Vehicle Insurance Division to work with all interested parties in defining average motorcycle size.

Your Committee on Consumer Protection and Commerce 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 except Senators Machida, Henderson, Saiki and Yee.

SCRep. 1091 Consumer Protection and Commerce on S.R. No. 226

The purpose of this resolution is to require the Motor Vehicle Insurance Division of the Department of Regulatory Agencies to include in its annual listing of motor vehicle insurance premiums, a separate list of motorcycle insurance premiums. This measure also requires the Commission to work with Street Bikers United to define an average motorcycle size.

Presently, section 294-16, Hawaii Revised Statutes, requires the Motor Vehicle Insurance Division of the Department of Regulatory Agencies to publish annually in a newspaper of general circulation, a list of all no-fault insurers with representative annual premiums.

The purpose of this provision is to assist consumers in "shopping around" for no-fault policies.

Although motorcycles are also required, under mandatory insurance provisions, to be covered by no-fault insurance, a similar list is not provided for motorcyclists.

Your Committee finds that motorcyclists presently encounter difficulties in securing affordable and adequate no-fault policies.

The intent of the resolution is to assist these consumers in a similar manner.

Your Committee notes that the list of automobile insurers and premiums is published pursuant to a statutory provision, and therefore, this measure was amended to request rather than require the Motor Vehicle Division to publish a similar list relating to motorcycles. Also the resolution was amended to request the Motor Vehicle Insurance Division to work with all interested parties in defining average motorcycle size.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of 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 except Senators Machida, Henderson, Saiki and Yee.

SCRep. 1092 Economic Development on S.R. No. 245

The purpose of this resolution is to direct the state plan policy council and the Department of Planning and Economic Development to transmit a report on the functional plans. The resolution explicitly states what the report ought to contain.

Your Committee finds that planning can be a useful device for maintaining and perhaps improving the quality of life enjoyed in Hawaii. Unfortunately, the state's functional plans have many problems which ought to be corrected prior to adoption. In an effort to improve the plans by eliminating conflicts, imposing fiscal responsibility, and increasing the input of private sector expertise to each plan, your Committee is recommending extensive interim study on the functional plans by the legislature, advisory committees, policy council, and the Department of Planning and Economic Development.

Your Committee has amended the resolution by clarifying the direction of interim study on the plans. A further amendment was made to change the date on which the report is due to the legislature.

Your Committee on Economic Development is in accord with the intent and purpose of S.R. No. 245, as amended herein and recommends its adoption in the form attached hereto as S.R. No. 245, S.D.1.

Signed by all members of the Committee except Senators Kuroda and Machida.

SCRep. 1093 Government Operations and Intergovernmental Relations on S.R. No. 20

The purpose of this resolution is to have the state conduct a study of the possibility of converting gasoline powered state and county vehicles to electric powered vehicles.

Since the oil embargo of 1973, the price of oil and its by-products has escalated in tremendous intervals across the nation. The rising price of energy has been a driving force behind the rapid rate of inflation in this country.

Your Committee finds that Hawaii is directly and adversely affected by the actions of the OPEC nations, more so than the other states of the union, due to our geographic location. Hawaii experienced the effects of a severe gasoline shortage subsequent to the oil embargo. The foreseeable depletion of the world's non-renewable oil sources has direct significance to this State since Hawaii is dependent on foreign oil. More than 38 million barrels are imported per year to Hawaii. This situation makes it imperative that Hawaii, in its commitment to energy self-sufficiency, further explore and utilize alternate sources of energy to relieve this burden of dependency.

Hawaii's ground transportation system currently consumes about sixteen per cent of the total imported oil. Up to fifty per cent savings on fuel consumption can be realized if our public transportation system were converted to battery operated vehicles. A complete 100% savings can also be realized if alternate renewable sources of energy were substituted to generate the electricity to recharge batteries.

It is the intent of your Committee that the state, in conducting an informal study, go beyond the data already derived from previous studies and investigate the use of alternative means of generating the electricity to recharge battery operated vehicles. Solar energy should be considered as a possible source.

Your Committee suggests the study be done in coordination with the University of Hawaii, the postal service, and Hawaiian Telephone Company, as those organizations have electric vehicles currently in operation.

Your Committee has amended the resolution by making minor technical changes which have no substantive effect.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 20, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 20, S.D. 1.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1094 Government Operations and Intergovernmental Relations on S.R. No. 233

The purpose of this resolution is to request the state administrative agencies and county governments to identify outdated or duplicative rules and regulations and uniformly format them in an effort to streamline and simplify these rules.

Your Committee finds that uniformly formatted rules will permit the legislature to more expeditiously review these rules for conformance to substantive law and facilitate maximum citizen access.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 233 and recommends its adoption.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1095 Government Operations and Intergovernmental Relations on S.R. No. 237

The purpose of this resolution is to urge Hawaii's congressional delegation and the governor to continue their efforts to obtain a petroleum reserve in Hawaii.

Your Committee finds that the United States must proceed on a steady and orderly path toward energy self-sufficiency. However, in the interim, the pressing need for insurance against supply disruption should not be made hostage to the whims of foreign governments. Your Committee further finds that non-contiguous areas of the United States, such as Hawaii, should have their fair share of emergency oil reserves stored within their respective boundaries, as authorized by the Energy Policy and Conservation Act of 1975.

A petroleum reserve is especially important in Hawaii as the state is dependent on imported oil for over ninety per cent of its energy needs.

Your Committee has amended the resolution to have the U.S. Department of Energy receive a copy of the resolution and by making a minor technical change.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 237, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 237, S.D. 1.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1096 Government Operations and Intergovernmental Relations on S.R. No. 244

The purpose of this resolution is to request the Department of Accounting and General Services (DAGS) to report on hotels which offer government discounts, together with the amount of discounts, for distribution to state department and agency employees who travel on official business, and to negotiate with various hotels to establish additional discounts.

Your Committee finds that the increase in hotel accommodation costs over the last decade has forced state employees and legislators traveling in the performance of their duties to exceed their per diem limit and spend their own funds. Since "government discounts" are presently available at some hotels and hotel chains, travel expenses.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 244 and recommends its adoption.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1097 Government Operations and Intergovernmental Relations on S.R. No. 283

The purpose of this resolution is to request the Director of Finance, in conjunction with the Director of Planning and Economic Development and the State Comptroller, to implement policies and procedures to ensure that consideration be given to constructing multiple agency facilities in the budget planning and execution process. The resolution also requests a report on the progress of efforts to develop and implement such policies and procedures be submitted to the legislature no later than twenty days prior to the convening of the Regular Session of 1982.

Your Committee finds that planning and constructing state facilities to accommodate multiple state agencies can result in substantial savings in the costs of land acquisition and construction and will also provide the public easier access to state agencies.

The Department of Planning and Economic Development, Department of Accounting and General Services and Department of Budget and Finance submitted testimony concurring with the intent of the resolution.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 283 and recommends its adoption.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1098 Government Operations and Intergovernmental Relations on S.R. No. 289

The purpose of this resolution is to request Congress to establish a national type approval program and to designate the National Bureau of Standards as the appropriate implementing agency.

Presently, there is no national type approval program for measuring equipment, but Hawaii, thirteen other states, four federal agencies, and various other local jurisdictions have established their own type approval programs.

The lack of a national type approval program has frustrated the manufacturers of measuring equipment and is a barrier to interstate and international trade.

This resolution identifies the need for the establishment of a national program and urges Congress to take appropriate action.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 289 and recommends its adoption.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1099 Government Operations and Intergovernmental Relations on S.R. No. 202

The purpose of this resolution is to urge the counties to consider providing real property tax relief to Hawaii's homeowners by increasing the present home exemption.

Presently, Hawaii's taxpayers shoulder one of the heaviest tax burdens in the nation. A major levy, the real property tax, is determined by the assessed value of a taxpayer's property. The serious inflation that has gripped our national economy since the 1970's has also dramatically increased assessments of all real property in the state. Despite these significant annual increases in assessed values and resulting taxes, the present \$12,000 home exemption has not been increased since 1976, and as a result, the modest relief it once provided homeowners has been seriously eroded.

This resolution urges the counties to consider ameliorating the property tax load imposed on homeowners by increasing the home exemption.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 202 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1100 Government Operations and Intergovernmental Relations on S.C.R. No. 65

The purpose of this concurrent resolution is to urge the counties to consider providing real property tax relief to Hawaii's homeowners by increasing the present home exemption.

Presently, Hawaii's taxpayers shoulder one of the heaviest tax burdens in the nation. A major levy, the real property tax, is determined by the assessed value of a taxpayer's property. The serious inflation that has gripped our national economy since the 1970's has also dramatically increased assessments of all real property in the state. Despite these significant annual increases in assessed values and resulting taxes, the present \$12,000 home exemption has not been increased since 1976 and as a result, the modest relief it once provided homeowners has been seriously eroded.

This concurrent resolution urges the counties to consider ameliorating the property tax load imposed on homeowners by increasing the home exemption.

Your Committee on Government Operations and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 65 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Kuroda and Ushijima.

SCRep. 1101 Agriculture on Gov. Msg. No. 96

Recommending that the Senate advise and consent to the nomination of SUZANNE D. PETERSON to the Board of Agriculture, for term ending December 31, 1984.

Signed by all members of the Committee.

SCRep. 1102 Ways and Means on H.B. No. 767

The purpose of this bill is to authorize the establishment of a deferred compensation plan for public officers and employees of the state and counties.

Deferred compensation is basically an agreement whereby an employee authorizes his employer to defer a portion of his gross pay until retirement, at which time he would most likely be subject to a lower tax burden. The deferred moneys are invested by the state in accordance with various options permitted under mutual funds. The deferred moneys, earned interest, and appreciation accruing to these deferred funds are not taxed until the employee receives them.

Participation is strictly voluntary, and the employer makes no contribution to the plan. Deferred compensation would not affect already existing retirement, pension, or social security benefits or plans, but would provide an additional source of income to participating officers and employees when they retire.

Deferred compensation in the public sector is a relatively recent phenomenon and has become an increasingly popular "non-cost" fringe benefit offered to public employees.

Your Committee wishes to emphasize that the plan shall bear all implementation and administrative costs. The bill provides for the start-up costs, but the plan will reimburse the state for these costs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 767, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1103 Ways and Means on H.B. No. 1406

The purpose of this bill is to enact a rapid capital cost recovery system for the revitalization of business to encourage stable long-term economic growth. The bill provides for three classes of business assets, each with a given recovery period. Buildings would have a ten-year recovery period; machinery and equipment, five years; and vehicles, three years. It also calls for the phasing-in of the new schedule over a five-year period to minimize its impact on tax revenues.

Your Committee finds that replacing the existing useful life depreciation system with a simplified, rapid capital cost recovery system would lower the cost of capital and encourage greater investment in new plant and equipment.

The beneficial effects of the proposed system on the nation's economy are also recognized on the federal level. A number of similar measures proposing rapid capital cost recovery systems are now pending in Congress. The President of the United States in a speech to Congress in February, also announced his support for a 10-5-3 capital cost recovery system.

While recognizing the benefits of the bill on businesses, large and small, your Committee is also concerned about the possible differences in state and federal laws regarding capital cost recovery, thereby leading to increased implementation and administrative costs.

Your Committee notes the urgency of adopting this measure in this legislative session as opposed to waiting until the Regular Session of 1982. In the same manner as the repeal of the carryover basis of inherited property was adopted on a prospective basis in Act 159, Session Laws of Hawaii 1980, there is also a need to adopt provisions concerning capital cost recovery in this Regular Session. The reason for adopting Act 159 was the number of persons affected and the early adoption by Congress of the repeal of the carryover basis. Similarly, it appears that Congress will move early in this year to adopt a capital cost recovery law which will affect many persons in this state and, if not provided for in this session, will cause tremendous bookkeeping problems for both the state and the private sector.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1406, H.D. 1, and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1104 (Majority) Ways and Means on H.B. No. 867

The purpose of this bill is to give the investigators of the Attorney General's Office the same benefits and privileges of a police officer or deputy sheriff.

Your Committee agrees that the (1) required duties and functions, (2) high risk factor, and (3) high stress type situations of the Attorney General's investigators are equal to or greater than their counterparts at the county level. Their functions and duties are similar to but greater in scope and responsibility than those of the county prosecutor's investigators, yet lack similar benefits that their counterparts are receiving on all county levels.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 867 and recommends that it pass Third Reading.

Signed by all members of the Committee.  
Senators Henderson and Saiki did not concur.

SCRep. 1105 Ecology, Environment and Recreation on H.C.R. No. 147

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to submit a study to the Legislature assessing the possibility of acquiring the big beach area of Makena, Maui, for a state park.

In addition to evaluating the desirability of acquiring the land, the study would examine the various options which exist for its acquisition. The study would evaluate the possibility of 1) establishing a timetable for acquiring part or all of the land, 2) acquiring the land through a land exchange, and 3) acquiring the land through a cooperative effort involving various levels of government and private landowners. It would also consider the impact of any proposed acquisition on nearby private landowners.

Your Committee finds that the study requested by this concurrent resolution will help the Legislature to make an informed decision on the future of this land.

Your Committee on Ecology, Environment and Recreation concurs with the intent and purpose of H.C.R. No. 147, H.D.1, and recommends its adoption.

Signed by all members of the Committee except Senators Mizuguchi and Uwaine.

SCRep. 1106 Ways and Means on H.B. No. 35

The purpose of this bill is to amend section 235-12, Hawaii Revised Statutes, by extending the present solar tax credit expiration date from December 31, 1981, to December 31, 1985. The bill also expands the exemption to include heat pumps and wind energy devices. The solar tax credit would apply to heat pumps and wind energy devices installed and placed in service after December 31, 1980.

Your Committee is in agreement that extending tax incentives to include wind energy devices and heat pumps would encourage Hawaii's citizens to install and utilize these energy saving devices, thereby reducing the State's dependence on a dwindling supply of fossil fuels. An extension of the solar tax credit to December 31, 1985 will conform with the federal expiration date for energy conservation tax credits.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 35, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1107 Ways and Means on H.B. No. 440

The purpose of this bill is to increase from five per cent to ten per cent the amount of the child care tax credit allowed against state income tax.

Your Committee finds that such an increase would be of assistance to the many families in this state of which both parents are part of the work force and to single-parent families. The tax credit does not match the federal tax credit, but your Committee believes that an equal credit is not necessary since the federal tax rate is substantially higher than the state tax rate.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 440, H.D. 2 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1108 Ways and Means on H.B. No. 630

The purpose of this bill is to provide for the addition of a third circuit court judge for the Island of Hawaii (Third Circuit).

Your Committee finds that the case load in the Third Circuit has increased to a point where the addition of a third judge is justified.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 630, 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. 1109 Ways and Means on H.B. No. 741

The purpose of this bill is to extend coverage of Part I (Discriminatory Practices) of the Employment Practices Act, Chapter 378, Hawaii Revised Statutes, to employees of the state and county governments; to help ensure that women are provided equal treatment in employment when disabled because of pregnancy-related conditions; and to clarify policies and procedures in the area of enforcement with respect to unlawful or discriminatory employment practices.

Currently, state and county governments, as employers, are not subject to Chapter 378, Hawaii Revised Statutes, which prohibits discriminatory employment practices. As a result, aggrieved state or county employees must file complaints about alleged discriminatory practices under Title VII of the Federal Civil Rights Act of 1964, as amended, with the Equal Employment Opportunity Commission in San Francisco. They then must wait for an investigation which, until recently, often took about two years to complete.

This bill remedies this inequity by providing the same protection against discrimination, under state law, to public employees as is already provided to employees in the private sector. The bill also clarifies and strengthens the existing statutory prohibition against employment discrimination because of sex by adding a definition of "because of sex" to include pregnancy and related medical conditions. Additionally, the bill clarifies the definitions and procedures relating to enforcement of the anti-discrimination provisions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 741 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1110 Ways and Means on H.B. No. 1584

The purpose of this bill is to provide a pay increase for enlisted personnel of the Army and Air National Guard while on active duty in service of the state.

Based on an eight-hour day, the lowest pay and allowance for personnel is presently about \$28.74, or \$3.59 per hour. The state minimum wage is \$26.80 or \$3.35 per hour beginning July 1, 1981. The proposed increase in minimum daily pay from eight to ten times the minimum wage would set the minimum pay at \$33.50 per day or \$4.19 per hour. This would benefit the three lowest enlisted grades of Privates, Airmen E1, E2, and Private First Class E3.

Your Committee finds that because there are no provisions to compensate personnel for overtime when they are required to work more than the normal eight-hour day, lower ranking personnel are sometimes compensated at less than the state minimum wage when they work more than eight hours a day.

Your Committee is in agreement that Army and Air National Guard personnel should receive at least the equivalent of the state minimum wage and that this bill will provide needed relief to lower grades of enlisted personnel.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1584 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1111 Economic Development on Gov. Msg. Nos. 129 and 226

Recommending that the Senate advise and consent to the nominations of the following:

VIRGINIA DEE COSTELLO to the Commission on the Year 2000, for term ending December 31, 1984;

FRANCIS S. ODA to the Commission on the Year 2000, for term ending December 31, 1984; and

LESTER E. CINGCADE to the Commission on the Year 2000, for term ending December 31, 1984.

Signed by all members of the Committee except Senators Kuroda and Machida.



## SCRep. 1112 Economic Development on Gov. Msg. Nos. 225 and 128

Recommending that the Senate advise and consent to the nominations of the following:

DAVID M. MURATA to the Commission on Population and the Hawaiian Future, for term ending December 31, 1984;

BAILEY R. CENTER to the Commission on Population and the Hawaiian Future, for term ending December 31, 1983;

GEORGE L. BUTTERFIELD, JR., to the Commission on Population and the Hawaiian Future, for term ending December 31, 1984;

FRANKLIN TY KUDO to the Commission on Population and the Hawaiian Future, for term ending December 31, 1984; and

PAUL T. TAJIMA to the Commission on Population and the Hawaiian Future, for term ending December 31, 1983.

Signed by all members of the Committee except Senators Kuroda and Machida.

## SCRep. 1113 Legislative Management

Informing the Senate that S.R. Nos. 325 to 343, Conf. Com. Rep. Nos. 53 to 59 and Stand. Com. Rep. Nos. 1083 to 1112 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 1114 Housing and Hawaiian Homes on H.C.R. No. 225

The purpose of this concurrent resolution is to request a federal grant of \$10 million to provide rental subsidies in order to implement the rental housing revenue bond program established by Act 291, Session Laws of Hawaii 1980.

Your Committee earlier this session heard testimony on House Bill No. 641, which is now awaiting the Governor's signature. This bill further refines Act 291 by establishing a rental assistance fund to receive federal subsidies, private grants or contributions, or state appropriations.

Your Committee is optimistic that this request for a housing assistance grant will be favorably received in Washington as the administration has expressed intentions to curtail existing housing programs and replace them with housing block grants instead. The Governor's Special Assistant on Housing has already received encouragement from the Office of Management and Budget as the Rental Assistance Fund is unique in that any subsidies are full recoverable.

Your Committee on Housing and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 225, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

## SCRep. 1115A Legislative Management

Informing the Senate that S.R. No. 344, Conf. Com. Rep. Nos. 60 to 70 and Stand. Com. Rep. No. 1114 have been printed and are ready for distribution.

Signed by all members of the Committee.

## SCRep. 1115 Consumer Protection and Commerce on Gov. Msg. No. 319

Recommending that the Senate advise and consent to the nomination of THOMAS S. SHIMABUKU to the Boxing Commission, for term ending December 31, 1984.

Signed by all members of the Committee except Senators Machida and Henderson.

## SCRep. 1116 Legislative Management on S.R. No. 41

The purpose of this resolution is to request the President of the Senate to appoint an interim committee to review whether a limitation on the number of bills which may be introduced during a regular session should be established and if limitation is found to be desirable, to recommend the appropriate strategy for implementation.

Your Committee notes the finding in the resolution that Hawaii ranks among the top twelve states in number of bills introduced. This situation has continued to be the case for a number of years and various representatives of the public have decried this situation. Other states have reduced or limited the number of bills introduced in their legislatures but Hawaii has not taken this step. Your Committee finds that this problem should be seriously considered by the Senate during the interim and a solution be reached, if possible for the 1982 Regular Session.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

Signed by all members of the Committee.